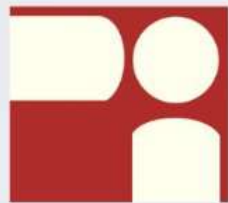


6TH ANNUAL REPORT 2023



PRITIKA

ENGINEERING COMPONENTS LIMITED

Board of Directors

Mr. Raminder Singh Nibber Chairman & Director
Mr. Harpreet Singh Nibber Managing Director & CEO
Mr. Ajay Kumar Director
Mr. Bishwanath Choudhary Independent Director
Mrs. Neha Independent Director
Mr. Aman Tandon Independent Director

Statutory Auditors

M/s. Sunil Kumar Gupta & Co.
Chartered Accountants

Bankers

Canara Bank
HDFC Bank

Chief Financial Officer

Mr. Narinder Kumar Tyagi

Registrar & Transfer Agents

Link Intime India Private Limited

Company Secretary

Mr. Chander Bhan Gupta

Regd. Office: C-101, 247 Park,
1st Floor, L.B.S. Marg, Vikhroli
West, Mumbai, 400083, Maharashtra
Tel : +91 22 4918 6200
Email: rnt.helpdesk@linkintime.co.in

Registered Office

Plot No. C-94, Phase-VII,
Industrial Focal Point,
S.A.S. Nagar, Mohali,
Punjab-160055

Works

Village Simbli, Phagwara-
Hoshiarpur Road, Tehsil
& District Hoshiarpur,
Punjab-146001

CIN

L28999PB2018PLC047462

Website

www.pritikaengineering.com

E-mail

compliance.pecl@pritikagroup.com

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 6th ANNUAL GENERAL MEETING OF THE MEMBERS OF PRITIKA ENGINEERING COMPONENTS LIMITED WILL BE HELD ON THURSDAY, 28th SEPTEMBER, 2023 AT 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO. C-94, PHASE-VII INDUSTRIAL FOCAL POINT, S.A.S NAGAR MOHALI- 160055, PUNJAB TO TRANSACT FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM NO. 1 – ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and auditors thereon.

ITEM NO. 2 – ADOPTION OF CONSOLIDATED FINANCIAL STATEMENTS

To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2023 and the reports of the auditors thereon.

ITEM NO. 3 - APPOINTMENT OF MR. AJAY KUMAR AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint Mr. Ajay Kumar (DIN: 02929113) who retires by rotation and, being eligible, seeks re-appointment as director.

To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution

“**RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions of Companies Act, 2013, Mr. Ajay Kumar is reappointed as director of the company, liable to retire by rotation.”

SPECIAL BUSINESS:

ITEM No. 4

To appoint Mr. Aman Tandon as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution, with or without modifications, as Special Resolution

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, Mr. Aman Tandon holding DIN: 02159395, who was appointed as an Additional Director of the company w.e.f. 25/08/2023 in the category of Independent Director and in respect of

whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent on the Board of the Company w.e.f 25/08/2023 for a period of three years and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 read with Schedule V and other applicable provisions of the Act and rules made there under, Mr. Aman Tandon be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Raminder Singh Nibber and/or Mr. Harpreet Singh Nibber, Directors of the Company be and are hereby severally authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies.”

ITEM NO. 5

Approval of the material related party transactions with Pritika Auto Industries Ltd.

To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (Act) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, and pursuant to Company’s Policy on Related Party Transactions, approval of Audit Committee and Board of Directors, approval of Shareholders be and is hereby accorded for entering into/continue the agreements/contract(s)/ arrangement(s)/ transaction(s) with Pritika Auto Industries Ltd. (CIN: L45208PB1980PLC046738), the related party of the company within the meaning of Section 2(76) of the Companies Act, 2013, for the Financial year 2024-25, with relation to i) purchase and sale of Auto components/ parts, castings, scrap; ii) availing/providing services; iii) doing and/or getting done job work; iv) reimbursement of expenses; v) taking/giving inter-corporate loans/advances vi) selling/disposing/buying/leasing property of any kind vii) payment of dividend on investment in securities (hereinafter collectively referred to as 'related party transactions') for the Cumulative value of transactions not exceeding Rs. 250.00 crore, on the terms and conditions mentioned in the explanatory statement, provided herein, however that the contracts, agreements, arrangements and transactions so carried out shall be at arm's length basis and in Company's ordinary course of business.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise and to undertake all such acts, deeds, matters and things to finalize and execute such documents, deeds, agreements, arrangements and writings as may be deemed necessary, proper and desirable in its absolute discretion to give effect to the aforesaid Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

ITEM NO. 6

Approval of the material related party transactions with Meeta Castings Ltd.

To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (Act) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, and pursuant to Company’s Policy on Related Party Transactions, approval of Audit Committee and Board of Directors, approval of Shareholders be and is hereby accorded for entering into/continue the agreements/contract(s)/arrangement(s)/transaction(s) with Meeta Castings Ltd. (CIN:U27100PB2022PLC 055438), the related party of the company within the meaning of Section 2(76) of the Companies Act, 2013, for the Financial year 2024-25, with relation to i) purchase and sale of Auto components/ parts, castings, scrap; ii) availing/providing services; iii) doing and/or getting done job work; iv) reimbursement of expenses; v) taking/giving inter-corporate loans/advances vi) selling/disposing/buying/leasing property of any kind vii) payment of dividend on investment in securities (hereinafter collectively referred to as 'related party transactions') for the Cumulative value of transactions not exceeding Rs. 100.00 crore, on the terms and conditions mentioned in the explanatory statement, provided herein, however that the contracts, agreements, arrangements and transactions so carried out shall be at arm's length basis and in Company's ordinary course of business.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise and to undertake all such acts, deeds, matters and things to finalize and execute such documents, deeds, agreements, arrangements and writings as may be deemed necessary, proper and desirable in its absolute discretion to give effect to the aforesaid Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

ITEM NO. 7

Approval of the material related party transactions with Pritika Industries Ltd.

To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (Act) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, and pursuant to Company’s Policy on Related Party Transactions, approval of Audit Committee and Board of Directors, approval of Shareholders be and is hereby accorded for entering into/continue the agreements/contract(s)/arrangement(s)/ transaction(s) with Pritika Industries Ltd. (CIN: U85100PB1997PLC038216), the related party of the company within the meaning of Section 2(76) of the Companies Act, 2013 for the Financial year 2024-25 with relation to i) purchase and sale of Auto components/ parts, castings, scrap; ii) availing/providing services; iii) doing and/or getting done job work; iv) reimbursement of expenses; v) taking/giving inter-corporate loans/advances vi) selling/disposing/buying/leasing property of any kind vii) payment of dividend on investment in securities (hereinafter collectively referred to as 'related party transactions') for the Cumulative value of transactions not exceeding Rs.60.00 crore, on the terms and conditions mentioned in the explanatory statement, provided herein, however that the contracts, agreements, arrangements and transactions so carried out shall be at arm’s length basis and in Company’s ordinary course of business.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise and to undertake all such acts, deeds, matters and things to finalize and execute such documents, deeds, agreements, arrangements and writings as may be deemed necessary, proper and desirable in its absolute discretion to give effect to the aforesaid Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

For and on behalf of the Board of Directors

Date: 25/08/2023
Place: Mohali

Sd/-
Harpreet Singh Nibber
Managing Director
DIN: 00239042

NOTES:

1. A Member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend, and on a poll, to vote instead of himself/ herself and such proxy need not be a member of the company.
2. Proxies, if any, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the meeting. Proxies submitted on behalf of the Companies, etc., must be supported by appropriate resolution/authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.
3. A person can act as a proxy on behalf of members not more than fifty members holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representative to attend and vote at the Meeting on the email id of the Company compliance.pecl@pritikagroup.com
5. Members/Proxies are requested to bring attendance slip to the meeting.
6. Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours up to the date of the Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold in physical form are requested to write their folio number in the attendance slip.
8. In case of Joint Holders attending the meeting, 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.
9. Nomination facility for shares is available for Members

10. Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email address with the Company.
11. The Company is providing facility for voting by electronic means and the business may be transacted through e-voting.
12. In compliance with the provisions of Section 108 and other applicable provisions of the Act, if any, the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (LODR) Regulations, 2015, the Members are provided with the facility to cast their vote electronically on all resolutions set forth in this Notice from a place other than the venue of the meeting (“remote e-voting”).
13. The Members, whose names appear in the Register of members / list of Beneficial Owners as on Thursday, 21st September, 2023 (“cut-off date”) are entitled to vote on the Resolutions set forth in this Notice.
14. Electronic copy of the Notice for the AGM along with the Attendance Slip and Proxy form are being sent to all the Members whose e-mail ids are registered with the Company/Depository Participant(s). The Notice with Annual Report 2023 is also available on the Company’s website: <https://www.pritikaengineering.com/annual-reports.html> for download and at the websites of the National Stock Exchange of India Limited where the Company’s shares are listed. The AGM Notice is also disseminated on the website of National Securities Depository Limited (NSDL).
15. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
16. The Company has appointed Mr. Sushil K Sikka, Practicing Company Secretary of M/s. S. K. Sikka & Associates, Company Secretaries, as the Scrutinizer to scrutinize the entire e-voting process, in a fair and transparent manner.
17. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL within two days of the passing of the resolutions at the AGM of the Company on 28th September, 2023 and communicated to the Stock Exchange, where the shares of the Company are listed
18. A route map to reach the venue of the Meeting to be attached along with this Notice in accordance with Clause No. 1.2.4 of the Secretarial Standard-2 on “General Meetings” is attached.
19. The members attending the meeting shall carry any one Identity proof so as to get entry in the Venue.
20. In line with the MCA General Circular No. 20/2020 dated 5/5/2020 and 02/2021 dated 13/1/2021, 02/2022 dated 5/5/2022 and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12/5/2020, SEBI/HO/CFD/CMD 2/CIR/P/2021/11 dated 15/1/2021 and SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13/5/2022 Notice of the AGM alongwith Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice with Annual Report 2023 will also be available on the Company’s website: <https://www.pritikaengineering.com/annual-reports.html> and Website of NSE at www.nseindia.com, and on the website of NSDL at <https://www.evoting.nsdl.com>. Even after e-communication, members are entitled to receive copy of Notice of AGM alongwith Annual Report 2022-23 in physical form, upon making a request for the same, by post free of cost. The Shareholders may send requests to the Company's investor email id: compliance.pecl@pritikagroup.com for the same.

21. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 28th September, 2023.
22. The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from 25th day of 2023 to 28th day of September, 2023 (both days inclusive) for the purpose of AGM.
23. Explanatory statement pursuant to sub-section (1) of Section (102) is annexed to the Notice.

24. Additional information on director recommended for appointment/reappointment as required under Regulation 36 of the Listing Regulations

Mr. Ajay Kumar

Mr. Ajay Kumar aged 49 years, is a young B.E with M.B.A. He has more than 22 years experience in industry. He is associated with the group for the last 17 years and is looking after all the functional areas. He has extensive knowledge of company's operations and possesses rich experience and expertise in production & marketing. He is an approved Internal Auditor for ISO.

Disclosure of relationship between directors inter-se: He is not related to any director or Key Managerial Personnel of the company.

Mr. Ajay Kumar is whole time director on the Board of Pritika Auto Industries Ltd., listed entity. He has not resigned from any listed entity in the past three years.

He is holding one equity share of the company.

Mr. Aman Tandon

Mr. Aman Tandon (DIN:02159393) aged 49 is B.Tech (Aeronautical) and is Managing Director of Milestone Gears Pvt. Ltd. He has vast experience of more than 20 years in Industry. He has experience in operational management, corporate strategy, client engagement, capacity building and fiscal paradigms.

Disclosure of relationship between directors inter-se: He is not related to any director or Key Managerial Personnel of the company.

Mr. Aman Tandon is Managing Director of Milestone Gears Pvt Ltd and does not hold directorship or membership on the Committees of Board in any other listed company.

He is not holding any equity share of the company.

Voting through electronic means

- I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the **business may**

be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- II. The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system
- III. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. Poll will be conducted under the supervision of the Scutinizer appointed for evoting and poll. Scrutinizer decision on validity of vote will be final.
- IV. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- V. **The remote e-voting period commences on Monday, 25th September, 2023 at 9:00 a.m. and ends on Wednesday, 27th September, 2023 at 5:00 p.m.** During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 21st September, 2023** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 21st September, 2023**. Any person, who acquires shares of the Company and become member of the Company after email of the notice and holding shares as of the cut-off date i.e., **21st September, 2023**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or compliance.pecl@pritikagroup.com
- VII. The process and manner for remote e-voting are as under:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Monday, 25th September, 2023 at 9:00 a.m. and ends on Wednesday, the 27th September, 2023 at 5:00 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., 21st 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 21st 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 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"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are 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 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 hold 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.

	<p>3 If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4 Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
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. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

B) Login Method for e-Voting 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 demat account 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 demat account 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***

5. 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.**

6. 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.co.in 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.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically 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 is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
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 to sikkasushil@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
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 : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms.Pallavi Mhatre at evoting@nsdl.co.in

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 compliance.pecl@pritikagroup.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 compliance.pecl@pritikagroup.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 for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Appointment of Independent Director

To fill the vacancy created after resignation of Mr. Subramaniam Bala, Independent Director, the Board of Directors pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, read with Schedule IV to the Companies Act, 2013 has appointed Mr Aman Tandon as an Additional Director in the capacity of Independent Director of the company to hold the office for a period of three years w.e.f. 25/08/2023, not liable to retire by rotation, subject to the approval of the members of the company at the ensuing Annual General Meeting.

As an Additional Director Mr Aman Tandon will hold office till the date of the AGM and is eligible for being appointed as an Independent Director. The company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director on the Board of the Company.

The company has also received a declaration from Mr. Aman Tandon confirming that he meets the criteria of independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Tandon is also not disqualified from being appointed as director in terms of section 164 of the Act and has given his consent to act as Director of the company. In the opinion of the Board Mr. Aman Tandon fulfills the conditions specified in the Companies Act, 2013 and Listing Regulations for appointment as Independent Director and he is independent of the management.

Mr. Aman Tandon (DIN:02159393) aged 49 years is B.Tech (Aeronautical) and is Managing Director of Milestone Gears Pvt. Ltd. He has vast experience of more than 20 years in Industry. He has experience in operational management, corporate strategy, client engagement, capacity building and fiscal paradigms.

Except Mr. Aman Tandon, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution

The Board of Directors recommends the resolution at Item No. 4 of this Notice for your approval by Ordinary Resolution in the interest of the company.

ITEM NO. 5,6&7

Pritika Auto Industries Ltd. Pritika Industries Ltd. and Meeta Castings Ltd. are 'related party' of the company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), hence the contracts, agreements, arrangements and transactions between Pritika Engineering Components Ltd. with Pritika Auto Industries Ltd. , Pritika Industries Ltd. and Meeta Castings Ltd. fall under the category of a related party transaction of the Company in terms of the provisions of Section 188 of the Companies Act, 2013, rules framed there under and Regulation 23 of the Listing Regulations, 2015.

In accordance with the Explanation to Regulation 23(1) of the Listing Regulations, 2015, a transaction with a related party is considered as material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. The Company had entered into Agreement for related party transactions with Pritika Industries Ltd., Meeta Castings Ltd. and Pritika Auto Industries Ltd. for a period of one year w.e.f. 1st April, 2023. The Company may enter into material related party transactions with these companies during 2024-25.

The Audit Committee and the Board of Directors of the Company at their meeting held on 8th August, 2023, subject to approval by the members of the company, have approved entering into the related party contracts, agreements, arrangements and transactions w.e.f. 1st April, 2024 for a period of one year as

more particularly described in table below. It is envisaged that considering the threshold limits prescribed under the Listing Regulations, 2015 and the policy on material related party transactions as adopted by the Company, the related party transactions with Pritika Auto Industries Ltd. , Meeta Castings Ltd. and Pritika Industries Ltd. may be classified as material and may require approval of the members.

The key details pursuant to Explanation 3 to clause 3 of Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

Item No. 5

Sr. No.	Particulars	Details
1	Name of the Related Party	Pritika Auto Industries Ltd. (PAIL)
2	Name of the Director or KMP who is related	Mr. Raminder Singh Nibber, Mr. Harpreet Singh Nibber and Mr. Ajay Kumar, directors
3	Nature of Relationship	Mr. Raminder Singh Nibber, Mr. Harpreet Singh Nibber and Mr. Ajay Kumar, directors of company are also director of PAIL. PAIL is holding of the company
4	Nature, material terms, monetary value and particulars of contract or arrangements of Services/ transactions	<p>Nature of transactions:</p> <ul style="list-style-type: none"> i) purchase and sale of Auto components/ parts, castings, scrap ii) availing/providing services iii) doing and/or getting done job work etc iv) reimbursement of expenses v) taking/giving inter-corporate loans/ advances vi) selling/disposing/buying/leasing property of any kind vii) payment of dividend on investment in securities <p>Duration: One year (1/04/2024 to 31/03/2025)</p> <p>The cumulative value of all transactions with PAIL shall not exceed Rs.250.00 crore per annum.</p> <p>Terms: Consideration for each of the transactions shall be determined mutually between the parties, depending on the process and product involved and shall be at an arm's length basis considering prevalent market conditions.</p>
5	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract	The pricing/ commercial terms will be determined based on the transactions with unrelated parties for similar nature of transaction, if any. The prices/commercial terms will be determined on arm's length basis.
6	Any other information relevant or important for the members to take a decision on the proposed transaction.	Company is material subsidiary of PAIL.

Item No. 6

Sr. No.	Particulars	Details
1	Name of the Related Party	Meeta Castings Ltd. (MCL)
2	Name of the Director or KMP who is related	Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber , directors

3	Nature of Relationship	Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber , directors of company are also director of MCL. MCL is wholly owned subsidiary of the company
4	Nature, material terms, monetary value and particulars of contract or arrangements of Services/ transactions	<p>Nature of transactions:</p> <ul style="list-style-type: none"> i) purchase and sale of Auto components/ parts, castings, scrap ii) availing/providing services iii) doing and/or getting done job work etc iv) reimbursement of expenses v) taking/giving inter-corporate loans/ advances vi) selling/disposing/buying/leasing property of any kind vii) payment of dividend on investment in securities <p>Duration: One year (1/04/2024 to 31/03/2025)</p> <p>The cumulative value of all transactions with MCL shall not exceed Rs. 100.00 crore per annum.</p> <p>Terms: Consideration for each of the transactions shall be determined mutually between the parties, depending on the process and product involved and shall be at an arm's length basis considering prevalent market conditions.</p>
5	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract	The pricing/ commercial terms will be determined based on the transactions with unrelated parties for similar nature of transaction, if any. The prices/commercial terms will be determined on arm's length basis.
6	Any other information relevant or important for the members to take a decision on the proposed transaction.	Meeta Castings Limited is wholly owned subsidiary of the company.

Item No. 7

Sr. No.	Particulars	Details
1	Name of the Related Party	Pritika Industries Ltd. (PIL)
2	Name of the Director or KMP who is related	Mr. Raminder Singh Nibber , Mr. Harpreet Singh Nibber and Mr Ajay Kumar, directors
3	Nature of Relationship	Mr. Raminder Singh Nibber, Mr. Harpreet Singh Nibber and Mr Ajay Kumar, directors of company are also director of PIL.
4	Nature, material terms, monetary value and particulars of contract or arrangements of Services/ transactions	<p>Nature of transactions:</p> <ul style="list-style-type: none"> i) purchase and sale of Auto components/ parts, castings, scrap ii) availing/providing services iii) doing and/or getting done job work etc iv) reimbursement of expenses v) taking/giving inter-corporate loans/ advances vi) selling/disposing/buying/ leasing property of any kind vii) payment of dividend on investment in securities <p>Duration: One year (1/04/2024 to 31/03/2025)</p> <p>The cumulative value of all transactions with PIL shall not exceed Rs. 60.00 crore during FY 2024-25.</p> <p>Terms: Consideration for each of the transactions shall be determined mutually between the parties, depending on the process and product involved and shall be at an arm's length basis considering prevalent market conditions.</p>

5	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract	The pricing/ commercial terms will be determined based on the transactions with unrelated parties for similar nature of transaction, if any. The prices/commercial terms will be determined on arm's length basis.
6	Any other information relevant or important for the members to take a decision on the proposed transaction.	Pritika Auto Industries Ltd. the Holding of the company is Associate of Pritika Industries Ltd.

The contracts, agreements, arrangements and transactions so carried out shall be at arm's length basis and in Company's ordinary course of business. No advances have been paid for the said transactions as of now. However if required in future, the advances will be paid as per industry norms, customs and usages. Further all the factors of the contract have been considered.

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition "Related Party" shall not vote to approve the resolution proposed at item no. 5 to 7 of the notice, irrespective of whether the entity is a party to the particular transaction or not. Accordingly, the promoters and promoter group will not vote to approve the proposed resolutions.

Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber hold in aggregate three Equity shares and M/s Pritika Auto Industries Limited holds 76,34,508 Equity shares of the company and being promoters are concerned or interested in the Ordinary resolutions to this notice.

Except Mr. Raminder Singh Nibber, Mr. Harpreet Singh Nibber and Mr. Ajay Kumar, none of the Directors and Key Managerial persons of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 5 to 7.

The Board has recommended Ordinary Resolutions at Item No. 5 to 7 for approval by the Members.

For and on behalf of the Board of Directors

Date: 25/08/2023
Place: Mohali

Sd/-
Harpreet Singh Nibber
Managing Director
DIN: 00239042

Chairman's Message to Shareholders

Dear Shareholders,

It is my pleasure to address you at the onset of the new financial year. This is the first fiscal for us as a listed Company and we are very excited for the opportunities to come.

The past year witnessed its share of headwinds, in the form of macro-economic volatility and geo-political tensions, which affected several industries. However, resilience is a part of our DNA at the Pritika Group, which reflects in Pritika Engineering's enduring performance for the year.

In the year ended 31st March 2023, on a standalone basis, we reported Rs. 82.32 crores in revenue, a growth of 53.57% year-on-year. Our EBITDA and PAT grew to Rs. 10.30 crores and Rs. 3.54 crores, respectively. Growth was mainly driven by higher volumes (40% year-on-year), on the back of good demand from the tractor segment.

Pritika Engineering's listing, in December 2022, was a grand success, with the IPO being oversubscribed 150 times. The successful IPO is a testament to the strong fundamentals of our company and the confidence that investors have in our growth potential. We raised Rs. 9.42 crores from the IPO, and these proceeds are being used in product development and capacity expansion initiatives. This reflects a strong order book from various OEMs, which in turn indicates an upward demand outlook in the tractors and commercial vehicles sectors. In fact during some of the quarters in this year, we saw relatively higher demand from commercial vehicles.

Your Company is particularly focused on research and development. In line with this, we are using a new technique – Lost Foam Technology – to develop products, which are not only higher quality but also cost effective. Moreover, we are consciously focusing more on higher weight products, since they fetch better realizations and margins. These two factors together should help us achieve better top line as well as profit margins going forward.

Our product diversification initiatives should also enable us to reduce our dependence on the tractor industry, by expanding more into commercial vehicles and material handling applications. Consequently, we continue to expand our market share and strengthen our relationships with existing customers.

Our commitment to sustainability and social responsibility has also remained a key priority. We continue to work towards reducing our carbon footprint, minimizing waste, and ensuring that our operations have a positive impact on the communities we serve. We believe that responsible business practices are integral to our long-term success and sustainability.

Looking ahead, we are optimistic about the next year and are well-positioned to capitalize on opportunities in emerging technologies and expand our footprint in international markets. We will also continue to build strategic partnerships and focus on operational excellence to ensure that we remain competitive and profitable.

I would like to take this opportunity to thank our employees, customers, suppliers, and all stakeholders for their support and trust in us. I am confident that together we will continue to achieve new heights of success and growth.

Sincerely,
Raminder Singh Nibber
Chairman

DIRECTOR'S REPORT

Dear Shareholders,

The Directors have pleasure in presenting their 6th Annual Report on the business and operations together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2023.

1. FINANCIAL RESULTS

The Financial results are briefly indicated below:

(In Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	*2021-22
Revenue from operations (net)	8232.30	5360.75	8232.30	-
Other Income	38.18	378.83	12.50	-
Profit before Interest, Depreciation and Tax (PBIDT)	1068.32	1012.78	1042.14	-
Interest	363.57	219.34	363.57	-
Profit before Depreciation and Tax (PBIT)	704.75	793.44	678.57	-
Depreciation	279.07	206.36	279.07	-
Profit before Tax Expenses	425.68	587.08	399.50	-
Tax Expenses	71.85	38.14	71.85	-
Profit after Tax	353.83	548.94	327.65	-
Other Comprehensive Income	(0.04)	(155.68)	(0.04)	-
Total Comprehensive Income	353.79	393.26	327.61	-
EPS- Basic	4.08	7.19	3.78	-
Diluted	4.08	7.19	3.78	-

The Standalone Revenue from the operations (net) for the Financial Year 2022-23 was Rs.8232.30 lac (Previous year Rs. 5360.75 lac). The company earned Net Profit of Rs.353.83 lac (Previous Year Rs. 548.94 lac).The Earning per share was Rs. 4.08.

The Consolidated Revenue from the operations (net) for the Financial Year 2022-23 was Rs. 8232.30 lac (Previous Year Rs.Nil). The company earned Consolidated Net Profit Rs.327.65 lac (Previous Year Rs.Nil). The Consolidated Earning per share was Rs. 3.78. *Consolidated financial statement for the previous year was not prepared, as the first financial statement for Meeta Castings Ltd., the wholly owned subsidiary which was incorporated on 16/3/2022, was prepared for the Financial Year ended 31/3/2023.

There was no change in the nature of business of the company during the year.

The previous year figures have been restated, rearranged, regrouped and consolidated, to enable comparability of the current year figures of accounts with the relative previous year's figures.

2. INDUSTRIAL SCENARIO

The Indian tractor industry is one of the largest in the world, with India being the largest tractor market globally. The industry has grown significantly in recent years, driven by increasing demand from both the agricultural and non-agricultural sectors. The India tractor market size was valued at \$7,540.8 million in 2020, and is expected to reach \$12,700.8 million by 2030, with a CAGR of 7.9% from 2021 to 2030. The COVID-19 outbreak had a positive impact on the growth of the India tractor industry owing to increase in demand for agricultural produces such as cereals, vegetables, and fruits in the country.

The Indian tractor industry smashed a couple of records in FY23 - producing over a million units for the first time ever and also achieving their highest ever domestic sales. FY23 saw 12% growth in domestic tractor volumes, with 945,311 units compared to 842,266 in FY22, according to Tractor & Mechanization Association (TMA).

In FY23, the total tractor production in the country stood at 1,071,310 (9.61 lakh in FY22 and 9.65 lakh in FY21). After witnessing buoyant demand in FY22, exports moderated during FY23 and reported a marginal decline to 124,542 units compared with 128,636 units in the previous fiscal.

The Indian Automobile industry is expected to reach a turnover of approximately \$300 billion by 2026, growing at a CAGR of 15% from its current revenue of around \$74 billion.

The expansion of the e-commerce business is boosting the requirement for logistics services and is contributing to the growth of the tow tractor market. Moreover, tow tractors are increasingly gaining momentum in the manufacturing industry for several purposes. And retailers are investing a significant amount in tow tractors to enhance the logistics activities and make their work a little easier as these tractors are easy to handle and require less maintenance.

The cyclical pattern of the agricultural industry is a major challenge impeding the market growth. The natural phenomenon of seasonal agricultural cycles leads to the seasonal availability of disposable income for farmers. This impacts their purchasing power, thus leading to seasonal purchases of agricultural equipment like tractors. This pattern is affected by various factors, including environmental conditions like rain forecasts and financial resources available for farmers, including the availability of credit facilities, government support in the form of subsidies, and the availability of automatized farming equipment at the disposal of farmers. This instability in agricultural patterns directly affects the sales of automatic farming equipment.

The Government of India encourages foreign investment in the automobile sector and has allowed 100% FDI under the automatic route. The government's Automotive Mission Plan (AMP) 2016-26 will help the automotive industry grow and will benefit the economy in the following ways:

- The auto industry's GDP contribution will rise to over 12%.
- Additional ~65 million direct and indirect jobs will be created.
- End-of-life policy will be implemented for old vehicles.

3. SHARE CAPITAL

During the year under review the Authorised Share Capital of the company was increased to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lacs only) Equity Shares of Rs. 10/- each. The company has brought its IPO of 32,48,000 equity shares of the face value of Rs. 10/- each at a premium of 19/- per share. The issue was oversubscribed by 150 times. Resultantly the Paid up share capital of the company has increased to Rs. 10,88,25,150 consisting 1,08,82,515 equity shares of Rs. 10/- each as on 31/03/2023.

During the current year the company raised its Authorised share capital to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crore only) Equity Shares of Rs. 10/- each. The company issued and allotted by way of Preferential Allotment, 23,00,000 equity shares of the face value of Rs. 10/- each at an issue price of Rs. 39.50 per share (i.e. on a premium of Rs. 29.50 per share) to the Promoter/Promoters Group and Non Promoters (Public Category). The present Issued and Paid up capital of the company is Rs. 13,18,25,150.

4. LISTING ON NATIONAL STOCK EXCHANGE OF INDIA LTD. (NSE) EMERGE

We feel pleasure in informing you that your company has listed its securities (equity shares) on NSE Emerge w.e.f. 08/12/2022. It will create more investment opportunities, enabling access and empowering our stakeholders. The Stock Code with NSE is: PRITIKA.

5. DIVIDEND

Considering the financial results and to plough back surplus of the Company, the Board did not recommend payment of any dividend for the year ended 31st March, 2023.

6. TRANSFER TO RESERVE

During the financial year, there was no amount proposed to be transferred to the Reserves.

7. AUDITORS & AUDITORS' REPORT

M/s. Sunil Kumar Gupta & Co., Chartered Accountants, New Delhi were appointed as statutory auditors of the company for a period of five years in the 4th AGM i.e. till the conclusion of the 9th Annual General Meeting to be held for the FY 2025-26.

The Auditors' Report for the fiscal 2023 does not contain any qualification, reservation or adverse remark. Further, in terms of section 143 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, as amended, no fraud has been reported by the Auditors of the Company where they have reasons to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company.

8. DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence company need not to give details related to deposits. There is no non-compliance of the provisions of Chapter V of the Companies Act 2013.

9. PARTICULARS OF EMPLOYEES

Disclosure pertaining to the remuneration and other details as required under the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendments thereof, is attached as **Annexure A**.

10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has adopted a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

-The Nomination & Remuneration Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as Director and ensures that the candidate identified possesses adequate qualification, expertise and experience for the appointment as a Director.

-The Nomination & Remuneration Committee ensures that the candidate proposed for appointment as Director is compliant with the provisions of the Companies Act, 2013.

-The candidate's appointment as recommended by the Nomination and Remuneration Committee requires the approval of the Board.

-In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independent nature of the Directors vis- à-vis the Company so as to enable the Board to discharge its function and duties effectively.

-The Nomination and Remuneration Committee ensures that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

-The policy can be viewed at company's website at <https://www.pritikaengineering.com/nomination-remuneration-policy.pdf>

11. CORPORATE GOVERNANCE

The Company is covered under criteria of Regulation 15(2)(b) of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, and is not required to provide 'Report on Corporate Governance'.

12. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company has incorporated a wholly owned subsidiary namely 'Meeta Castings Limited.' on 16/03/2022. Except this the company does not have any other Subsidiary, Joint venture or Associate

Company. The Company itself is subsidiary of Pritika Auto Industries Ltd. No company have become subsidiary, associates and joint ventures during the year under purview.

In accordance with the provisions of section 129 (3) of the Act read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the subsidiary is attached as '**Annexure B**' to this report.

13. STATEMENTS OF PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information in accordance with the provisions of Section 134 (3)(m) of the Act read with the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo during the reporting period is attached herewith and marked as '**Annexure-C**'.

14. RELATED PARTY TRANSACTIONS

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and forms part of this report as **Annexure-D**.

16. ANNUAL RETURN

The copy of Annual Return as at 31st March, 2023, is available on the company's website at <https://www.pritikaengineering.com/annual-return-mgt.html>

17. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204(1) of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed Mr. Sushil K Sikka, Prop. S K Sikka & Associates, Company Secretary as Secretarial Auditor of the Company for the Financial Year 2022-23. The Secretarial Audit Report forms part of the Annual Report and has been attached and marked as **Annexure-E**. The Secretarial Auditors' Report for the fiscal 2023 does not contain any qualification, reservation or adverse remark.

The Secretarial Audit Report of Meeta Castings Ltd., the wholly owned subsidiary of the company has been attached and marked as **Annexure-F**.

18. MANAGEMENT DISCUSSION ANALYSIS REPORT

The details forming part of Management Discussion and Analysis Report is annexed herewith to the Board Report as **Annexure G**.

19. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, there is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loan, guarantee and investment covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the financial statements.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details about the policy developed and implemented by the company on CSR initiative taken during the year is enclosed as **Annexure- H**. The company has also developed a policy on CSR which can be viewed at company's website <https://www.pritikaengineering.com/csr-policy.pdf>

22. MEETINGS OF BOARD OF DIRECTORS

The Board met fourteen times on 13-04-2022, 20-04-2022, 06-05-2022, 29-06-2022, 02-07-2022, 27-07-2022, 30-07-2022, 05-09-2022, 15-10-2022, 02-11-2022, 16-11-2022, 21-11-2022, 05-12-2022 and 28-01-2023 during the year. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

Attendance of Directors in the Board Meeting:

Sr. No.	Name of Directors	No. of Board Meetings	
		Entitled to attend	Attended
1.	Mr. Raminder Singh Nibber	14	14
2.	Mr. Harpreet Singh Nibber	14	14
3.	Mr. Ajay Kumar	14	14
4.	Mr. Subramaniyam Bala	9	5
5.	Mr. Bishwanath Choudhary	9	4
6.	Mrs. Neha	9	6

23. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

During the current year the company raised its Authorised share capital to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crore only) Equity Shares of Rs. 10/- each. The company issued and allotted by way of Preferential Allotment, 23,00,000 equity shares of the face value of Rs. 10/- each at a issue price of Rs. 39.50 per share (i.e on a premium of Rs. 29.50 per share) to the Promoter/Promoters Group and Non Promoters (Public Category).

24. CORPORATE ACTIONS DURING THE YEAR 2022-23

During the Financial Year 2022-23, the Company has made the following Corporate Actions:

Extra Ordinary General Meeting

The shareholders of the company in their Extra Ordinary General Meeting held on 16/4/2022 approved conversion of company into Public Limited Company. Accordingly the company was converted into a Public Limited Company vide fresh Certificate of Incorporation issued on 21/4/2022.

The shareholders of the company in their Extra Ordinary General Meeting held on 20th July, 2022, besides other agenda items:

-increased the Authorized Share Capital of the Company from Rs. 8,00,00,000/- (Rupees Eight Crore) divided into 80,00,000 (Eighty Lacs) Equity Shares of Rs. 10/- each to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lacs only) Equity Shares of Rs. 10/-.

-altered the existing Clause V (Capital Clause) of the Memorandum of Association of the Company reflecting the Increased Authorised Share Capital of the company.

-approved Initial Public Offer of equity shares of the company up to Rs. 12,00,00,000/- (Rupees Twelve Crores Only).

25. COMPOSITION OF COMMITTEES

The Company has complied with the SEBI (LODR) Regulations along with the Companies Act, 2013 with respect to the Composition of the Committees as required therein, details of which are as follows:

Audit Committee

The Composition of the Audit Committee as on 31.03.2023 and the number of meetings held and attended by members during the year is given herein below:

Member's Name	Designation	No. of meetings held	No. of meetings attended
Mr. Subramaniam Bala	Chairperson	6	5
Mr. Raminder Singh Nibber	Member	6	6
Mr. Bishwanath Choudhary	Member	6	1

All the recommendation made by the Audit Committee in the financial year 2022-23 were approved by the Board.

Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee as on 31.03.2023 and the number of meetings held and attended by members during the year is given herein below:

Member's Name	Designation	No. of meetings held	No. of meetings attended
Mr. Bishwanath Choudhary	Chairperson	1	1
Mrs. Neha	Member	1	1
Mr. Ajay Kumar	Member	1	1

Stakeholders Relationship Committee

The Composition of the Stakeholders Relationship Committee as on 31.03.2023 and the number of meetings held and attended by members during the year is given herein below:

Member's Name	Designation	No. of meetings held	No. of meetings attended
Mrs. Neha	Chairperson	1	1
Mr. Ajay Kumar	Member	1	1
Mr. Subramaniam Bala	Member	1	0

Corporate Social Responsibility Committee

The Composition of the Corporate Social Responsibility Committee as on 31.03.2023 and the number of meetings held and attended by members during the year is given herein below:

Member's Name	Designation	No. of meetings held	No. of meetings attended
Mr. Raminder Singh Nibber	Chairperson	2	2
Mr. Ajay Kumar	Member	2	2
Mrs. Neha	Member	2	2

26. BOARD EVALUATION

The Board of Directors have carried out an annual evaluation of its own performance, its committees and individual directors including Chairman of the Board on the basis of attendance, contribution and various criteria as recommended by the Nomination & Remuneration Committee of the Company. The evaluation of the working of the Board, its Committees, experience and expertise, performance of duties and obligations etc. were carried out.

27. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Composition of the Board and Key Managerial Personnel (KMP) of the Company as on 31st March, 2023 were as follows:

Sr. No.	Name of Director	Designation	Date of Appointment
1	Mr. Raminder Singh Nibber	Non Executive Director	20/02/2018
2	Mr. Harpreet Singh Nibber	Managing Director	20/02/2018
3	Mr. Ajay Kumar	Non Executive Director	05/10/2021
4	Mr. Subramaniyam Bala	Independent Director	20/07/2022
5	Mr. Bishwanath Choudhary	Independent Director	20/07/2022
6	Mrs. Neha	Independent Director	20/07/2022
7	Mr. Narinder Kumar Tyagi	Chief Financial Officer	20/07/2022
8	Mr. Chander Bhan Gupta	Company Secretary	20/07/2022

Re-Appointment of Director

Mr. Ajay Kumar, director retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

Independent Directors

Independent Directors on your Company's Board have submitted declarations of independence to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board our Independent Directors possesses requisite qualification, experience and hold high standards of integrity for the purpose of Rule 8(5)(iii a) of the Companies (Accounts) Rules, 2014.

Change in Composition of Board

During the Financial Year 2022-23 there were following changes in the composition of Board of Directors:

Mr. Subramaniyam Bala (DIN 00461697) was appointed as an Independent Director on the Board w.e.f. July 20, 2022.

Mr. Bishwanath Choudhary (DIN 02313294) was appointed as an Independent Director on the Board w.e.f. July 20, 2022.

Mrs. Neha (DIN 08109734) was appointed as Woman Independent Director on the Board w.e.f. July 20, 2022.

Mr. Ajay Kumar (DIN: 02929113), additional director was appointed as Director retiring by rotation w.e.f. July 20, 2022.

During the Current year Mr Subramaniyam Bala, Independent Director has resigned from the Board of Directors. The Board has appointed Mr. Aman Tandon as an Additional Director in the category of Independent Director w.e.f. 25/08/2023 for a period of three years subject to the approval of the members in the ensuing Annual General Meeting.

Key Managerial Personnel

Mr. Harpreet Singh Nibber (DIN:00239042) was appointed as Managing Director of the company for a period of three years w.e.f. 20/7/2022.

Mr. Narinder Kumar Tyagi was appointed as a Chief Financial Officer of the Company w.e.f. July 20, 2022.

Mr. Chander Bhan Gupta was appointed as a Company Secretary of the Company w.e.f. July 20, 2022.

28. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibilities Statement, it is hereby confirmed that:

a. In the preparation of the annual accounts for the financial year ended 31st March, 2023 the applicable accounting standards had been followed along with proper explanation relating to material departures.

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. The Directors had prepared the accounts for the financial year ended 31st March, 2023 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.

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. COST AUDITORS

Pursuant to the provisions of section 148 of Companies Act, 2013 applicable rules thereof, the Company is not required to carry Cost Audit.

30. INTERNAL AUDITORS

Pursuant to section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, and other applicable provisions of the Act, the Board of Directors has appointed M/s. PVNS & Co., Chartered Accountants, Chandigarh as Internal Auditors of the Company for financial year 2022-23. The Internal Auditor conducts the internal audit and reports to the Audit Committee and Board from time to time.

31. COST RECORDS

The Company is maintaining Cost Records as specified by the Central Government under Sub section (1) of Section 148 of the Companies Act 2013.

32. INTERNAL FINANCIAL CONTROLS & RISK MANAGEMENT

Pursuant to the provisions of Section 177(4) & Section 134(3)(n) of the Companies Act, 2013, the Board has developed Internal Finance Control Policy to identify and mitigate risks. The provisions of Regulation 21 of SEBI Listing Regulations 2015 pertaining to Risk Management Committee are not applicable to the company.

33. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behavior in all its operations, the Company has formulated Whistle Blower Policy. This policy aspires to encourage all employees to report suspected or actual occurrence of illegal, unethical or inappropriate events (behaviors or practices) that affect Company's interest/image.

34. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

As per provisions of section 21 and 22 of “The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013” read with Rule 14 of “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013”, the report on the details of the number of cases filed under sexual harassment and their disposal, for the year 2022-23 is as under:

Number of cases pending as on the beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of cases pending for more than 90 days	Nil
Number of cases pending at the end of end of the financial year	Nil
Nature of action taken by the employer or District Officer	NA

35. During the year under review no application was made and no proceeding was pending against the company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) .

36. During the year under review there was no One Time settlement with any bank or Financial Institution.

37. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards in the Financial Year 2022-2023.

38. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organization to maintain the same standards of the control systems and help them in managing defaults, if any, on timely basis because of strong reporting mechanisms followed by the Company.

39. CODE OF CONDUCT

The Board has laid down a Code of Conduct (“Code”) for Board Members, Managerial Personnel and for Senior Management Employees of the Company. This Code has been posted on the Company's website at <https://www.pritikaengineering.com/code-conduct-directors.pdf>. All the Board Members and Senior Management Personnel have affirmed compliance with this code. The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) and Schedule IV to the Companies Act, 2013 via terms and conditions for appointment of Independent Directors, which is a guide to professional conduct for Independent Directors and has been uploaded on the website of the Company.

40. NON-DISQUALIFICATION OF DIRECTORS

None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as director of Companies.

41. POLICY FOR PRESERVATION OF DOCUMENTS

Pursuant to the Regulation 9 of SEBI (LODR), 2015 the Company has maintained the policy of preservation of documents to keep the documents preserve as per Regulation 9(a) & 9(b) of SEBI (LODR), 2015 and the same has been uploaded on the website of the Company on <https://www.pritikaengineering.com/archival-policy.pdf>.

42. REGISTRAR AND SHARE TRANSFER AGENT INFORMATION

LINK INTIME INDIA PRIVATE LIMITED
Regd. Office: C-101, 247 Park, 1st Floor, L.B.S. Marg,
Vikhroli West, Mumbai – 400 083
Maharashtra, India
Tel : +91 22 4918 6200
Fax : +91 22 49186060
Email Id: mumbai@linkintime.co.in
Website: <https://linkintime.co.in/>

43. ACKNOWLEDGEMENTS

Your Directors wish to express their sincere appreciation to all the Employees for their contribution and thanks to our valued clients, Bankers and shareholders for their continued support.

For and on behalf of the Board of Directors

Date: 25/08/2023
Place: Mohali

Sd/-
Raminder Singh Nibber
Chairman
DIN: 00239117

ANNEXURE A

Details Pertaining to Remuneration as Required Under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Particulars of top 10 employees in terms of remuneration drawn, pursuant to Rule 5 of Cos. (Appt. & Remuneration of Managerial Personnel) Rules, 2014, as amended, as on 31.03.2023

Sr. No.	Name	Designation	Remuneration received (Rs. per annum)	Nature of employment	Qualification & Experience	Date of commencement of employment	Age of employee	Last employment before joining the company	%age of equity shares held in company	If employed throughout year or part thereof	Whether relative of any director/manager of the company
1.	Mr. Harpreet Singh Nibber	Managing Director	2100000	Contractual	BE (Mech), 27 Years	01-10-2018	51 yrs.	Pritika Autocast Ltd.	Nil	Throughout year	Yes, son of Mr. Raminder Singh Nibber, director
2.	Mr. Gopal Kishan Dhiman	DGM	1824679	Permanent	Diploma in Mech. & AMIE Mech., 43 Years	01-07-2020	62 yrs.	Mahindra & Mahindra Ltd.	Nil	Throughout year	No
3.	Mr. Munish Arora	AGM (Commercial)	993300	Permanent	BBA, 21 Years	26-02-2018	42 yrs.	Deepak Fasteners Ltd -	Nil	Throughout year	No
4.	Mr. Ajay Kumar	Director	900000	Permanent	B.Tech., M.B.A 28 yrs.	05-10-2021	49yrs	Pritika Autocast Ltd.	Nil	Throughout year	No
5.	Mr. Hitender Katoch	Sr. Manager (Plant Engg.)	746200	Permanent	Diploma in Mech., 34 Years	03-07-2018	58 yrs.	Castex Technologies Ltd	Nil	Part of the year	No
6.	Mr. Narinder Mohan	Manager-ER	630000	Permanent	B.A, PGDPMIR & LW	03-06-2018	61 Years	Mahindra & Mahindra Ltd.	Nil	Throughout year	No
7.	Mr. Harjinder Singh	Manager (Machine Shop)	626940	Permanent	12th & ITI & 24 Years	01-10-2020	42 yrs.	Shive Om, Hoshiarpur	Nil	Through out year	No
8.	Mr. Rajesh Kumar	Deputy Manager	586774	Permanent	B.Tech (Mech.), 12 Years	01-08-2019	34 yrs.	PAIL (unit 1)	Nil	Throughout year	No
9.	Mr.Satinder Kumar	Asst. Manager (Electrical)	562989	Permanent	Diploma in Electrical 23 Years	07-06-2018	44 yrs.	PAIL (unit 2)	Nil	Throughout year	No
10	Mr. Ravi Chand	Lab Incharge	508000	Permanent	BSC. 13 Years	22-08-2019	33 yrs.	East Man Mett Cast Ltd.	Nil	Throughout year	No

2. Detail of employee who was Employed throughout the year and was in receipt of remuneration at the rate of not less than Rs. 1,02,00,000/- per annum: NIL*

S. No	Name	Designation	Remuneration received (Rs. per annum)	Nature of employment	Qualification & Experience	Date of commencement of employment	Age of Employee	Last employment before joining the company/ amalgamation	%age of equity shares held in company	If employed through out year or part thereof	Whether relative of any director/manager of the company

*There was no employee who was Employed throughout the year and was in receipt of remuneration at the rate of not less than Rs. 1,02,00,000/- per annum.

3. Ratio of remuneration of each director to median remuneration of employees

Name of Director	Designation	Ratio of remuneration to median remuneration of employees
Mr. Harpreet Singh Nibber	Managing Director	10: 40
Mr. Raminder Singh Nibber	Non-Executive Director	No remuneration was paid
Mr. Ajay Kumar	Non-Executive Director	5:20
Mr. Bishwanath Choudhary	Independent Director	0: 43
Ms. Neha	Independent Director	0:22
Mr. Subramaniyam Bala	Independent Director	0:22

Independent Directors were paid sitting fees.

4. Percentage increase in remuneration of Directors and KMP

Name of Director	Designation	Percentage increase in remuneration
Mr. Harpreet Singh Nibber	Managing Director	75%
Mr. Raminder Singh Nibber	Non-Executive Director	No remuneration was paid during year under review and previous year.
Mr. Ajay Kumar	Non-Executive Director	No remuneration was paid during previous year. Remuneration was paid July, 2022 onwards.
Mr. Bishwanath Choudhary	Independent Director	N.A. (Sitting fees was paid)
Ms. Neha	Independent Director	N.A. (Sitting fees was paid)
Mr. Subramaniyam Bala	Independent Director	N.A. (Sitting fees was paid)
Mr. Narinder Kumar Tyagi	Chief Financial Officer	Appointed in July, 2022, was not employee during previous year.
Mr. Chander Bhan Gupta	Company Secretary	Appointed in July, 2022, was not employee during previous year.

5. In the financial year, there was an increase of 48.31% in the median remuneration of employees.

6. There were 129 permanent employees on the rolls of the Company as on March 31, 2023.

7. Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year i.e 2022-23 was 15.26 % whereas the percentile increase in the managerial remuneration for the same financial year was 150%. The higher increase in the managerial remuneration during the year was due to appointment of Managing Director and payment of salary to the Managing Director and directors during the year on company's becoming public and listed.

8. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the company.

For and on behalf of the Board of Directors

Date: 25/08/2023
Place: Mohali

Sd/-
Raminder Singh Nibber
Chairman
DIN: 00239117

ANNEXURE B

Form AOC – 1

Pursuant to first proviso to sub-section(3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statements of subsidiaries/associates companies/joint ventures.

Part 'A' - Subsidiaries

Name of the Subsidiary Company	Amount (Rs. in lacs)
Year	2022-23
Share Capital	831.60
Reserves and Surplus	(0.12)
Total Assets	1784.48
Total Liabilities	1784.48
Details of Current and Non Current Investments	0
Net Turnover	0
Profit/(Loss) before taxation	(0.12)
Provision For taxation	0
Profit/(Loss) after taxation	(0.12)
Proposed Dividend	0
% of Share-holding	100%

Name of Subsidiaries which are yet to commence operations	Meeta Castings Limited
Name of Subsidiaries which have been liquidated or Sold during the year	NA

For and on behalf of the Board of Directors

Sd/- Raminder Singh Nibber (Chairman) DIN 00239117	Sd/- Harpreet Singh Nibber (Managing Director) DIN 00239042
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Sd/- Narinder Kumar Tyagi C.F.O.	Sd/- Chander Bhan Gupta Company Secretary M. No. F2232
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Date:25/08/2023
Place: Mohali

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A) Conservation of energy:

(i) The steps taken or impact on conservation of energy:

The Company is taking all possible measures to conserve energy. The company has upgraded Automatic Power Factor Controller to improve the Power Factor. The company is using Standard Drives in CNC Machines for better energy efficiency. The employees are regularly educated and made aware to save power.

The company by optimising operations is saving machine running hours. The energy consumption is lowered by converting high rated electric motors into low power consumption motors.

The company is also saving power by using Natural Light during day with transparent sheets and Natural Ventilators.

Enhanced the maintenance periodicity of air conditioners.

Reduction in fettling activities results into low/less energy consumption /MT of gross production.

Synchronisation of ID fans with Shot Blasting machine gate opening.

Auto shutdown of power parts if the line is stand still for more than 20 minutes.

Replaced ordinary Air Guns with transrector air guns.

Lourvers & transparent sheets installation in machine shops for Lux Level.

Cleaning of runner riser for furnance for reduction in energy consumption.

Auto shutdown of compressors during unloading.

Road lights with timer.

(ii) The steps taken by the Company for utilising alternate sources of energy:

Optimization of electric motor rating from high H.P to lower H.P. or reduction in number of motors to save energy.

iii) The capital investment on energy conservation equipments:

The company has not made any major investment on energy conservation equipments during the year under review and this cannot be quantified.

(B) Technology absorption:

(i) The efforts made towards technology absorption:

The management keeps itself abreast of the adaptation and innovation technological advancements in the industry and ensures continued and sustained efforts towards absorption as well as development of the same to meet business needs and objectives.

The Company has in-house development centre, wherein all the tooling required are designed and manufactured.

By replacing Conventional machines with Automatic CNC machines, the company is saving energy and yielding higher productivity.

The company is also engaged in design and development of machine tools for captive use, wherein old technology is replaced with modern Hydraulics/CNC/PLC controlled system for lesser power consumption and higher productivity.

The company is going extensively on machine made core from conventional handmade.

The company uses Screw Compressor instead of Conventional Reciprocating compressor which are more efficient.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The technological absorption has resulted in improvement, cost reduction, product development, improvement in services, import substitution, etc. making company's products more competitive in the market. However, the benefits derived from the technological advancements are not quantifiable.

Machining stocks from the castings reduced to improve the cycle time to save energy and productivity improvement.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The company has not absorbed any imported technology.

- | | |
|---|----------------|
| (a) the details of technology imported: | Not applicable |
| (b) the year of import: | Not applicable |
| (c) whether the technology been fully absorbed: | Not applicable |
| (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: | Not applicable |

(iv) Expenditure incurred on Research and Development

The Company has not carried out any specific research and development activities during the year. As such expenditures on Research & Development cannot be quantified.

C. Foreign Exchange Earnings and Outgo

There was no Foreign Exchange Earnings and no Foreign Exchange Outgo during the year.

For and on behalf of the Board of Directors

Date: 25/08/2023
Place: Mohali

Sd/-
Raminder Singh Nibber
Chairman
DIN: 00239117

ANNEXURE D
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section(1) of section 188 of the Companies Act, 2013 including transactions entered into ordinary course of business and at an arms length basis under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NONE

- (a) Name(s) of the related party and nature of relationship
 (b) Nature of contracts/arrangements/transactions
 (c) Duration of the contracts / arrangements/transactions
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 (e) Justification for entering into such contracts or arrangements or transactions
 (f) date(s) of approval by the Board
 (g) Amount paid as advances, if any:
 (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

- a) Related party and nature of the related party relationship with whom transactions have taken place during the year:

A) Directors & Key Management Personnel

Mr. Harpreet Singh Nibber	Managing Director
Mr. Raminder Singh Nibber	Director
Mr. Ajay Kumar	Director
Mr. Bishwanath Choudhary	Independent Director
Mr. Subramaniam Bala	Independent Director
Mrs. Neha	Independent Director
Mr. Narinder Kumar Tyagi	Chief Financial Officer
Mr. Chander Bhan Gupta	Company Secretary

B) Holding Company

Pritika Auto Industries Ltd.

C) Subsidiary Companies

Meeta Castings Limited

D) Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

Pritika Industries Ltd.

- b) Nature of contracts/arrangements/transactions:

(In Lacs)

Nature of Transactions During the year	Related Parties						Referred	in D above
	Referred in A Above		Referred in B Above		Referred in C Above			
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Income								
Sales net of tax			3217.07	1783.60			4796.39	3171.74
Interest received					26.08	-		
Expenditure								
Purchases			111.36	227.36			290.62	257.76
Interest Paid			100.51	-				
Director Remunerations	30.00	12.00						
Director Sitting Fees to independent Directors	2.00	-						
Salary to KMP's	5.85	-						

Investment made					831.60	-		-
Balance as at 31st March, 2023 Debit / (Credit)								
Corporate Guarantee given								
Loan & Advances								
Loan taken								
Loan taken during the year	-	-	355.00	-	-	-		
Repayment of Loan during the year	-	-	355.00	-	-	-		
Loan Given								
Loan given during the year					385.71	110.47		
Conversion of Loan into Equity Shares						-		
Repayment of Loan during the year						-		
Loan Balance Outstanding					496.18	110.47		
Balance as at 31st March ,2023 Debit/(Credit)			(83.35)	(1083.51)		-	(732.60)	(723.96)

c) Duration of the contracts / arrangements/transactions

- i) Pritika Auto Industries Ltd. - Contract/Arrangement for one year w.e.f. 01.04.2022
ii) Pritika Industries Ltd. - Contract/Arrangement for one year w.e.f. 01.04.2022
iii) Meeta Castings Ltd - Contract/Arrangement for one year w.e.f. 01.04.2022

d) Salient terms of the contracts or arrangements or transactions including the value, if any:

- i) With Pritika Auto Industries Ltd : After approval of the Board of Directors of the company, the members accorded their approval to the company for entering into the Related Party Transactions u/s 188 of the Companies Act, 2013, with Pritika Auto Industries Ltd. not exceeding Rs. 50.00 crore during the Financial Year 2022-23.
- ii) With Pritika Industries Ltd. : After approval of the Board of Directors of the company, the members accorded their approval to the company for entering into the Related Party Transactions u/s 188 of the Companies Act, 2013, with Pritika Industries Ltd. not exceeding Rs.60.00 crore during the Financial Year 2022-23.
- iii) With Meeta Castings Ltd : After approval of the Board of Directors of the company, the members accorded their approval to the company for entering into the Related Party Transactions u/s 188 of the Companies Act, 2013, with Meeta Castings Ltd not exceeding Rs. 50.00 crore during the Financial Year 2022-23.

e) Date(s) of approval by the Board, if any: Prior approval by Board of Directors in its meeting held on 25/8/2021 . The shareholders approved Related Party Agreement/Transactions In Annual General Meeting held on 28/9/2021.

f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

Date: 25/08/2023
Place: Mohali

Sd/-
Raminder Singh Nibber
Chairman
DIN: 00239117

Annexure- E

**SECRETARIAL AUDIT REPORT
FORM NO. MR-3**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the financial year ended 31st March 2023

To

The Members

PRITIKA ENGINEERING COMPONENTS LIMITED

(CIN **L28999PB2018PLC047462**)

Plot No. C-94, Phase-VII Industrial Focal Point,

S.A.S Nagar Mohali-160055

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pritika Engineering Components Limited (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, registers, papers, minute books, forms and returns filed and other records maintained by the Company available on MCA portal and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2023, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, which were shared with me, for the financial year ended on 31 March, 2023 according to the provisions of the following Acts/Laws/Regulations and the amendments thereof, if any:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- 3) The Depositories Act, 2018 and the Regulations and bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - (d) 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- **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable as there was no reportable event during the financial year under review;**

(f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - **Not applicable as there was no reportable event during the financial year under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable as there was no reportable event during the financial year under review;**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review; and**

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

6) The Company has complied with the following laws applicable specifically to the Company:

(a) Hazardous Waste (Management & Handling) Rules 1989 under EP Act, 1986

(b) Factories Act, 1948 and allied State Laws.

The Company has listed its shares on EMERGE SME platform of National Stock Exchange of India and is subsidiary of a listed company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, along with agenda and detailed notes on agenda 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 by the directors. The decisions are carried unanimously.

I 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.

I further report that during the audit period, there was following event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

1) The company was converted from Private Limited Company to Public Company vide Fresh Certificate of Incorporation dated 21.04.2022

2) The Company has brought the Initial Public Offering ("IPO") and issued and allotted 32,48,000 Equity Shares of Rs. 10/-each at a premium of Rs. 19/- each. The entire paid up share capital of the Company comprising 1,08,82,515 Equity Shares of face value of Rs. 10/-each, fully paid up, have been listed on EMERGE SME platform of National Stock Exchange of India.

I further report that during the audit period, there were no instances of:

- i. Rights / Preferential Issue of Shares /Sweat Equity.
- ii. Redemption / Buy-Back of Securities.
- iii. Merger / Amalgamation / Reconstruction etc.
- iv. Foreign Technical Collaborations.

This Report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Place: Chandigarh
Date: 25.07.2023

For S. K. SIKKA & ASSOCIATES
Company Secretaries

Sd/-

(Sushil K. Sikka)

Prop.

FCS 4241, CP 3582

UDIN: F004241E000675252

Peer Review Cert. No. 1057/2021

Annexure –A to Secretarial Auditors' Report

To
The Members
PRITIKA ENGINEERING COMPONENTS LIMITED
(CIN L28999PB2018PLC047462)
Plot No. C-94, Phase-VII Industrial Focal Point,
S.A.S Nagar Mohali -160055

My Secretarial Audit Report for Financial Year ended on 31st March 2023 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. My responsibility is to express an opinion on these secretarial records based on my audit.

2.I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3.I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4.Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.

5.The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

For S.K.SIKKA & ASSOCIATES
Company Secretaries

Sd/-

(Sushil K. Sikka)

Prop.

FCS 4241, CP 3582

Peer Review Cert. No. 1057/2021

Place: Chandigarh
Date:25.07.2023

Annexure- F

SECRETARIAL AUDIT REPORT FORM NO. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the financial year ended 31st March 2023

To

The Members

MEETA CASTINGS LIMITED

(CIN U27100PB2022PLC055438)

Plot No. C-94, Phase-VII, Industrial Focal Point,
S.A.S Nagar Mohali-160055

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Meeta Castings Limited** (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, registers, papers, minute books, forms and returns filed and other records maintained by the Company available on MCA portal and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2023, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, 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:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Company has complied with the following laws applicable specifically to the Company:
 - (a) Hazardous Waste (Management & Handling) Rules 1989 under EP Act, 1986
 - (b) Factories Act, 1948 and allied State Laws.

The Company is an unlisted public company and a wholly owned subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive and non-executive 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.

Adequate notices were given to all Directors to schedule the Board Meetings, along with agenda and detailed notes on agenda 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 by the directors. The decisions are carried unanimously.

I 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.

I further report that during the audit period, there was following event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

1) The Company has issued and allotted 13,10,000 Equity Shares of Rs. 10/-each on 11.05.2022 to the promoter Holding Company on Preferential / Private Placement basis on conversion of balance of advances received from the allottee into equity. The Company further issued and allotted 69,95,998 Equity Shares of Rs. 10/-each on 15.02.2023 on Right Issue basis.

I further report that during the audit period, there were no instances of:

- i. Public / Sweat Equity.
- ii. Redemption / Buy-Back of Securities.
- iii. Merger / Amalgamation / Reconstruction etc.
- iv. Foreign Technical Collaborations.

This Report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

For S. K. SIKKA & ASSOCIATES
Company Secretaries

Place: Chandigarh
Date: 25.07.2023

Sd/-
(Sushil K. Sikka)
Prop.
FCS 4241, CP 3582
UDIN: F004241E000675186
Peer Review Cert. No. 1057/2021

Annexure –A to Secretarial Auditors’ Report

To
The Members
MEETA CASTINGS LIMITED
(CIN U27100PB2022PLC055438)
Plot No. C-94, Phase-VII, Industrial Focal Point,
S.A.S Nagar Mohali-160055

My Secretarial Audit Report for Financial Year ended on 31st March 2023 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. My responsibility is to express an opinion on these secretarial records based on my audit.

2.I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3.I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4.Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.

5.The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

For S. K. SIKKA & ASSOCIATES
Company Secretaries

Place: Chandigarh
Date: 25.07.2023

Sd/-
(Sushil K. Sikka)
Prop.
FCS 4241, CP 3582

ANNEXURE G

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward looking statement

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared as per the IND AS guidelines and comply with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2015. The management of Pritika Engineering Components Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Pritika" are to Pritika Engineering Components Ltd.

ECONOMIC OVERVIEW

Indian Auto-Components Industry

India has become the fastest-growing economy in the world in recent years. This fast growth, coupled with rising incomes, boost in infrastructure spending and increased manufacturing incentives, has accelerated the automobile industry. Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry. The auto components industry accounted for 2.3% of India's GDP and provided direct employment to 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of India's GDP. The industry is a leader in exports and provides jobs to over 3.7 crore people.

Due to a shift in supply chains, India can possibly increase its share in the global auto component trade to 4-5% by 2026. By 2026, India's auto component industry is expected to reach US\$ 200 billion, and the aftermarket of the industry is expected to reach US\$ 32 billion. This growth will be backed by strong export demand which is expected to rise at an annual rate of 23.9% to reach US\$ 80 billion by 2026. The auto components industry is expected to become the third-largest in the world by 2025.

The growth of global original equipment manufacturers' (OEM) sourcing from India & the increased indigenization of global OEMs is turning the country into a preferable designing and manufacturing base. The global move towards electric vehicles will generate new opportunities for automotive suppliers. The mass conversion to electric vehicles may generate a US\$ 300 billion domestic market for electric vehicle (EV) batteries in India by 2030. By 2025, 4 million EVs could be sold each year and 10 million by 2030. By 2026, India will need 4 lakh charging stations.

From FY16-FY22, the industry registered a CAGR of 6.35% and was valued at US\$ 56.50 billion in FY22. Due to the high development prospects in all vehicle industry segments, the auto component sector is expected to see double-digit growth in FY22.

According to the Automotive Component Manufacturers Association of India (ACMA), the auto-components industry of India is expected to grow by 10-15% in FY24, which would be driven by both domestic and export market demand. The auto components industry which clocked a turnover of US\$ 56.5 billion in FY22 with a growth of 23% over the previous year is expected to end FY23 with a growth of 15%.

Source: <https://www.ibef.org/industry/autocomponents-india>
https://www.ibef.org/download/1673935026_Auto-Components-November-2022.pdf

Indian Agriculture Industry – an overview

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for about 58% of India's population. Agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with means of sustenance. According to Inc42, the Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. The rising income levels in rural and urban areas, which have contributed to an increase in the demand for agricultural products across the nation, provide additional support for this. In accordance with this, the market is being stimulated by the growing adoption of cutting-edge techniques including blockchain, artificial intelligence (AI), geographic information systems (GIS), drones, and remote sensing technologies, as well as the release of various e-farming applications.

India has the largest livestock population of around 535.78 million, which translates to around 31% of the world population.

The agriculture sector also receives significant support from the Government of India, some of the recent initiatives include:

- In the Union Budget 2022-23:
 1. Rs. 1.24 lakh crore (US\$ 15.9 billion) has been allocated to Department of Agriculture, Cooperation and Farmers' Welfare.
 2. Rs. 8,514 crore (US\$ 1.1 billion) has been allocated to the Department of Agricultural Research and Education.
- In July 2022, PM Formalisation of Micro food processing Enterprises (PMFME) scheme was launched for providing financial, technical and business support for setting up/ upgradation of micro food processing enterprises in the country with an outlay of Rs. 10,000 crore (US\$ 1.27 billion).
- The Indian government is planning to launch Kisan Drones for crop assessment, digitization of land records, spraying of insecticides and nutrients.
- NABARD will assist the creation of a blended capital fund with a focus on the agricultural start-up ecosystem which will be used to fund agriculture and rural enterprise startups that are related to the farm product value chain.
- A network of 729 Krishi Vigyan Kendras has been established at the district level across the country to ensure that newer technologies such as improved variety seeds of crops, new breeds/ strains of livestock and fish, and improved production and protection technologies reach farmers.

Union Agricultural Minister Mr. Narendra Singh Tomar stated that wheat worth US\$ 1.42 billion (Rs 11,728.36 crore) was exported during the months of April to January in FY23. According to second advance estimates for the agricultural year 2022-23, the country's wheat production is expected to be 112.18 million tonnes, which is 4.44 million tonnes more than the production achieved during the crop year 2021-22 (July-June).

The future outlook of the Agriculture & Allied Industry looks on track with pandemic easing out. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

Source: <https://www.ibef.org/news/india-exports-wheat-worth-us-1-42-billion-rs-11-728-crore-during-apr-jan-of-this-fiscal-government>
https://www.ibef.org/download/1673934872_Agriculture-and-Allied-Industries-November-2022.pdf
<https://www.ibef.org/industry/agriculture-india>

Indian Tractor Industry

The Indian tractor industry is one of the largest in the world, with India being the largest tractor market globally. The industry has grown significantly in recent years, driven by increasing demand from both the agricultural and non-agricultural sectors. The India tractor market size was valued at \$7,540.8 million in 2020, and is expected to reach \$12,700.8 million by 2030, with a CAGR of 7.9% from 2021 to 2030. The COVID-19 outbreak had a positive impact on the growth of the India tractor industry owing to increase in demand for agricultural produces such as cereals, vegetables, and fruits in the country.

The Indian tractor industry smashed a couple of records in FY23 - producing over a million units for the first time ever and also achieving their highest ever domestic sales. FY23 saw 12% growth in domestic tractor volumes, with 945,311 units compared to 842,266 in FY22, according to Tractor & Mechanization Association (TMA).

In Q4, domestic tractor sales grew 19 per cent to 210,858 units compared with 177,608 units in Q4 FY22. In March this year, sales increased to 82,856 units (72,888 units in March 2022), while production was also higher at 83,948 units.

In FY23, the total tractor production in the country stood at 1,071,310 (9.61 lakh in FY22 and 9.65 lakh in FY21). After witnessing buoyant demand in FY22, exports moderated during FY23 and reported a marginal decline to 124,542 units compared with 128,636 units in the previous fiscal.

Source: <https://swarajyamag.com/news-brief/record-breaking-year-for-indian-tractor-industry-over-1-million-units-produced-in-fy23>
<https://www.alliedmarketresearch.com/india-tractor-market-A14232>
<https://www.thehindubusinessline.com/companies/tractor-industry-clocks-highest-ever-domestic-sales-in-fy23/article66720760.ece>

Government Initiatives

The Indian Automobile industry is expected to reach a turnover of approximately \$300 billion by 2026, growing at a CAGR of 15% from its current revenue of around \$74 billion.

The Government of India encourages foreign investment in the automobile sector and has allowed 100% FDI under the automatic route. The India passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027, while registering a CAGR of over 9% between 2022-27.

The electric vehicle (EV) market is estimated to reach Rs. 50,000 crore (US\$ 7.09 billion) in India by 2025. A study by CEEW Centre for Energy Finance recognized a US\$ 206 billion opportunity for electric vehicles in India by 2030. This will necessitate a US\$ 180 billion investment in vehicle manufacturing and charging infrastructure.

The government's AMP 2016-26 will help the automotive industry grow and will benefit the economy in the following ways:

- The auto industry's GDP contribution will rise to over 12%.
- Additional ~65 million direct and indirect jobs will be created.
- End-of-life policy will be implemented for old vehicles.

Source: <https://www.ibef.org/industry/india-automobiles>
https://www.ibef.org/download/1673935142_Automobile-Nov2022.pdf

About Pritika Engineering Components Ltd.

Pritika Engineering Components Limited (Formerly known as Pritika Engineering Components Pvt. Ltd.), is a subsidiary of Pritika Auto Industries Limited. The company is engaged in the business of manufacturing of precision machined components primarily for the automotive industry, especially for tractors, trucks, and other commercial vehicles, etc. The company caters to the tractor industry in the automotive sector with major dependency on Original Equipment Manufacturers. The company manufactures various Tractors & Automobile components like End Cover, Cover Sealed Brake, Differential Case, Cover Hydraulic Lift, Cover Transcase, Front Wheel hub, Fly Wheel Housing, Rear Axle Casings, Hydraulic Lift Covers, Brake Housing & Front Engine Supports etc.

STANDALONE FINANCIAL OVERVIEW

The standalone performance of the Company for the financial year ended March 31, 2023, is as follows:

Total revenue from operations at Rs. 82.32 crore for the year ended March 31, 2023, as against Rs. 53.61 crore (net of taxes) for the corresponding previous period, an increase of 53.55%, mainly on account of higher volumes from pick-up in demand for tractors from Agri-sector.

The EBIDTA (earnings before interest, depreciation and tax, excluding other income) was Rs. 10.30 crore for the year ended March 31, 2023, as against Rs. 6.34 crore for the corresponding previous period, an increase of 62.50%.

The PAT (profit after tax) excluding exceptional items was Rs. 3.54 crore for the year ended March 31, 2023, as against Rs. 2.20 crore for the corresponding previous period, a rise of 60.83%.

EPS for the Financial Year 2022-23 was at Rs. 4.08, as against Rs. 7.19 in Financial Year 2021-22 .

RESOURCES AND LIQUIDITY

As on March 31, 2023, the consolidated net worth stood at Rs. 27.38 crore and the consolidated debt was at Rs. 32.95 crore.

The net debt to equity ratio of the Company stood at 1.20 as on March 31, 2023.

BUSINESS PERFORMANCE - CONSOLIDATED

Pritika revenue clocked a turnover of Rs. 82.32 cr in FY23. The Company produced 9,291 tons of machined casting during the year. With capacity in place, Pritika is focusing on higher production and better capacity utilization for financial year 2023-24, based on a good order book. The Company is also adding high-value products and trying to improve operational efficiencies, while expanding export revenues.

The Company is dealing in single segment i.e. manufacturing of Auto Components/parts.

DEVELOPMENTS IN BUSINESSES DURING THE YEAR:

- Successfully completed IPO raising Rs. 9.42 crore - issue was oversubscribed 150 times. The IPO proceedings to be used for capacity expansion and product diversification.

KEY FINANCIAL RATIOS:

There was no significant change in Debtor Turnover Ratio, Inventory Turnover Ratio, Operating Profit margins and Current Ratio. EBITDA margin and PAT Margins improved 68 bps and 20 bps, respectively, as compared to immediately previous year ended 31st March 2022. Return on Equity was from 13.31% in FY2022 to 12.80% in FY2023.

There was significant change in Debt Equity Ratio and Net Profit Margin as compared to previous year. Explanation for the same is given in Note no. 41 of the Audited Financial Statement of the company for the year ended 31st March, 2023.

RISKS AND CONCERNS

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

Economy and Market Risk

The Company's growth is linked to that of the agricultural and automotive industry, which is cyclical in nature. The cyclical nature of the Indian commercial vehicle industry and tractor industry impacts the demand for related components. Since the automotive industry plays a major role in determining the economic growth, any slowdown in the overall economy would affect the commercial vehicle industry.

Credit Risk

To manage its credit exposure, Pritika has determined a credit policy with credit limit requests and approval procedures. Company does its own research of client's financial health. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

Interest Rate Risk

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to optimize the overall interest cost.

Contractual Risk

Pritika follows a meticulous process to evaluate the legal risks involved in a contract and ascertain its legal responsibilities under the applicable law of the contract. All the worst possible scenarios are considered and as a strategic priority with consultation from advisors, stringent terms are inserted to restrict liabilities to the maximum extent possible.

Competition Risk

Like in most other industries, growth opportunities lead to a rise in competition. We face different levels of competition, from domestic as well as multinational companies. Pritika has created strong differentiators in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to maintain a competitive edge. A stable and

long-standing client base comprising large and mid-sized companies further helps maintain a strong order book and insulate the Company from this risk. We also mitigate this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

Input Cost Risk

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of these risks that are potentially significant in nature and need careful monitoring are raw material prices, and availability of power, among others.

Liability Risk

This risk refers to our liability arising from any damage to cargo, equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

OPPORTUNITIES

- **Increasing mechanization in agriculture:** With the agriculture sector witnessing significant technology enhancements, the demand for higher efficiency tractors and farm equipment is likely to increase in India as well as globally. Adoption of such equipment over traditional farming methodologies in rural parts of the country would benefit ancillary companies catering to this sector, such as Pritika.
- **Support from Government Policies:**
 - 100% FDI allowed under automatic route for auto component sector
 - Establishment of special auto parks & virtual SEZs for auto components.
 - Strong support for R&D and product development by establishing NATRiP centres
 - A dedicated policy FAME II was launched to incentivize electric vehicle consumption and support manufacturing.
 - The Indian government has outlined US\$ 7.8 billion for the automobile and auto components sector in production-linked incentive (PLI) schemes under the Department of Heavy Industries.
 - Production Linked Incentive (PLI) schemes on automobile and auto components are expected to bring a capex of Rs. 74,850 crore (US\$ 9.58 billion) in the next five years.
 - Lower taxes/duty on specific parts of hybrid vehicles.
 - Policies such as Automotive Mission Plan 2016-26, Faster Adoption & Manufacturing of Electric Hybrid Vehicles (FAME), NMEM 2020, likely to infuse growth in the auto component sector of the country.
 - Allocation of increased financial support for the agriculture industry in the Union Budget
- **Investments:**
 - Increasing FDI in the auto sector
 - With the launch of 'Make in India' initiative, the government is expected to mobilize substantial investments in the auto component sector.
 - The auto components sector is expected to witness higher investments for upgradation of products and keeping up with new industry regulations.

- **Export Advantage:** India is a leading auto exporter and has strong near-term export growth expectations. As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to increase to \$70 billion by 2026.
- The last year's Union Budget increased duties of customs on imports of Auto Parts, which is expected to boost domestic manufacturing.
- Reduction of corporate tax for specific companies was announced in previous Union Budget.
- 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.
- Auto component exports from India is expected to reach US\$ 30 billion by 2026.

Source: <https://www.ibef.org/industry/autocomponents-india>
https://www.ibef.org/download/1673935026_Auto-Components-November-2022.pdf

THREATS

- Competition from domestic and multinational players
- Economic fluctuations and regulatory changes impacting demand and profitability.
- Technological advancements leading to the obsolescence of existing products.
- The agricultural sector could be affected by unfavorable monsoons and weather conditions
- Unfavourable volatility in labour and raw material costs
- Attraction and retention of skilled human capital
- Risk from unforeseen impediments in execution
- Market-wide slowdown in the agriculture sector

INTERNAL CONTROL SYSTEMS AND ADEQUACY

For the purposes of effective internal financial control, Pritika has adopted various policies and procedures to ensure orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

There has not been any significant change in such control systems. The control systems are reviewed by the management regularly. The same are also reviewed by the Statutory Auditors and Internal Auditors from time to time. Additionally, the Company has adopted various policies and procedures to safeguard its interest. These policies and procedures are reviewed from time to time. A proper reporting mechanism has been implemented in the organization for reporting any deviation from the policies and procedures.

HUMAN RESOURCES

Pritika has Human Relations and Industrial Relations policies in force. These are reviewed and updated regularly in line with the Company's strategic plans. The human relations team continually conducts training programs for talent development. The Company aims to develop the potential of every individual associated with it as a part of its business goal. Pritika leverages a mix of experienced as well as young talent to drive growth.

The company values its human resources as the principal drivers of change. The Company focuses on providing individual development and growth in a work culture that encourages team work and high performance.

As on March 31, 2023, the Company had a workforce of 362 (permanent and contractual).

OUTLOOK

The tractors (and corresponding ancillary sub-sectors) industry has been growing well over the past year. Despite headwinds from macro-economic volatility and geo-political tensions, the overall the market has been recovering. This is based on a healthy monsoon, leading to robust agri-sector growth, coupled with favorable government policies.

The automotive sector is also witnessing rapid recovery based on a positive consumer sentiment. Long-term outlook remains buoyant with several major global players having a base in India for engineering, manufacturing and global sourcing. New product launches by OEMs, driven by technological advancements and rising demand, is likely to bode well for overall industry growth. New emission norms are likely to boost new manufacturing, thereby spurring demand for components. India now supplies a range of high-value and critical automotive components to the global auto market.

Pritika is poised to capitalize on new opportunities as they arise in the domestic and international markets. The Company's access to the US market through Pritika Auto Industries, would reduce dependency on the domestic market, and help improve performance. The Company's long-standing relationships with its clients demonstrates the continued faith the OEMs have in the Company's expertise and capability to deliver.

The Company continues to strive to improve utilization of its existing capacity and based on anticipated demand, is planning to expand production capacity in the coming year. This would enable the Company to address a larger target market and increase market share. Moreover, new technologies like Lost Foam Technology, and a strategic shift to higher-weight products, are expected to lead to better profitability, thereby benefiting the Company.

The Indian auto-components industry is expected to become the third largest in the world by 2025, and Pritika is well positioned to capitalize on the coming opportunities.

ANNEXURE H

ANNUAL REPORT ON CSR ACTIVITIES for the financial year 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. CSR Policy- Brief Outline and Overview

The policy has laid down guidelines for the company to make a positive contribution to the society, mainly through promotion of education and healthcare. The policy is available on the website of the company at <https://www.pritikaengineering.com/csr-policy.pdf>. The CSR Committee ensured that the activities were carried out as per the CSR Policy of the company. Implementing agencies were appointed to carry out the projects/programs.

2. Composition of CSR Committee

The committee consists of following members:

S. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Raminder Singh Nibber	Chairman, Non-Executive Director	02	02
2	Mrs. Neha	Member, Independent Director	02	02
3	Mr. Ajay Kumar	Member, Non-Executive Director	02	02

3. Web link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:
<https://www.pritikaengineering.com/management.html>

4. The provisions of Impact Assessment are not applicable on the company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A.

S. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
---NA---			

6. Average Net Profit of the company as per Section 135(5): Rs. 220.15 lakh

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 4.40 lacs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(c) Amount required to be set off for the financial year: Nil
(d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 4.40 lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in lacs)	Amount Unspent (in lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
4.65	---NA---				

(b) Details of CSR amount spent against ongoing projects for the financial year:

S. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration.	Amount Allocated for the project (in Rs.).	Amount spent in the current financial	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
---NA---												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in lacs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making	Menstrual Hygiene Awareness Program for women.	Yes	Punjab		4.00	No	Rani Breast Cancer Trust, Registered Trust (Regd. Under S. 12 A & S. 80 G of Income Tax Act 1961)	CSR000 02412

9.	available safe drinking water.								
2(a)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Providing Sports facilities for students	Yes	Punjab	S.A.S. Nagar	0.65	No	Chandigarh Central Rotary Club Service Trust	CSR000 13255
TOTAL						4.65			

t 9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (Amount in lakh)	Amount Spent in the reporting Financial Year (Amount in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (Amount in lakh)
				Name of the Fund	Amount (in lakh)	Date of transfer	
1	2021-22	-----NA-----					
2	2020-21	NA	NA	NA	NA	No	
3	2019-20	-----NA-----					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Amount in lakh)	Amount spent on the project in the reporting Financial Year. (Amount in lakh)	Cumulative amount spent at the end of reporting Financial Year. (Amount in lakh)	Status of the project- Completed/ Ongoing
---NA---								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **N.A.**

Date: 25 /08/2023

Place: Mohali

Sd/-

Harpreet Singh Nibber

Managing Director

DIN: 00239042

Sd/-

Raminder Singh Nibber

Chairman, CSR Committee

DIN: 00239117

INDEPENDENT AUDITOR'S REPORT

To the Members of PRITIKA ENGINEERING COMPONENTS LIMITED

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **PRITIKA ENGINEERING COMPONENTS LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March 2023, Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and 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 (hereinafter referred to as ‘financial statements’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters 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.

Management's and Board of Directors' Responsibilities for the standalone Financial Statements

The Company's management and Board of Directors are responsible for the matter stated in Section 134(5) of the Companies Act 2013 (“the Act”) with respect to preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Accounts) Rules, 2014 (as amended). 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As Part of an audit in accordance with SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023

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) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 1**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

c. The Standalone Balance Sheet, Standalone Statement of Profit and Loss (including other comprehensive income) and the Standalone Statement of Changes in Equity and the Standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

e. On the basis of written representations received from the directors as on 31st March 2023, 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2"; and

(B) 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:

a. The Company has disclosed the impact of pending litigations as at 31st March 2023 on its financial position in its standalone financial statements. Refer Note 43 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There are no items which required to be transferred, to the Investor Education and Protection Fund by the Company.

d. (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever

("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on the audits procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

e. The company has not declared or paid any dividend during the year.

(c) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For Sunil Kumar Gupta & Co.

Chartered Accountants
Firm Regn No:003645N

Sd/-

Rahul Goyal

Partner

Membership No.: 540880

Place: Mohali

Date: 16.05.2023

ICAI UDIN: 23540880BGXMTV7369

Annexure –1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of Pritika Engineering Components Limited on the Standalone Financial Statements for the year ended 31st March 2023).

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

(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) There is no Intangible asset held by the company during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, title deeds of all the Immovable properties disclosed in the financial statements are held in the name of the company. We noted that w.e.f 21st April 2022 the name of the company was changed from Pritika Engineering Components Private Limited to Pritika Engineering Components Limited. The updation of name change in process with relevant authorities. Appropriate disclosures have been made in Note No 42 of Financial Statements.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management, banks and stock auditors had physically verified the inventories at reasonable intervals during the year. In our opinion and according to information and explanations given to us, the frequency/ procedure and coverage of physical verification were appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed during verification.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in the wholly owned subsidiary

company and provided corporate guarantee or guarantee on behalf of wholly owned subsidiary to banks & NBFC during the year. The Company has granted loans and advances in the nature of loans during the year. The Company has not provided guarantees during the year to firms or limited liability partnerships. Details of which are given below

a. Based on the audit procedures carried out by us and as per the information and explanations given to us, the company has granted loans to wholly owned subsidiary company as below:

Particulars	Loans (Amount in Lakhs)
Aggregate amount during the year- Wholly owned subsidiary company	385.71
Balance Outstanding as at the Balance Sheet date- Wholly Owned subsidiary company	496.18

Based on the audit procedures carried out by us and as per the information and explanations given to us, the company has provided corporate guarantee on behalf of its wholly owned subsidiary company to Banks and NBFC during the year as below:

Particulars	Corporate Guarantee (Amount in Lakhs)
Aggregate amount during the year- Wholly owned subsidiary company	1211.00
Balance Outstanding as at the Balance Sheet date- Wholly Owned subsidiary company	1211.00

The Company has made investments of 8.31 crore in the wholly owned subsidiary company.

b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion no guarantees were provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest if any has been stipulated and the repayments or receipts have been regular.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loans given to same parties.

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees and securities given, have been complied with by the company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records 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.

(vii) (a)The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b)According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as mentioned below:

Name of Dues and Name of Statute	Year to which amount relates	Forum where matter is pending	Amount in Rs.
GST CGST Act, 2017 SGST Act, 2017 IGST Act, 2017	FY 2018-19	GST Appellate Authority	5,78,700

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The

Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2023.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has raised moneys by way of SME initial public offer during the year and the money received has been utilized for the purposes for which they are raised.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) There is no whistle blower complaints received during the year hence this clause 3(xi)(c) is not applicable to the company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934; Accordingly, clause 3(xvi)(b) is not applicable to the company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and 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 standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Sunil Kumar Gupta & Co.

Chartered Accountants
Firm Regn No: 003645N

Sd/-

Rahul Goyal

Partner

Membership No.: 540880

Place: Mohali

Date: 16.05.2023

ICAI UDIN: 23540880BGXMTV7369

Annexure - 2

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of **PRITIKA ENGINEERING COMPONENTS LIMITED** (“the Company”) as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s and Board of Directors’ Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, both applicable to an audit of Internal Financial Controls and, 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No: 003645N

Sd/-
Rahul Goyal
Partner
Membership No.: 540880

Place: Mohali
Date: 16.05.2023
ICAI UDIN: 23540880BGXMTV7369

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462
C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055
Standalone Balance Sheet as at March 31, 2023

(All Amount Rs. In Lakhs , unless otherwise stated)

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
I. ASSETS			
1. Non Current Assets			
(a) Property, Plant and Equipment	3	4,510.68	4,098.72
(b) Capital Work in Progress	3	78.39	142.52
(c) Financial Assets			
- Investments	4	831.62	0.06
- Other Financial assets	5	-	15.00
(d) Deferred Tax Assets (Net)	6	-	1.90
(e) Other Non-Current Assets	7	4.43	5.31
Total Non Current Assets (A)		5,425.12	4,263.51
2. Current Assets			
(a) Inventories	8	1,548.86	1,021.32
(b) Financial Assets			
- Trade Receivables	9	1,333.96	1,399.16
-Cash and Cash Equivalents	10	25.50	23.24
-Bank balances other than cash and cash equivalents	11	94.11	75.41
- Loans	12	496.18	110.47
-Other Current Financial Assets	13	227.24	144.79
(c) Other Current Assets	14	30.77	68.88
Total Current Assets (B)		3,756.62	2,843.27
TOTAL ASSETS (A+ B)		9,181.74	7,106.78
II. EQUITY AND LIABILITIES			
EQUITY			
1. Equity			
(a) Equity Share Capital	15	1,088.25	763.45
(b) Other Equity	16	1,676.33	889.19
Total Equity (A)		2,764.58	1,652.64
LIABILITIES			
2. Non Current Liabilities			
(a) Financial Liabilities			
- Borrowings	17	1,435.19	1,692.78
(b) Provisions	18	14.00	-
(c) Deferred Tax Liabilities (Net)	19	79.05	25.79
(d) Other Non-Current Liabilities	20	2,086.77	1,731.61
Total Non Current Liabilities (B)		3,615.01	3,450.18
3. Current Liabilities			
(a) Financial Liabilities			
- Borrowings	21	1,452.77	814.88
-Trade Payables	22	-	-
Total outstanding dues of micro and small enterprises		757.49	708.75
Total outstanding dues of creditors other than micro and small enterprises		-	-
- Other Financial Liabilities	23	500.96	400.75
(b) Other Current Liabilities	24	48.15	47.90
(c) Current Tax Liability (net)	25	42.78	31.68
Total Current Liabilities (C)		2,802.15	2,003.96
TOTAL EQUITY AND LIABILITIES (A+B+C)		9,181.74	7,106.78

Summary of Significant accounting policies and accompanying notes form an integral part of these financial statements 1-2

As per our report of even date
For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N

For and on behalf of Board of Directors

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Managing Director)
DIN No. 00239042

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTV7369

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462
C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055
Statement of Standalone Profit and Loss for the Year ended March 31, 2023

(All Amount Rs. In Lakhs , unless otherwise stated)

Particulars	Note	For the Year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	26	8,232.30	5,360.75
II Other Income	27	38.18	378.83
III Total Income (I+II)		8,270.48	5,739.58
IV Expenses			
a) Cost of material consumed	28	5,624.97	3,527.26
b) Changes in inventories of finished goods , Work in progress and stock in trade	28(a)	(406.98)	(174.18)
c) Employee benefits expense	29	449.40	297.91
d) Finance costs	30	363.57	219.34
e) Depreciation and amortization expense	31	279.07	206.36
f) Other Expenses	32	1,534.77	1,075.81
Total Expenses (IV)		7,844.80	5,152.50
V Profit/(Loss) before exceptional items and tax (III-IV)		425.68	587.08
VI Exceptional Items		-	-
VII Profit / (Loss) before tax (V-VI)		425.68	587.08
VIII Tax Expense:			
a) Current Tax	34	55.09	38.72
b) Adjustment of tax relating to earlier periods		(36.50)	(2.85)
c) Deferred Tax	34	53.26	2.27
Total tax expenses (VIII)		71.85	38.14
IX Profit / (Loss) for the year from continuing Operations (VII-VIII)		353.83	548.94
X Other comprehensive income			
A. (I) Items that will not to be reclassified to profit or loss		(0.04)	(155.68)
(II) Income tax relating to items that will not be reclassified to Profit & Loss		-	-
B. (I) Items that will to be reclassified to profit or loss		-	-
(II) Income tax relating to items that will be reclassified to Profit & Loss		-	-
XI Total comprehensive income for the period (IX - X)		353.79	393.26
Earnings per equity share(Nominal value of Rs. 10/- per share)			
Basic (Rs.)	33	4.08	7.19
Diluted (Rs.)	33	4.08	7.19

Summary of Significant accounting policies and accompanying notes form an integral part of these financial statements

1-2

As per our report of even date

For and on behalf of the Board of directors

For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Managing Director)
DIN No. 00239042

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTV7369

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462
C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055
Statement of Standalone Cash Flow for the Year ended March 31, 2023

Particulars	(All Amount Rs. In Lakhs , unless otherwise stated)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per statement of Profit & Loss	425.68	587.08
Adjustments for:		
- Depreciation and amortisation expense	279.07	206.36
- Interest Expenses	341.30	206.15
- Interest Received	(37.93)	(11.31)
- Gain on sale of Investment	-	(366.21)
Operating profit before working capital changes	1,008.12	622.07
Movement in Working Capital		
Increase/(Decrease) in Trade Payables	67.38	340.01
Increase/(Decrease) in Other Current Liabilities /Other Financial Liabilities	107.09	108.64
(Increase) / Decrease in Trade Receivables	65.20	(911.37)
(Increase) / Decrease in Inventories	(527.54)	(54.12)
(Increase)/ Decrease in Other Current/ Other Financial Assets	(400.05)	(86.76)
Cash generated from operations	320.20	18.47
Taxes paid	(31.00)	-
Net Cash generated from Operating Activities (A)	289.20	18.47
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment (including CWIP)	(626.90)	(933.09)
(Purchase)/Sale of investment in Shares	(831.60)	497.11
Movement in fixed deposits (having original maturity of more than three months)	(18.69)	9.26
Interest received	37.93	11.31
Net Cash used in Investing Activities (B)	(1,439.26)	(415.41)
C CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Loans/Liability Raised (Net)	97.57	412.89
Short term loan Raised (Net)	637.90	205.30
Share Capital issued including premium	758.15	-
Interest Paid	(341.30)	(206.15)
Net Cash from Financing Activities (C)	1,152.32	412.04
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	2.26	15.10
Cash and Cash Equivalents at the beginning of the year	23.25	8.15
Cash and Cash Equivalents at the end of the year (Refer note no 10)	25.50	23.25

Notes:

- 1.) The above Cash Flow Statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS - 07 "Statement of Cash Flow").
- 2.) Figures in bracket indicates cash outflow

As per our report of even date

For and on behalf of the Board of Directors

Sd/-
For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Managing Director)
DIN No. 00239042

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTV7369

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)

CIN NO. L28999PB2018PLC047462

C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055

Statement of Standalone Change In Equity for the year ended March 31, 2023

A. Equity Share Capital-		
Particulars	No.of Shares	Amount in Lakhs
Authorised Capital		
Balance as at April 1, 2021	80,00,000	800.00
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1 , 2021	80,00,000	800.00
Increase during the year	-	-
As at 31st March 2022	80,00,000	800.00
Balance as at April 1, 2022	80,00,000	800.00
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1 , 2022	80,00,000	800.00
Increase during the year	70,00,000	700.00
As at 31st March 2023	1,50,00,000	1,500.00
Issued and Subscribed Share Capital		
Balance as at April 1, 2021	76,34,515	763.45
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1 , 2021	76,34,515	763.45
Issue of Shares during the year	-	-
As at 31st March 2022	76,34,515	763.45
Balance as at April 1, 2022	76,34,515	763.45
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1 , 2022	76,34,515	763.45
Issue of Shares during the year	32,48,000	324.80
As at 31st March 2023	1,08,82,515	1,088.25

B. Other Equity

(Rs, in lakhs)

Particulars	Reserves and Surplus		Total
	Securities premium	Retained earnings	
Balance as at April 1, 2021	421.54	74.39	495.93
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 1, 2021	421.54	74.39	495.93
Profit for the Current year	-	393.26	393.26
Security Premium during the year	-	-	-
Other Comprehensive income for the year	-	-	-
Balance as at March 31, 2022	421.54	467.65	889.19
Balance as at April 1, 2022	421.54	467.65	889.19
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 1, 2022	421.54	467.65	889.19
Profit for the Current year	-	353.79	353.79
Other Comprehensive income	-	-	-
Security Premium during the year	617.12	-	617.12
Less: Share issue expenses	(183.77)	-	(183.77)
Balance as at March 31, 2023	854.89	821.44	1,676.33

Pursuant to the requirements of Division II of Schedule III, below is the nature and purpose of each reserve :

a. Security Premium : Securities Premium Reserve is used to record the Premium received on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013

b. Retained Earnings : Retained earnings comprises of prior and current year's undistributed earnings after tax.

As per our report of even date

For and on behalf of the Board of directors

For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Managing Director)
DIN No. 00239042

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTV7369

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462

C-94 , PHASE VII , S.A.S NAGAR , INDUSTRIAL AREA , MOHALI , PUNJAB-160055
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2023

Note No. 1: Notes To The Financial Statement

1 GENERAL INFORMATION

Pritika Engineering Components Limited (" the Company ") a public limited company domiciled in India was incorporated on 20.02.2018 as a Private Limited Company with the objective of manufacturing of tractor and automobile components .The shares of the Company are listed on the SME platform of National Stock Exchange of India .The company is having works at Village Simbli , Phagwara - Hoshiarpur Road , Tehsil & District Hoshiarpur , Punjab-146001. The Company is subsidiary of Pritika Auto Industries Limited .The financial statements were approved by the board of directors on 16th May 2023.

Note No. 2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

These Standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') specified under Section 133 of the Companies Act, 2013 ('Act') the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.The Financial statements have been prepared on a historical cost basis , except certain financial assets and liabilities which are recognised at fair value at the end of the reporting period and on an accrual basis as a going concern . The Financial statements are presented in Indian Rupees (INR) , which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates .The figures of the Financial Statements has been rounded off to the nearest lakhs.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act , 2013 . Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents , the Company has determined its operating cycle atleast as twelve months for the purpose of current-non current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non - current assets and liabilities. The Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents . The Company has identified at least twelve months as its operating cycle .

2.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date , reported amount of revenue and expenses for the period and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet . The estimates and assumptions used in these Financial Statements . The actual amounts may differ from the estimates used in the preparation of the Financial Statements and the difference between actual results and the estimates are recognised in the period in which the results are known/ material.

2.3 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability .

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

Non-derivative financial instruments

1. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income. Financial instruments (unquoted instruments) subsequent measurement are done through fair value through other comprehensive income (FVTOCI)

3. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

4. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

2.4 Property, Plant and Equipment (PPE)

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. The cost of acquisition of property, plant and equipment is net of duty or tax credit availed and includes purchase cost or its construction cost, inward freight and other expenses incidental to acquisition or installation and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Cost of spares relating to specific item of an asset is capitalized. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects / fixed assets during construction period and related pre-operative expenses are capitalized as part of the cost of respective assets. Cost of assets not ready to use before such date are disclosed under "Capital Work-in-Progress".

The residual values, useful live and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets at the rates prescribed under Schedule II of the Companies Act, 2013

Asset Useful lives

Buildings including factory buildings	30 years
General Plant and Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers /servers and Network	3 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

2.5 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss. The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Asset Useful life

Computer software	3 years
-------------------	---------

The estimated useful life is reviewed annually by the management.

2.6 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.7 Impairment

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

2.8 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Cash flow statement

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

2.9 Investments

All Investments are carried at fair value. Investments, which at the inception, have been designated to be held for a long term capital appreciation, the changes in the fair value are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

2.10 Inventories

Inventories are valued at lower of cost (First in First out) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including all taxes and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and net off recoverable taxes incurred in bringing them to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/Goods and Service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity/services by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend

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

Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

2.12 Operating leases including investment properties

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

As a lessee

a) Right-of-use assets

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

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

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.13 Employee benefit expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund and earned leave. Liability on account of contribution to gratuity and earned leave has been provided during the year .

2.14 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

2.15 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.16 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.17 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

2.18 Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

2.19 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.20 Foreign currencies and operations

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest lacs, unless otherwise stated.

ii. Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

3. Property, Plant and Equipment

(All Amount Rs. In Lakhs , unless otherwise stated)

Particulars	Air Conditioner	Computers	Plant and Machinery	Office Equipment	Lab Equipment	Vehicle	Land	Electric Installation	Furniture and Fixtures	D.G Set	Building	Total	Capital Work in Progress
Cost or Deemed Cost													
At April 1 , 2021	0.57	7.34	2,508.91	15.58	23.89	14.92	328.16	92.83	6.17	23.74	504.30	3,526.41	221.61
Addition	2.26	4.04	761.94	-	0.45	-	-	11.36	6.02	-	237.49	1,023.56	195.60
Transfer / Sale	-	-	11.37	-	-	-	-	-	-	-	-	11.37	274.69
At March 31 , 2022	2.83	11.38	3,259.48	15.58	24.34	14.92	328.16	104.19	12.19	23.74	741.79	4,538.60	142.52
At April 1 , 2022	2.83	11.38	3,259.48	15.58	24.34	14.92	328.16	104.19	12.19	23.74	741.79	4,538.60	142.52
Addition	1.36	2.20	592.32	5.97	0.25	2.50	37.69	12.79	6.77	1.32	27.86	691.03	121.33
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	185.46
At March 31 , 2023	4.19	13.58	3,851.80	21.55	24.59	17.42	365.85	116.98	18.96	25.06	769.65	5,229.63	78.39
Depreciation and Impairment													
At April 1 , 2021	0.12	3.67	151.76	6.48	11.31	4.89	-	18.54	1.23	4.08	31.44	233.52	-
Addition	0.19	2.41	163.94	2.96	4.55	1.77	-	9.40	0.95	1.50	18.69	206.36	-
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31 , 2022	0.31	6.08	315.70	9.44	15.86	6.66	-	27.94	2.18	5.58	50.13	439.88	-
At April 1 , 2022	0.31	6.08	315.70	9.44	15.86	6.66	-	27.94	2.18	5.58	50.13	439.88	-
Addition	0.37	3.12	228.04	3.66	4.66	1.87	-	10.62	1.49	1.52	23.72	279.07	-
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31 , 2023	0.68	9.20	543.74	13.10	20.52	8.53	-	38.56	3.67	7.10	73.85	718.95	-
Net Block as on 31.03.2023	3.51	4.38	3,308.06	8.45	4.07	8.89	365.85	78.42	15.29	17.96	695.80	4,510.68	78.39
Net Block as on 31.03.2022	2.52	5.30	2,943.78	6.14	8.48	8.26	328.16	76.25	10.01	18.16	691.66	4,098.72	142.52

Note : Please Refer Note No. 40 for CWIP ageing and Refer Note No. 42 for details regarding land and building

Pritika Engineering Components Limited
CIN NO. L28999PB2018PLC047462
C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4 Investments (All Amount Rs. In Lakhs , unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Investments carried at Fair value through Other Comprehensive Income (FVOCI)		
Investments in Equity Instruments (quoted)		
Shares in Ajooni Biotech Limited {450 (PY 460 Equity Shares of Rs 2 / - each)}	0.02	0.06
Investments carried at Amortised Cost		
Investments in Equity Instruments of Subsidiary Company (Unquoted)		
Shares in Meeta Castings Limited (83,15,998 Equity Shares of Rs 10 / - each)	831.60	-
Total	831.62	0.06
Aggregate market value of Quoted Investments	0.02	0.06
Aggregate market value of Unquoted Investments	831.60	-

5 Other Financial Assets

Particulars	As At March 31, 2023	As At March 31, 2022
Bank deposits having maturity more than 12 months	-	15.00
Total	-	15.00

6 Deferred tax assets

Particulars	As At March 31, 2023	As At March 31, 2022
Mat Credit Entitlement	-	1.90
Total	-	1.90

7 Other Non-Current Assets

Particulars	As At March 31, 2023	As At March 31, 2022
Unamortised Cost	4.43	5.31
Total	4.43	5.31

8 Inventories

Particulars	As At March 31, 2023	As At March 31, 2022
(Lower of cost and net reliasable value)		
Raw Materials	386.15	272.78
Store & Spares	62.32	55.13
Work in Process	1,071.94	645.35
Finished Goods	28.45	48.06
Total	1,548.86	1,021.32

9 Trade Receivables

Particulars	As At March 31, 2023	As At March 31, 2022
Unsecured, Considered Good *	1,333.96	1,399.16
Total	1,333.96	1,399.16

* Note : Trade receivables includes receivables from related parties . (Refer Note No. 35) and for ageing of the trade receivables (Refer Note No.38)

10 Cash and Cash Equivalents

Particulars	As At March 31, 2023	As At March 31, 2022
Balances with banks		
- in current accounts	10.71	9.32
- Deposits in Bank with Original Maturity Less than 3 Months	13.85	13.23
Cash in Hand (including imprest)	0.94	0.69
Total	25.50	23.24

11 Bank balances other than Cash and Cash Equivalents

Particulars	As At March 31, 2023	As At March 31, 2022
Investment in term deposits (With Original Maturity more than 3 months but less than 12 months)	94.11	75.41
Total	94.11	75.41

12 Loans

Particulars	As At March 31, 2023	As At March 31, 2022
Loan-Unsecured considered good		
- Subsidiary Company (Meeta Castings Limited)	496.18	110.47
Total	496.18	110.47

13 Other Current Financial Assets

Particulars	As At March 31, 2023	As At March 31, 2022
Advance to Staff	6.15	6.07
Advances to other	72.59	16.41
Securities Deposits	148.50	122.31
Total	227.24	144.79

14 Other Current Assets

Particulars	As At March 31, 2023	As At March 31, 2022
Prepaid expenses	1.88	3.94
Balance with Govt. authorities	0.70	5.65
Other Receivable	28.19	59.29
Total	30.77	68.88

15 Equity Share Capital

Particulars	As At March 31, 2023	As At March 31, 2022
Authorised		
1,50,00,000 (PY 80,00,000) Equity shares of Rs.10/- each	1,500.00	800.00
	1,500.00	800.00
Issued, subscribed and fully paid-up		
1,08,82,515(PY 76,34,515) Equity shares of Rs.10/- each	1,088.25	763.45
Total	1,088.25	763.45

(a) Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	No of shares	Amount in Lakhs
Equity Shares		
At April 1, 2021	76,34,515	763.45
Add: Issued during the period	-	-
At March 31, 2022	76,34,515	763.45
Add: Issued during the period	32,48,000	324.80
At March 31, 2023	1,08,82,515	1,088.25

(b) Term/right attached to equity shares:

The Company has only one class of equity share having a face value of INR 10 per share. Each holder of equity share is entitled to one vote per share.

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

(c) Shares held by holding company

Out of the equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	As At March 31, 2023	As At March 31, 2023 % of holding	As At March 31, 2022	As At March 31, 2022 % of holding
Equity Shares				
Shares held by Holding Company				
Pritika Auto Industries Limited	76,34,508	70.15%	7634515*	100%

* Note : Out of above holding two shares are registered in name of Mr. Raminder Singh Nibber as nominee of Pritika Auto Industries Limited in previous year.

(d) Details of Shareholding of Promoter as below

		31.03.2022		
Promoter Name	No of Shares	% of holding		
Pritika Auto Industries Limited	76,34,515	100.00%		
		31.03.2023		% Change during the year
Promoter Name	No of Shares	% of holding		
Pritika Auto Industries Limited	76,34,508	70.15%	29.85%	

(e) Details of share held by each shareholder holding more than 5 % shares

Particulars	As At March 31, 2023	As At March 31, 2023 % of	As At March 31, 2022	As At March 31, 2022 % of holding
Equity Shares				
Pritika Auto Industries Limited	76,34,508	70.15%	7634515*	100.00%

(f) There are no shares issued for consideration other than cash and no shares have been bought back in last Five Years**16 Other Equity**

Particulars	As At March 31, 2023	As At March 31, 2022
Retained Earnings		
Opening balance	467.65	74.39
Net Profit / (loss) for the year	353.79	393.26
Closing Balance	821.44	467.65
Equity Share Premium		
Opening Balance	421.54	421.54
Received during the year	617.12	-
Less : Share issue Expenses	(183.77)	-
Closing Balance	854.89	421.54
Total	1,676.33	889.19

17 Borrowings

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Term Loan		
(a) Secured		
- From Banks	1,017.58	1,272.26
- From Financial Institutions / NBFC	417.61	420.52
Total	1,435.19	1,692.78

Note No.17 (a) (1): Details of Securities and Terms of Repayment

Secured : Term loans from Banks

Particulars	As At March 31, 2023	As At March 31, 2022
Canara Bank : The Term loan of Rs. 1286 lacs repayable in 107 monthly installments .Current rate of interest is 10.35% p.a . This loan is secured by first charge of EMT of Factory land and building and hypothecation of Existing Plant and machineries except the machinery /equipment funded by other banks/NBFCs. This loan is also personally guaranteed by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber. Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 19.84 Cr to Canara Bank .	845.26	1,086.72
HDFC Bank : The Term loan of Rs.298 lacs repayable in 40 monthly instalments comprising 1st installment of Rs. 0.68 lacs and next 3 installments of Rs. 2.04 lacs each and next 36 installments of Rs. 9.37 lacs each . This term loan is sanctioned under ECGLS scheme .Current rate of interest is 9.25% p.a.	142.68	237.98
HDFC Bank : The Term loan of Rs. 105 lakhs is sanctioned out of which Rs. 36.50 lacs is disbursed upto 31.03.2023 and which is repayable in 60 monthly instalments of Rs. 0.74 lacs each. This term loan is secured against machinery purchased out of this fund . Current rate of interest is 10% p.a.	27.32	33.45
Canara Bank- The Working Capital Term loan of Rs. 149 lacs repayable in 60 monthly installments including moratorium period of 24 months under Guaranteed Emergency Credit Line of the NCGTCL . Amount of monthly instalment is of Rs.0.41 Lacs each . The credit facility will rank second charge with the existing credit facilities by Canara bank in term of cash flow and hypothecation of machineries fund through term loan by Canara bank. Current rate of interest is 9.25% p.a .	149.00	149.00
HDFC Bank : The Term loan of Rs. 300 lakhs is sanctioned out of which Rs. 27.375 lacs is disbursed upto 31.03.2023 which is repayable in 60 monthly instalments comprising of installment of first 6 instalment of Rs. 0.22 lakhs each and next 54 instalment of Rs. 0.63 lakhs each . Current rate of interest is 9.75 % p.a.This loan is secured against the machinery purchased out of this fund.	27.38	-
HDFC Bank : The Term loan of Rs.100 lacs repayable in 75 monthly instalments comprising of installment of Rs. 1.72 lakhs each and last installment of Rs. 0.44 lacs each . Current rate of interest is 9.75% p.a.This loan is secured against the machinery purchased out of this fund.	89.67	-
HDFC Bank : The Machinery loan of Rs. 68.50 lakhs is sanctioned out of which Rs. 30.75 lacs is disbursed upto 31.03.2023 which is repayable in 60 monthly instalments comprising of installment of Rs.62 lakhs each . Current rate of interest is 8.85% p.a.This loan is secured against the machinery purchased out of this fund.	27.42	-
Total	1,308.73	1,507.15
Less: Amount shown in Borrowings in Note No. 21 towards Current Maturities of Long term Loans .	291.15	234.89
Amount shown as Loan	1,017.58	1,272.26

Note No.17 (a) (2): Details of Securities and Terms of Repayment

Secured : Term loans from Financial Institutions / NBFC

Particulars	As At March 31, 2023	As At March 31, 2022
Electronica Finance Limited : The Machinery Loan of Rs 56.29 Lakhs repayable in 48 monthly installments of Rs. 1.37 lakhs each including interest @ 7.90% p.a. This loan is fully secured by the machineries purchased out of this fund .	31.52	44.90
Tata Capital Financial Services Limited : The Machinery loan of Rs. 705 lakhs is sanctioned out of which Rs. 105 lacs is disbursed upto 31.03.2023 which is repayable in 78 monthly installments (including 6 months moratorium period)of Rs. 1.92 lakhs each including interest @ 7.99% p.a. This loan is fully secured by the machineries purchased out of this fund .	107.97	-

SIDBI : The Term loan of Rs. 101 lacs repayable in 60 monthly installments (including moratorium of 24 months) comprising first 35 installments of Rs. 2.81 lacs each and last i.e 36th instalment of Rs. 2.65 Lacs .Current rate of interest is 8.15% p.a .This loan is covered under Emergency Credit line Guarantee Scheme (ECLGS) of National Credit Guarantee trustee Company Limited (NCGTCL). This loan is fully secured by second charge (a) by way of equitable mortgage in favour of SIDBI of all the immovable properties of borrower , both present and future situated at village -Simbli , Tehsil & District - Hoshiarpur , Punjab ad-measuring 37 Kanal , 13 Marle and 6 Sarsahi (b) by way of hypothecation in favour of SIDBI on all the borrower's movables and other assets which have been acquired under scheme (c) by way of pledge of FDR with SIDBI of Rs. 25 Lakh.	101.00	101.00
SIDBI : The Term loan of Rs. 375 lacs repayable in 72 monthly installments comprising first 12 monthly installments of Rs. 4 lacs each , next 12 monthly installments of Rs. 6.50 lacs each , next 24 monthly installments of Rs. 8 lacs each next 18 monthly installments of Rs. 2.50 lacs each and next 6 monthly installments of Rs. 2 lacs each .Current rate of interest is 10.45% p.a with a monotoriaum period 12 month .This loan is fully secured by the machineries purchased out of this fund and second charge on all the immovable properties of the borrower , both present and future situated at village Simbli , Tehsil & Distt. Hoshiarpur , Punjab and first charge by way of pledge of FDR with SIDBI OF Rs. 25 Lakhs . Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 375 Lakhs .	288.00	351.01
Total	528.49	496.91
Less: Amount shown in Borrowings in Note No. 21 towards Current Maturities of Long term Loans .	110.88	76.39
Amount shown as Loan	417.61	420.52

18 Provisions

Particulars	As At March 31, 2023	As At March 31, 2022
Provision for Employee Benefits		
Provision for Gratuity	12.50	-
Provision for Earned Leave	1.50	-
Total	14.00	-

19 Deferred Tax Liabilities

Particulars	As At March 31, 2023	As At March 31, 2022
Relating to the origination and reversal of temporary differences of Depreciation between Income Tax and Company Act	79.05	25.79
Total	79.05	25.79

20 Other Non - Current Liabilities

Particulars	As At March 31, 2023	As At March 31, 2022
From Related Party		
Tooling Advance	828.42	965.00
Advance against supplies	1,258.35	766.61
Total	2,086.77	1,731.61

21 Borrowings

Particulars	As At March 31, 2023	As At March 31, 2022
Secured		
Cash Credit - Loan Repayable on Demand		
- Canara Bank *	646.44	115.35
- HDFC Bank **	404.30	388.25
Current Maturities of Long term Loans	402.03	311.28
Total	1,452.77	814.88

Note :

* Secured by first pari passu charge on current assets , P& M , other Fixed assets and properties mentioned in the property collateral template and carries interest rate 10.10% p.a. Limit is secured by personal guarantee of directors and Corporate guarantee by Pritika Auto Industries Limited

** Secured by first pari passu charge on current assets , P& M , other Fixed assets and properties mentioned in the property collateral template . Further secured by second pari passu charge on current asset of GECL . Limit is secured by personal guarantee of directors and Corporate guarantee by Pritika Auto Industries Limited . Interest rate is 9.75 % p.a linked with the 3 month T bill rate.

22 Trade Payables

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Trade payables		
Total Outstanding dues of micro enterprise and small enterprise	-	-
Total Outstanding dues of creditors other than micro enterprise and small enterprise*	757.49	708.75
Total	757.49	708.75

***Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act').**
The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the said Memorandum. Accordingly, the disclosures below in respect of the amounts payable to such enterprises as at the period end has been made based on information received and available with the Company.
As explained by management there is no outstanding balance related to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act') as at year end.

Note : For Trade payable ageing Refer Note No. 39

23 Other Financial Liabilities

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Interest Accrued but not due on borrowings	5.53	4.57
Creditors for Capital Expenditure	11.55	11.82
Creditors for others	422.82	330.08
Employee Related Liabilities		
Salaries and Wages payable	27.75	19.64
Audit Fee Payable	0.34	0.38
Electricity Expenses Payable	19.97	26.58
Other Liabilities	13.00	7.68
Total	500.96	400.75

24 Other Current Liabilities

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Statutory dues payable	40.65	37.40
Deferred Subsidy Income	7.50	10.50
Total	48.15	47.90

25 Current Tax Liability (Net)

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Provision for Tax (Net of TDS/TCS of Rs.12.31 Lakhs (PY Rs. 7.06 Lakhs)	42.78	31.68
Total	42.78	31.68

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

26 Revenue from Operations

Particulars	(Rs. In Lakhs , unless otherwise stated)	
	For the Year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products (Net of Sales Returns)	9,713.58	6,324.00
Less: Indirect Taxes	1,481.28	963.25
	8,232.30	5,360.75
Total	8,232.30	5,360.75

27 Other Income

Particulars	For the Year ended March 31, 2023		For the year ended March 31, 2022	
	Interest received on deposits with banks and others	37.93		11.31
Misc Receipt	0.25		1.31	
Profit on Sale of Shares	-		366.21	
Total	38.18		378.83	

28 Cost of materials consumed

Particulars	For the Year ended March 31, 2023		For the year ended March 31, 2022	
	Inventory at the beginning of the year-Raw Materials	272.78		400.49
Inventory at the beginning of the year-Stores ,Spares and Packing Material	55.13		47.48	
	327.91		447.97	
Purchases	5,745.53		3,407.20	
	5,745.53		3,407.20	
Less: Inventory at the end of the year - Raw Materials	386.15		272.78	
Less: Inventory at the end of the year- Stores ,Spares and Packing Material	62.32		55.13	
Total	5,624.97		3,527.26	

28(a) Changes in inventories of finished goods and Work in progress

Particulars	For the Year ended March 31, 2023		For the year ended March 31, 2022	
	1. Opening inventories			
Stock in Process	645.35		519.23	
Finished Goods	48.06		-	
2. Closing inventories				
Stock in Process	1,071.94		645.35	
Finished Goods	28.45		48.06	
	(406.98)		(174.18)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

29 Employee Benefits Expense

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	340.78	235.78
Director Remuneration	30.00	12.00
Contribution to Provident ,ESI and other Funds	20.45	14.73
Staff Welfare Expenses	44.17	35.40
Gratuity Expenses	14.00	-
Total	449.40	297.91

30 Finance Cost

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses	341.30	206.15
Other Borrowing costs	22.27	13.19
Total	363.57	219.34

31 Depreciation and amortisation expenses

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on tangible assets	279.07	206.36
Total	279.07	206.36

32 Other expenses

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
(a) Manufacturing Expenses		
Cartage & Forwarding	3.45	1.32
Power & Fuel	771.41	570.40
Contractual Job Work Expenses	82.91	52.66
Repair & Maintenance		
- Building	0.06	-
- Machinery	12.72	11.59
Workshop Expenses	456.17	282.43
Other Manufacturing Expenses	9.96	15.73
	1,336.68	934.13
(b) Administrative & Selling Expenses		
Payment to Auditors*	1.50	1.60
Rates & Taxes	10.21	1.91
Insurance	10.22	11.83
Legal & Professional Charges	12.70	10.52
Communication Expenses	1.69	1.56
Printing & Stationery	4.71	2.99
Vehicle Running Expenses	1.73	1.44
Travelling & Conveyance Expenses	7.05	3.49
Director Sitting Fees	2.00	-
Freight Outward	86.12	65.71
CSR Expenses	4.65	-
Security expenses	22.27	19.27
Other Misc. Expenses	33.24	21.36
Total	1,534.77	1,075.81

***Detail of Payment to Auditors**

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Audit Fee	1.50	1.25
Auditor's out of pocket Expenses	-	0.35
Total	1.50	1.60

33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Net Profit after tax attributable to equity holders	353.83	548.94
Weighted average no of equity shares outstanding during the year- for Both Basic and Diluted EPS	86,75,655	76,34,515
Face value of Equity Share (INR)	10.00	10.00
Basic and Diluted per share	4.08	7.19

34 Current Tax and Deferred Tax

(a) Current Tax and Deferred Tax

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Current Tax:		
Current income tax:	55.09	38.72
Adjustments in respect of current income tax of previous period	(36.50)	(2.85)
Deferred Tax:		
Relating to origination and reversal of temporary differences	53.26	2.27
Total	<u>71.85</u>	<u>38.14</u>

(b) Income Tax on Other Comprehensive Income

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	-	-
Deferred Tax		
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Total	<u>-</u>	<u>-</u>

(c) Reconciliation of deferred tax assets / (liabilities)(net)

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	25.79	23.52
Tax liability recognised in Statement of Profit and Loss	53.26	2.27
Closing Balance	<u>79.05</u>	<u>25.79</u>

(d) Reconciliation of Income tax charge

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	425.68	587.08
Income tax expense at tax rates applicable	104.21	97.48
Add/(Less) : Tax effects		
- Items not deductible	75.63	(58.99)
- Items deductible	(124.75)	0.23
Income tax expenses	<u>55.09</u>	<u>38.72</u>

35 Related party transactions

a) Related party and nature of the related party relationship with whom transactions have taken place during the year

A) Holding Company

Pritika Auto Industries Limited

B) Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives

Pritika Industries limited

C) Key Management Personnel

Mr. Harpreet Singh Nibber-Managing Director

Mr. Raminder Singh Nibber- Director

Mr. Ajay Kumar- Director

Mr. Narinder Kumar Tyagi- CFO (w.e.f 20-07-2022)

Mr. Chander Bhan Gupta- Company Secretary (w.e.f 20-07-2022)

Mrs. Neha - Independent Director (w.e.f 20-07-2022)

Mr. Subramaniam Bala - Independent Director (w.e.f 20-07-2022)

Mr. Bishwanath Choudhary-Independent Director (w.e.f 20-07-2022)

D) Subsidiary Company

Meeta Castings limited

(In Lakhs)

S.No.	Nature of transactions during the year	Year Ended	Holding Company	Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives	Key Management Personnel	Subsidiary Company
1	Sale	March 31, 2023	3,217.07	4,796.39	-	-
		March 31, 2022	1,783.60	3,171.74	-	-
2	Purchase	March 31, 2023	111.36	290.62	-	-
		March 31, 2022	227.36	257.76	-	-
3	Interest Payment	March 31, 2023	100.51	-	-	-
		March 31, 2022	-	-	-	-
4	Director Remuneration	March 31, 2023	-	-	30.00	-
		March 31, 2022	-	-	12.00	-
5	Interest Received	March 31, 2023	-	-	-	26.08
		March 31, 2022	-	-	-	-
6	Loan Taken	March 31, 2023	355.00	-	-	-
		March 31, 2022	-	-	-	-
7	Loan Repaid	March 31, 2023	355.00	-	-	-
		March 31, 2022	-	-	-	-
8	Loan Given	March 31, 2023	-	-	-	385.71
		March 31, 2022	-	-	-	110.47
9	Investment	March 31, 2023	-	-	-	831.60
		March 31, 2022	-	-	-	-
10	Salary to KMP's	March 31, 2023	-	-	5.85	-
		March 31, 2022	-	-	-	-
11	Director sitting fee paid to independent directors	March 31, 2023	-	-	2.00	-
		March 31, 2022	-	-	-	-

Balance Outstanding are as follows :

S.No.	Nature of transactions	Year Ended	Holding Company	Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives	Key Management Personnel	Subsidiary Company
1	Payables	March 31, 2023	83.35	732.60	-	-
		March 31, 2022	1083.51	723.96	-	-
2	Loan	March 31, 2023	-	-	-	496.18
		March 31, 2022	-	-	-	110.47

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

36 Fair values

The carrying value and fair value of financial instruments by category:

Assets and liabilities carried at amortised Cost

Particulars	Carrying Value		Fair Value	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Financial assets				
Investments	831.60	-	831.60	-
Other Non-current financial assets	-	15.00	-	15.00
Trade Receivables	1,333.96	1,399.16	1,333.96	1,399.16
Cash and cash equivalents	25.50	23.24	25.50	23.24
Bank balances other than cash and cash equivalents	94.11	75.41	94.11	75.41
Loans	496.18	110.47	496.18	110.47
Other Current financial assets	227.24	144.79	227.24	144.79
Total	3,008.59	1,658.60	3,008.59	1,768.07
Financial liabilities				
Other Non Current Borrowings	1,435.19	1,692.78	1,435.19	1,692.78
Trade Payables	757.49	708.75	757.49	708.75
Other Current Borrowings	1,452.77	814.88	1,452.77	814.88
Other Financial Liabilities	500.96	400.75	500.96	400.75
Total	4,146.41	3,617.16	4,146.41	3,617.16

Assets and liabilities carried at FVOCI

Particulars	Carrying Value		Fair Value	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Financial assets				
Investments	0.01	0.01	0.02	0.06

* Note:- Fair value of the Ajooni Biotech Limited has been done according to the Level-1 (Quoted prices (unadjusted) in active markets for identical assets or liabilities)

C) Fair value Measurement

(i) Fair Value hierarchy

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 assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

Level 3- Input based on unobservable market data

There are no assets and liabilities which have been carried at fair value through the profit and loss account.

Investments in Equity instruments have been carried at fair value through the other comprehensive income.

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

37 Capital Management

The company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the capital deployment.

The company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and long-term/ short-term borrowings.

The company monitors the capital structure on the basis of total debt to equity ratio and maturity of the overall debt portfolio of the Company.

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Debt	2,887.96	2,507.66
Less: cash and cash equivalents	25.50	23.24
Net Debt (A)	2,862.46	2,484.42
Equity (B)	2,764.58	1,652.64
Gearing ratio (A/B)	1.04	1.50

38 Trade Receivable Ageing

Particulars (As at 31.03.2023)	Outstanding for following periods from					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- Considered good	1,333.96	-	-	-	-	1,333.96
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered good						
(v) Disputed trade receivables- which have significant increase in credit risk						
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-

Particulars (As at 31.03.2022)	Outstanding for following periods from					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- Considered good	1,398.77	0.39	-	-	-	1,399.16
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-

39 Trade Payables ageing Schedule

Particulars (As at 31.03.2023)	Outstanding for following periods from due date for payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	757.49	-	-	-	757.49
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

Particulars (As at 31.03.2022)	Outstanding for following periods from due date for payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	708.75	-	-	-	708.75
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

40 Capital Work in Progress Ageing

Particulars (As at 31.03.2023)	Amount in CWIP for a period of				Total
	Less than 1	1-2 years	2-3 years	More than 3	
Project in progress	78.39	-	-	-	78.39
Project temporarily suspended	-	-	-	-	-

Capital Work in Progress Ageing

Particulars (As at 31.03.2022)	Amount in CWIP for a period of				Total
	Less than 1	1-2 years	2-3 years	More than 3	
Project in progress	142.52	-	-	-	142.52
Project temporarily suspended	-	-	-	-	-

41 Additional Regulatory Information - Analytical Ratios

Name of Ratio	Numerator	Denominator	As At March 31, 2023	As At March 31,	% Variance	Reasons
Current Ratio (In times)	Current Assets	Current Liabilities	1.34	1.42	-5.59%	-
Debt Equity Ratio(In times)	Debt (Long term Borrowings +	Shareholders Equity (Equity + Reserve)	0.66	1.21	-45.20%	Due to Operational efficiency
Debt Service Coverage Ratio(In times)	PAT + depreciation +finance cost+ Profit on sale of PPE	Debt Service (Interest and lease payments + Principal repayments)	1.48	2.86	-48.30%	Due to increase in equity and reduction in non operating income
Return On Equity (In %)	Net Profit for the year	Average Shareholder Equity	16.02%	37.70%	-57.51%	Due to increase in equity and reduction in non operating income
Inventory Turnover(In times)	Revenue from Operations	Average Inventory	6.41	5.39	18.81%	-
Trade Receivable Turnover (In times)	Revenue from Operations	Average trade receivables	6.02	5.68	6.02%	-

Trade Payable Turnover Ratio(In times)	Purchase	Average trade Payable	7.84	6.32	23.92%	Due increase in purchases
Net Capital Turnover Ratio(In times)	Revenue from Operations	Net Working Capital	8.62	6.39	35.04%	Due to increase in operational income
Net Profit Margin(In %)	Net Profit for the year	Revenue from Operations	4.30%	6.85%	-37.25%	Due to increase in equity and reduction in non operating income
Return On Capital Employed(In %)	Profit before tax and finance cost	Capital Employed (Net Worth + borrowings +lease	12.37%	15.80%	-21.72%	-

42 Details of Land and Building in Property , Plant and Equipment

Relevant line item in the Balancesheet	Description of item of property	Gross carrying value as on 31.03.2023	Title deeds in the name of	Whether title deed holder is a promoter , director or their relatives	Property Held since which date	Reason for not being held in the name of the Company
PPE	land - Phagwara-Simbli	365.85	Pritika Engineering Components	Company	30/04/2018	Name Change in process with relevant authorities
	Building - Phagwara-Simbli	769.65	Pritika Engineering Components Private Limited	Company	30/04/2018	
Investment Property	-	-	-	-	-	-
PPE retired from active use and held for disposal	-	-	-	-	-	-
others	-	-	-	-	-	-

43 Commitments and Contingencies

Particulars	As At March 31, 2023	As At March 31, 2022
(a) Contingent Liabilities :		
Claim against the Company not acknowledged as debts		
- GST*	5.78	-
- BG	50.00	-
- Letter of credit	90.45	90.50
- Corporate guarantee to bank /NBFCs on behalf of subsidiary of the Company	1,211	-

* **Note** : The GST demand is under appeal with GST Appellate authority and the management is hopeful to get relief hence no provision to be made.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates. In the normal course of business, we are exposed to certain market risks including foreign exchange rate risk and interest risk.

(i) Liquidity risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period

Particulars	(Rs. In lakhs)	
	As at 31.03.2023	As at 31.03.2022
Borrowings		
expiring with in one year	1,452.77	814.88
expiring beyond one year	1,435.19	1,692.78
	2,887.96	2,507.66
Trade payables		
expiring with in one year	757.49	708.75
expiring beyond one year	-	-
	757.49	708.75
Other financial liabilities		
expiring with in one year	500.96	400.75
expiring beyond one year	-	-
	500.96	400.75

(ii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. 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. Customer credit risk is managed by the Entities's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The impairment analysis is performed on client to client basis at each reporting date for major customers. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

Write off Policy

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

(iii) 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's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Exposure to Interest Rate risk

Particulars	(Rs. In lakhs)	
	As at 31.03.2023	As at 31.03.2022
Long term debts from Banks and Financial Institutions and others	1,435.19	1,692.78
Current Maturities of long term debts	402.03	311.28
Short term Borrowings from Banks	1,050.74	503.60
Total borrowings	2,887.96	2,507.66
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest rate Sensitivity

A change of 50 bps in interest rate would have following impact on Profit before tax

Particulars	(Rs. In lakhs)	
	As at 31.03.2023	As at 31.03.2022
50 bps increase would decrease the profit before tax by	(14.44)	(12.54)
50 bps decrease would increase the profit before tax by	14.44	12.54

44 Details of CSR Expenditure

(All amounts in Lacs)

Particulars	FY 2022-23
a. Gross amount required to be spent by the Company	4.40
b. Amount spent during the year on:	
(i) Construction/acquisition of any asset	-
(ii) Purposes other than (i) above	4.65
c. Shortfall at the end of the year	-
d. Total of the previous years shortfall	-
e. reason for Shortfall	-
f. Nature of CSR Activities	Promoting Education ,Sports healthcare including preventive health care and menstrual hygeine awareness program
g. Details of the related party transaction	-
h. Movement in provision during the year	-

45 The name of The Company "Pritika Engineering Components Private Limited" has been changed to "Pritika Engineering Components Limited" w.e.f dated 21st April 2022 as per fresh certificate of incorporation issued by Registrar of Companies , Chandigarh

46 There is no charge pending yet to be registered or satisfy beyond the due date .

47 No funds have been advanced or loaned or invested (either from borrowed funds or share premium by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

48 No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

49 Previous year figures has been regrouped / re arranged wherever considered necessary .

As per our report of even date

For and on behalf of Board of Directors

For Sunil Kumar Gupta & Co.
Partner
Firm Regn No. 003645N

Sd/
CA Rahul Goyal
Partner
Firm Regn No. 003645N

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Managing Director)
DIN No. 00239042

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTV7369

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

INDEPENDENT AUDITOR'S REPORT

To the Members of PRITIKA ENGINEERING COMPONENTS LIMITED

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **PRITIKA ENGINEERING COMPONENTS LIMITED** (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary (Holding Company and its wholly owned Subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated statement of changes in equity, Consolidated statement of Cash Flow for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters 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.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matter stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective

management and Board of Directors of the Companies included in the Group are responsible for the 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 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 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 management and Board of Directors of the Holding Company, as aforesaid

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As Part of an audit in accordance with SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the financial year ended March 31, 2023 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") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's Report, according to the information and explanations given to us, and based on the CARO Reports issued by us for the company and wholly owned subsidiary company included in the consolidated financial statements of the company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO Reports.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;

c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including other comprehensive income) and the Consolidated Statement of Changes in Equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2023, none of the directors of the Group companies incorporated in India is disqualified as on 31 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 with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure 1"; and

(B) 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:

a. The Company has disclosed the impact of pending litigations as at 31st March 2023 on its financial position in its consolidated financial statements. Refer Note 42 to the consolidated financial statements.

b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There are no items which required to be transferred, to the Investor Education and Protection Fund by the Company.

d. (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on the audits procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

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

(c) With respect to the matter to be included in the Auditors’ Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its subsidiary company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No:003645N

Sd/-
Rahul Goyal
Partner
Membership No.: 540880

Place: Mohali
Date: 16.05.2023
ICAI UDIN: 23540880BGXMTW5127

Annexure - 1

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

Opinion

In conjunction with our audit of the consolidated financial statements of Pritika Engineering Components Limited (“the Holding Company”) as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and subsidiary company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s and Board of Directors’ Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, both applicable to an audit of Internal Financial Controls and, 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

For Sunil Kumar Gupta & Co.

Chartered Accountants
Firm Regn No: 003645N

Sd/-

Rahul Goyal

Partner

Membership No.: 540880

Place: Mohali

Date: 16.05.2023

ICAI UDIN: 23540880BGXMTW5127

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462
C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055
Consolidated Balance Sheet as at March 31, 2023

(All amount In Rs. Lakhs , unless otherwise stated)

Particulars	Note No.	As At March 31, 2023
I. ASSETS		
1. Non Current Assets		
(a) Property, Plant and Equipment	3	4,608.37
(b) Capital work in progress	3	930.44
(c) Financial Assets		
- Investments	4	0.02
- Other financial assets	5	-
(d) Deferred Tax Assets (Net)	6	-
(e) Other Non-Current Assets	7	4.43
Total Non Current Assets (A)		5,543.26
2. Current Assets		
(a) Inventories	8	1,548.87
(b) Financial Assets		
- Trade Receivables	9	1,333.96
- Cash and Cash Equivalents	10	360.45
- Bank balances other than cash and cash equivalents	11	154.11
- Other Current Financial Assets	12	560.34
(c) Other Current Assets	13	111.37
(d) Current Tax Assets (Net)		
Total Current Assets (B)		4,069.10
TOTAL ASSETS (A+ B)		9,612.36
II. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity Share Capital	14	1,088.25
(b) Other Equity	15	1,650.15
Total Equity (A)		2,738.40
2. Non Current Liabilities		
(a) Financial Liabilities		
- Borrowings	16	1,842.36
(b) Provisions	17	14.00
(c) Deferred Tax Liabilities (Net)	18	79.05
(d) Other non-current Liabilities	19	2,086.77
Total Non Current Liabilities (B)		4,022.18
3. Current Liabilities		
(a) Financial Liabilities		
- Borrowings	20	1,452.77
- Trade Payables	21	
Total outstanding dues of micro and small enterprises		-
Total outstanding dues of creditors other than micro and small enterprises		757.49
- Other Financial Liabilities	22	546.22
(b) Other Current Liabilities	23	52.52
(c) Current tax Liabilities (Net)	24	42.78
Total Current Liabilities (C)		2,851.78
TOTAL EQUITY AND LIABILITIES (A+B+C)		9,612.36
Summary of Significant accounting policies and accompanying notes form an integral part of these financial statements	1-2	

As per our report of even date
For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N

For and on behalf of Board of Directors

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Director)
DIN No. 00239042

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTW5127

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462
C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055
Statement of Consolidated Profit and Loss for the Year ended March 31, 2023

(All amount In Rs. Lakhs , unless otherwise stated)

Particulars	Note	For the year ended March 31, 2023
I Revenue from operations	25	8,232.30
II Other Income	26	12.50
III Total Income (I+II)		8,244.80
IV Expenses		
a) Cost of material consumed	27	5,624.97
b) Changes in inventories of finished goods , Work in progress and stock in trade	27(a)	(406.98)
c) Employee benefits expense	28	449.40
d) Finance costs	29	363.57
e) Depreciation and amortization expense	30	279.07
f) Other Expenses	31	1,535.27
Total Expenses (IV)		7,845.30
V Profit/(Loss) before exceptional items and tax (III-IV)		399.50
VI Exceptional Items		-
VII Profit/ (Loss) before tax (V-VI)		399.50
VIII Tax Expense:		
a) Current Tax	33	55.09
b) Adjustment of tax relating to earlier periods		(36.50)
c) Deferred Tax	33	53.26
Total tax expenses (VIII)		71.85
IX Profit/ (Loss) for the year from continuing Operations (VII-VIII)		327.65
X Other comprehensive income		
A. (I) Items that will not to be reclassified to profit or loss		(0.04)
(II) Income tax relating to items that will not be reclassified to Profit & Loss		-
B. (I) Items that will to be reclassified to profit or loss		
(II) Income tax relating to items that will be reclassified to Profit & Loss		
XI Total comprehensive income for the period (IX - X)		327.61
Earnings per equity share(Nominal value of Rs. 10/- per share)		
Basic (Rs.)	32	3.78
Diluted (Rs.)	32	3.78
Summary of Significant accounting policies and accompanying notes form an integral part of these financial statements	1-2	

As per our report of even date

For and on behalf of the Board of directors

For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Director)
DIN No. 00239042

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTW5127

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462
C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055
Statement of Consolidated Cash Flow for the Year ended March 31, 2023

Particulars	(All amount In Rs. Lakhs , unless otherwise stated) For the Year ended March 31, 2023
A CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax as per statement of Profit & Loss	867.16
Adjustments for:	
- Depreciation and amortisation expense	279.07
- Interest Expenses	363.57
- Interest Received	(12.50)
Operating profit before working capital changes	1,497.30
Movement in Working Capital	
Increase/(Decrease) in Trade Payables	757.49
Increase/(Decrease) in Other Current Liabilities / Other Current Financial Liabilities	677.79
Increase/(Decrease) in Short Term Provisions	14.00
(Increase) / Decrease in Trade Receivables	(1,333.96)
(Increase) / Decrease in Inventories	(1,548.87)
(Increase)/ Decrease in Other Current Assets / Other Current Financial Assets	(674.24)
Cash generated from operations	(610.49)
Taxes paid	(31.00)
Net Cash generated from Operating Activities (A)	(641.49)
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Property, Plant & Equipment (including CWIP)	(5,817.88)
(Purchase)/Sale of Investment in Shares	(0.02)
Movement in fixed deposits (having original maturity of more than three months)	(154.11)
Interest Received	12.50
Net Cash used in Investing Activities (B)	(5,959.51)
C CASH FLOW FROM FINANCING ACTIVITIES	
Long Term Loans/Liability Raised (Net)	3,929.13
Short term loan Raised (Net)	1,452.77
Share Capital issued including premium	1,943.12
Interest Paid	(363.57)
Net Cash from Financing Activities (C)	6,961.45
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	360.45
Cash and Cash Equivalents at the beginning of the year	-
Cash and Cash Equivalents at the end of the year	360.45

Notes:

- 1.) The above Cash Flow Statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS - 07) "Statement of Cash Flow".
- 2.) Figures in bracket indicates cash outflow

As per our report of even date

For and on behalf of the Board of Directors

For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Director)
DIN No. 00239042

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTW5127

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)

CIN NO. L28999PB2018PLC047462

C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055

Statement of Change In Equity for the year ended March 31, 2023

(All amount In Rs. Lakhs , unless otherwise stated)

A. Equity Share Capital-

Particulars	No.of Shares	Amount
Authorised Capital		
Balance as at April 1, 2022	-	-
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1 , 2022	-	-
Issue of Shares during the year	15,000,000	1,500.00
As at 31st March 2023	15,000,000	1,500.00

Particulars	No.of Shares	Amount
Issued and Subscribed Share Capital		
Balance as at April 1, 2022	-	-
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1 , 2022	-	-
Issue of Shares during the year	10,882,515	1,088.25
As at 31st March 2023	10,882,515	1,088.25

B. Other Equity

Particulars	Reserves and Surplus		Total
	Securities premium	Retained earnings	
Balance as at April 1, 2022	-	-	-
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 1 , 2022	421.54	467.65	889.19
Profit for the Current year	-	327.61	327.61
Other Comprehensive income	-	-	-
Security Premium during the year	617.12	-	617.12
Less : Share issue Expenses	(183.77)	-	(183.77)
As at 31st March 2023	854.89	795.26	1,650.15

Pursuant to the requirements of Division II to Schedule III , below is the nature and purpose of each reserve :

a. Security Premium : Securities Premium Reserve is used to record the Premium received on issue of shares. The Reserve is utilised in accordance with the provisions of Section 52 of the Companies Act , 2013

b. Retained Earnings :Retained earnings comprises of prior and current year's undistributed earnings after tax.

As per our report of even date

For and on behalf of the Board of directors

For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Director)
DIN No. 00239042

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Sd/-
Narinder Kumar Tyagi
C.F.O
Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTW5127

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462

C-94 , PHASE VII , S.A.S NAGAR , INDUSTRIAL AREA , MOHALI , PUNJAB-160055
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 20233

Note No. 1: Notes To The Financial Statement

1 GENERAL INFORMATION

Pritika Engineering Components Limited (" the Company ") a public limited company domiciled in India was incorporated on 20.02.2018 as a Private Limited Company with the objective of manufacturing of tractor and automobile components .The shares of the Company are listed on the SME platform of National Stock Exchange of India .The company is having works at Village Simbli , Phagwara - Hoshiarpur Road , Tehsil & District Hoshiarpur , Punjab-146001. The Company is subsidiary of Pritika Auto Industries Limited .The financial statements were approved by the board of directors on 16th May 2023.

Note No. 2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS')as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) rule as amended from time to time.

Name of the Company	Proportion of Ownership
Meeta Castings Limited	Wholly Owned Subsidiary

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act , 2013 . Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents , the Company has determined its operating cycle atleast as twelve months for the purpose of current-non current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non - current assets and liabilities. The Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents . The Company has identified at least twelve months as its operating cycle .

2.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date , reported amount of revenue and expenses for the period and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet . The estimates and assumptions used in these Financial Statements . The actual amounts may differ from the estimates used in the preparation of the Financial Statements and the difference between actual results and the estimates are recognised in the period in which the results are known/ material.

2.3 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability .

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

Non-derivative financial instruments

1. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income. Financial instruments (unquoted instruments) subsequent measurement are done through fair value through other comprehensive income (FVTOCI)

3. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

4. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

2.4 Property, Plant and Equipment (PPE)

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. The cost of acquisition of property, plant and equipment is net of duty or tax credit availed and includes purchase cost or its construction cost, inward freight and other expenses incidental to acquisition or installation and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Cost of spares relating to specific item of an asset is capitalized. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects / fixed assets during construction period and related pre-operative expenses are capitalized as part of the cost of respective assets. Cost of assets not ready to use before such date are disclosed under "Capital Work-in-Progress".

The residual values, useful life and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets at the rates prescribed under Schedule II of the Companies Act, 2013

Asset Useful life

Buildings including factory buildings	30 years
General Plant and Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers /servers and Network	3-6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

2.5 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss. The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Asset Useful life

Computer software	3-6 years
-------------------	-----------

The estimated useful life is reviewed annually by the management.

2.6 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.7 Impairment

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

2.8 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Cash flow statement

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

2.9 Investments

All Investments are carried at fair value. Investments, which at the inception, have been designated to be held for a long term capital appreciation, the changes in the fair value are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

2.10 Inventories

Inventories are valued at lower of cost (First in First out) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including all taxes and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and net off recoverable taxes incurred in bringing them to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/Goods and Service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity/services by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend

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

Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

2.12 Operating leases including investment properties

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

As a lessee

a) Right-of-use assets

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

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

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.13 Employee benefit expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund and earned leave. Liability on account of contribution to gratuity and earned leave has been provided during the year .

2.14 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

2.15 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.16 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.17 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

2.18 Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

2.19 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.20 Foreign currencies and operations**i. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest lacs, unless otherwise stated.

ii. Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

3. Property, Plant and Equipment

(All amount in Rs. Lakhs, unless otherwise stated)

Particulars	Air Conditioner	Computers	Plant and Machinery	Office Equipment	Lab Equipment	Vehicle	Land	Electric Installation	Furniture and Fixtures	D.G Set	Building	Total	Building under construction	Capital Work in Progress
Cost or Deemed Cost														
At April 1, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At April 1, 2022	2.83	11.38	3,259.48	15.58	24.34	14.92	328.16	104.19	12.19	23.74	741.79	4,538.60	-	142.52
Addition	1.36	2.20	592.32	5.97	0.25	2.50	135.38	12.79	6.77	1.32	27.87	788.73	-	973.38
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	(185.46)
At March 31, 2023	4.19	13.58	3,851.80	21.55	24.59	17.42	463.54	116.98	18.96	25.06	769.66	5,327.33	-	930.44
Depreciation and Impairment														
At April 1, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At April 1, 2022	0.31	6.08	315.70	9.45	15.86	6.66	-	27.94	2.18	5.58	50.13	439.88	-	-
Addition	0.37	3.12	228.04	3.66	4.66	1.87	-	10.62	1.49	1.52	23.72	279.07	-	-
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2023	0.68	9.20	543.74	13.11	20.52	8.53	-	38.56	3.67	7.10	73.85	718.96	-	-
Net Block as on 31.03.2023	3.51	4.38	3,308.06	8.44	4.07	8.89	463.54	78.42	15.29	17.96	695.81	4,608.37	-	930.44

Note : Please Refer Note No. 39 for CWIP ageing and Refer Note No. 41 for details regarding land and building

Pritika Engineering Components Limited
(Formerly Known as Pritika Engineering Components Private Limited)
CIN NO. L28999PB2018PLC047462
C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

4 Investments

(All amount In Rs. Lakhs , unless otherwise stated)

Particulars	As At March 31, 2023
Investments carried at Fair value through Other Comprehensive Income (FVOCI)	
Investments in Equity Instruments (quoted)	
Shares in Ajooni Biotech Limited {450 (PY 460 Equity Shares of Rs 2 /- each)}	0.02
Total	0.02
Aggregate market value of Quoted Investments	0.02

5 Other Financial Assets

Particulars	As At March 31, 2023
Bank deposits having maturity more than 12 months	-
Total	-

6 Deferred tax assets

Particulars	As At March 31, 2023
Mat Credit Entitlement	-
Total	-

7 Other Non-Current Assets

Particulars	As At March 31, 2023
Unamortised Cost	4.43
Total	4.43

8 Inventories

Particulars	As At March 31, 2023
<u>lower of cost and net reliasable value</u>	
Raw Materials	386.15
Store & Spares	62.33
Work in Process	1,071.94
Finished Goods	28.45
Total	1,548.87

9 Trade Receivables

Particulars	As At March 31, 2023
Unsecured, Considered Good *	1,333.96
Total	1,333.96

* Note : Trade receivables includes receivables from related parties . (Refer Note No. 34) and for ageing of the trade receivables (Refer Note no.37)

10 Cash and Cash Equivalents

Particulars	As At March 31, 2023
Balances with banks	
- in current accounts	345.36
- Deposits in Bank with Original Maturity Less than 3 Months	13.85
Cash in Hand (including imprest)	1.24
Total	360.45

11 Bank balances other than Cash and Cash Equivalents

Particulars	As At March 31, 2023
Investment in term deposits (With Original Maturity more than 3 months but less than 12 months)	154.11
Total	154.11

12 Other Current Financial Assets

Particulars	As At March 31, 2023
Advance to Staff	6.15
Advances to other	367.10
Securities Deposits	187.09
Total	560.34

13 Other Current Assets

Particulars	As At March 31, 2023
Prepaid expenses	1.88
Balance with Govt. authorities	81.31
Other Receivable	28.18
Total	111.37

14 Equity Share Capital

Particulars	As At March 31, 2023
Authorised	
1,50,00,000 Equity shares of Rs.10/- each	1,500.00
	1,500.00
Issued, subscribed and fully paid-up	
1,08,82,515 Equity shares of Rs.10/- each	1,088.25
Total	1,088.25

(a) Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	No of shares
Equity Shares	
At April 1, 2021	-
Add: Issued during the period	
At April 01, 2022	76,34,515
Add: Issued during the period	
At March 31, 2023	<u>1,08,82,515</u>

(b) Term/right attached to equity shares:

The Company has only one class of equity share having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share.

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

(c) Shares held by holding company

Out of the equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	As At March 31, 2023	As At March 31, 2023 % of holding
Equity Shares		
Shares held by Holding Company		
Pritika Auto Industries Limited	76,34,508	70.15%

(d) Details of Shareholding of Promoter as below

Promoter Name	31.03.2023 No of Shares	% of holding	% Change during the year
Pritika Auto Industries Limited	76,34,508	70.15%	Nil

(e) Details of share held by each shareholder holding more than 5 % shares

Particulars	As At March 31, 2023	As At March 31, 2023 % of holding
Equity Shares		
Pritika Auto Industries Limited	76,34,508	70.15%

(f) There are no shares issued for consideration other than cash and no shares have been bought back in last five years

15 Other Equity

Particulars	As At March 31, 2023
Retained Earnings	
Opening balance	467.65
Net Profit / (loss) for the year	327.61
Other Comprehensive Income	795.26
Equity Share Premium	
Opening balance	421.54
Addition during the year	617.12
Less : Share issue Expenses	(183.77)
	854.89
Total	<u>1,650.15</u>

16 Borrowings

Particulars	As At March 31, 2023
Term Loan	
(a) Secured	
- From Banks	1,017.58
- From Financial Institutions / NBFC	824.78
Total	1,842.36

Note No.16 (a) (1): Details of Securities and Terms of Repayment

Secured : Term loans from Banks

Particulars	As At March 31, 2023
Canara Bank : The Term loan of Rs. 1286 lacs repayable in 107 monthly installments .Current rate of interest is 10.35% p.a . This loan is secured by first charge of EMT of Factory land and building and hypothecation of Existing Plant and machineries except the machinery /equipment funded by other banks/NBFCs. This loan is also personally guaranteed by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber. Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 19.84 Cr to Canara Bank .	845.26
HDFC Bank : The Term loan of Rs.298 lacs repayable in 40 monthly instalments comprising Ist installment of Rs. 0.68 lacs and next 3 installments of Rs. 2.04 lacs each and next 36 installments of Rs. 9.37 lacs each . This term loan is sanctioned under ECGLS scheme .Current rate of interest is 9.25% p.a.	142.68
HDFC Bank : The Term loan of Rs. 105 lakhs is sanctioned out of which Rs. 36.50 lacs is disbursed upto 31.03.2023 and which is repayable in 60 monthly instalments of Rs. 0.74 lacs each. This term loan is secured against machinery purchased out of this fund . Current rate of interest is 10% p.a.	27.32
Canara Bank- The Working Capital Term loan of Rs. 149 lacs repayable in 60 monthly installments including moratorium period of 24 months under Guaranteed Emergency Credit Line of the NCGTCL . Amount of monthly instalment is of Rs.0.41 Lacs each . The credit facility will rank second charge with the existing credit facilities by Canara bank in term of cash flow and hypothecation of machineries fund through term loan by Canara bank. Current rate of interest is 9.25% p.a .	149.00
HDFC Bank : The Term loan of Rs.100 lacs repayable in 75 monthly instalments comprising of installment of Rs. 1.72 lakhs each and last installment of Rs. 0.44 lacs each . Current rate of interest is 9.75% p.a.This loan is secured against the machinery purchased out of this fund.	89.67
HDFC Bank : The Term loan of Rs. 300 lakhs is sanctioned out of which Rs. 27.375 lacs is disbursed upto 31.03.2023 which is repayable in 60 monthly instalments comprising of installment of first 6 instalment of Rs. 0.22 lakhs each and next 54 instalment of Rs. 0.63 lakhs each . Current rate of interest is 9.75 % p.a.This loan is secured against the machinery purchased out of this fund.	27.38
HDFC Bank : The Machinery loan of Rs. 68.50 lakhs is sanctioned out of which Rs. 30.75 lacs is disbursed upto 31.03.2023 which is repayable in 60 monthly instalments comprising of installment of Rs. .62 lakhs each . Current rate of interest is 8.85% p.a.This loan is secured against the machinery purchased out of this fund.	27.42
Total	1,308.73
Less: Amount shown in Other Financial liabilities in Note No. 20 towards Current Maturities of Long term Loans .	291.15
Amount shown as Loan	1,017.58

**Note No.16 (a) (2): Details of Securities and Terms of Repayment
Secured : Term loans from Financial Institutions / NBFC**

Particulars	As At March 31, 2023
Electronica Finance Limited : The Machinery Loan of Rs 56.29 Lakhs repayable in 48 monthly installments of Rs. 1.37 lakhs each including interest @ 7.90% p.a. This loan is fully secured by the machineries purchased out of this fund .	31.52
Tata Capital Financial Services Limited : The Machinery loan of Rs. 705 lakhs is sanctioned out of which Rs. 105 lacs is disbursed upto 31.03.2023 which is repayable in 78 monthly installments (including 6 months moratorium period)of Rs. 1.92 lakhs each including interest @ 7.99% p.a. This loan is fully secured by the machineries purchased out of this fund .	107.97
SIDBI : The Term loan of Rs. 101 lacs repayable in 60 monthly installments (including moratorium of 24 months) comprising first 35 installments of Rs. 2.81 lacs each and last i.e 36th instalment of Rs. 2.65 Lacs .Current rate of interest is 8.15% p.a .This loan is covered under Emergency Credit line Guarantee Scheme (ECLGS) of National Credit Guarantee trustee Company Limited (NCGTCL). This loan is fully secured by second charge (a) by way of equitable mortgage in favour of SIDBI of all the immovable properties of borrower , both present and future situated at village -Simbli , Tehsil & District - Hoshiarpur , Punjab ad-measuring 37 Kanal , 13 Marle and 6 Sarsahi (b) by way of hypothecation in favour of SIDBI on all the borrower's movables and other assets which have been acquired under scheme (c) by way of pledge of FDR with SIDBI of Rs. 25 Lakh.	101.00
SIDBI : The Term loan of Rs.1211 lacs (disbursed Rs. 40.71 Lakhs till 31.03.2023) repayable in 90 monthly installments , comprising first 7 installments of Rs.8 lacs each , next 7 instalments of Rs. 9 lacs each , next 5 instalments of Rs. 10 lacs each , next 12 instalments of Rs. 14.50 lacs , , next 58 instalments of Rs. 14.70 lacs each each and last 90th instalment of Rs. 15.4 Lacs .Current rate of interest is 8.40% p.a .This loan is granted under (Direct Credit Scheme (DCS)). This loan is fully secured against first charge by way of equitable mortgage in favour of SIDBI over all immovable properties bearing industrial land measuring 11K-19M , situated within the revenue estate of Simbli , H.B. No. 272 , Tehsil & District hoshiarpur and by way of hypothecation of all the movable assets including plant , machinery together with spares , tools and accessories and other movables and the furniture , fixtures and fittings and office equipment acquired/to be acquired under the project.	407.17
SIDBI : The Term loan of Rs. 375 lacs repayable in 72 monthly installments comprising first 12 monthly installments of Rs. 4 lacs each , next 12 monthly installments of Rs. 6.50 lacs each , next 24 monthly installments of Rs. 8 lacs each next 18 monthly installments of Rs. 2.50 lacs each and next 6 monthly installments of Rs. 2 lacs each .Current rate of interest is 10.45% p.a with a monotoriaum period 12 month .This loan is fully secured by the machineries purchased out of this fund and second charge on all the immovable properties of the borrower , both present and future situated at village Simbli , Tehsil & Distt. Hoshiarpur , Punjab and first charge by way of pledge of FDR with SIDBI OF Rs. 25 Lakhs . Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 375 Lakhs .	288.00
Total	935.66
Less: Amount shown in Other Financial liabilities in Note No. 20 towards Current Maturities of Long term Loans .	110.88
Amount shown as Loan	824.78

17 Provisions

Particulars	As At March 31, 2023
Provision for Employee Benefits	
Provision for Gratuity	12.50
Provision for Earned Leave	1.50
Total	14.00

18 Deferred Tax Liabilities

Particulars	As At March 31, 2023
Relating to the origination and reversal of temporary differences of Depreciation between Income Tax and Company Act	79.05
Total	79.05

19 Other Non - Current Liabilities

Particulars	As At March 31, 2023
<u>From Related Party</u>	
Tooling Advance	828.42
Advance against supplies	1,258.35
Total	2,086.77

20 Borrowings

Particulars	As At March 31, 2023
Secured	
Cash Credit - Loan Repayable on Demand	
- Canara Bank *	646.44
- HDFC Bank **	404.30
Current Maturities of Long term Loans	402.03
Total	1,452.77

Note :

* Secured by first pari passu charge on current assets , P& M , other Fixed assets and properties mentioned in the property collateral template and carries interest rate 10.10% p.a. Limit is secured by personal guarantee of directors and Corporate guarantee by Pritika Auto Industries Limited

** Secured by first pari passu charge on current assets , P& M , other Fixed assets and properties mentioned in the property collateral template . Further secured by second pari passu charge on current asset of GECL . Limit is secured by personal guarantee of directors and Corporate guarantee by Pritika Auto Industries Limited . Interest rate is 9.75 % p.a linked with the 3 month T bill rate.

21 Trade Payables

Particulars	As At March 31, 2023
Trade payables	
Total Outstanding dues of micro enterprise and small enterprise	-
Total Outstanding dues of creditors other than micro enterprise and small enterprise*	757.49
Total	757.49

*Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act').

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the said Memorandum. Accordingly, the disclosures below in respect of the amounts payable to such enterprises as at the period end has been made based on information received and available with the Company.

As explained by management there is no outstanding balance related to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act') as at year end.

* Note : For Trade Payable ageing refer Note No.38

22 Other Financial Liabilities

Particulars	As At March 31, 2023
Interest Accrued but not due on borrowings	5.62
Creditors for Capital Expenditure	44.87
Creditors for others	431.25
<u>Employee Related Liabilities</u>	
Salaries and Wages payable	30.72
Audit Fee Payable	0.79
Electricity Expenses Payable	19.97
Other Liabilities	13.00
Total	546.22

23 Other Current Liabilities

Particulars	As At March 31, 2023
Statutory dues payable	45.02
Defered Subsidy Income	7.50
Total	52.52

24 Current tax Liabilities (Net)

Particulars	As At March 31, 2023
Provision for Tax (Net Of Advance tax/TDS and TCS of Rs. 12.31 lakhs)	42.78
Total	42.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

25 Revenue from Operations

(All amount In Rs. Lakhs , unless otherwise stated)

Particulars	For the year ended March 31, 2023
Sale of Products (Net of Sales Returns)	9,713.58
Less: Indirect Taxes	1,481.28
	<u>8,232.30</u>
Other Operating Income	-
Total	<u>8,232.30</u>

26 Other Income

Particulars	For the year ended March 31, 2023
Interest received on deposits with banks and others	12.25
Misc Receipt	0.25
Profit on Sale of Shares	-
Total	<u>12.50</u>

27 Cost of materials consumed

Particulars	For the year ended March 31, 2023
Inventory at the beginning of the year-Raw Materials	272.78
Inventory at the beginning of the year-Stores ,Spares, Packing Material	55.13
	<u>327.91</u>
Purchases	5,745.53
	<u>5,745.53</u>
Less: Inventory at the end of the year - Raw Materials	386.15
Less: Inventory at the end of the year- Stores ,Spares and Packing Material	62.32
Total	<u>5,624.97</u>

27(a) Changes in inventories of finished goods and Work in progress

Particulars	For the year ended March 31, 2023
1. Opening inventories	
Stock in Process	645.35
Finished Goods	48.06
2. Closing inventories	
Stock in Process	1,071.94
Finished Goods	28.45
	<u>(406.98)</u>

28 Employee Benefits Expense

Particulars	For the year ended March 31, 2023
Salaries and wages	340.78
Director Remuneration	30.00
Contribution to Provident/ ESI and other Funds	20.45
Staff Welfare Expenses	44.17
Group Gratuity & Earned Leave	14.00
Other Expenses	-
Total	<u>449.40</u>

29 Finance Cost

Particulars	For the year ended March 31, 2023
Interest Expenses	341.30
Other Borrowing costs	22.27
Total	363.57

30 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2023
Depreciation on tangible assets	279.07
Total	279.07

31 Other expenses

Particulars	For the year ended March 31, 2023
(a) Manufacturing Expenses	
Cartage & Forwarding	3.45
Power & Fuel	771.41
Contractual Job Work Expenses	82.91
Repair & Maintenance	
– Building	0.06
– Machinery	12.72
Workshop Expenses	456.17
Other Manufacturing Expenses	9.96
	1,336.68
(b) Administrative & Selling Expenses	
Payment to Auditors*	2.00
Rates & Taxes	10.21
Insurance	10.22
Legal & Professional Charges	12.70
Communication Expenses	1.69
Printing & Stationery	4.71
Vehicle Running Expenses	1.73
Travelling & Conveyance Expenses	7.05
Director Sitting Fees	2.00
Freight Outward	86.12
CSR Expenses	4.65
Security expenses	22.27
Other Misc. Expenses	33.24
Total	1,535.27

*Detail of Payment to Auditors

Particulars	For the year ended March 31, 2023
Audit Fee	2.00
Auditor's out of pocket Expenses	-
Total	2.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

32 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	For the year ended March 31, 2023
Net Profit after tax attributable to equity holders	327.65
	327.65
Weighted average no of equity shares outstanding during the year- for Both Basic and Diluted EPS	86.76
Face value of Equity Share (INR)	10.00
Basic and Diluted EPS per share	3.78

33 Current Tax and Deferred Tax

(All amount In Lakhs , unless otherwise stated)

Particulars	For the year ended March 31, 2023
Current Tax:	
Current income tax:	55.09
Adjustments in respect of current income tax of previous period	(36.50)
Deferred Tax:	
Relating to origination and reversal of temporary differences	53.26
Total	71.85

Income Tax on Other Comprehensive Income

Particulars	For the year ended March 31, 2023
Current Tax	-
Deferred Tax	-
Net loss/(gain) on remeasurements of defined benefit plans	-
Total	-

(c) Movement of Deferred Tax

Particulars	For the year ended March 31, 2023
Tax effect of items constituting deferred tax assets	
Deferred Tax liabilities due to difference between book value and tax written down value of Tangible Fixed Assets	79.05
Total deferred tax liabilities	79.05
	-
Net deferred tax asset (liability)	79.05

(d) Reconciliation of Income tax charge

Particulars	For the year ended March 31, 2023
Profit before tax	399.50
Income tax expense at tax rates applicable	97.80
Add/(Less) : Tax effects	
Items deductible for tax	(124.75)
Items not deductible for tax	82.04
Income tax expenses	55.09

34 Related party transactions

a) Related party and nature of the related party relationship with whom transactions have taken place during the year

A) Holding Company

Pritika Auto Industries Limited

B) Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives

Pritika Industries limited

C) Key Management Personnel

Mr. Harpreet Singh Nibber- Managing Director

Mr. Raminder Singh Nibber- Director

Mr. Ajay Kumar- Director

Mr. Narinder Kumar Tyagi- CFO (w.e.f 20.07.2022)

Mr. Chander Bhan Gupta- Company Secretary (w.e.f 20.07.2022)

Mrs. Neha - Independent Director (w.e.f 20.07.2022)

Mr. Subramaniam Bala - Independent Director (w.e.f 20.07.2022)

Mr. Bishwanath Choudhary-Independent Director (w.e.f 20.07.2022)

(All amount In Lakhs , unless otherwise stated)

S.No.	Nature of transactions	Year Ended	Holding Company	Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives	Key Management Personnel
1	Sale	March 31, 2023	3,217.07	4,796.39	-
		March 31, 2022	1,783.60	3,171.74	-
2	Purchase	March 31, 2023	111.36	290.62	-
		March 31, 2022	227.36	257.76	-
3	Interest Payment	March 31, 2023	100.51	-	-
		March 31, 2022	-	-	-
4	Director Remuneration	March 31, 2023	-	-	30.00
		March 31, 2022	-	-	12.00
5	Loan Taken	March 31, 2023	355.00	-	-
		March 31, 2022	-	-	-
6	Loan Repaid	March 31, 2023	355.00	-	-
		March 31, 2022	-	-	-
7	Salary to KMP's	March 31, 2023	-	-	5.85
		March 31, 2022	-	-	-
8	Director sitting fees paid to independent director	March 31, 2023	-	-	2.00
		March 31, 2022	-	-	-

Balance Outstanding are as follows :

S.No.	Nature of transactions	Year Ended	Holding Company	Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives	Key Management Personnel
1	Payables	March 31, 2023	83.35	732.60	-
		March 31, 2022	1083.51	723.96	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

35 Fair values

The carrying value and fair value of financial instruments by category:

Assets and liabilities carried at amortised cost

Particulars	Carrying Value	Fair Value
	As At March 31, 2023	As At March 31, 2023
Financial assets		
Trade Receivables	1,333.96	1,333.96
Cash and cash equivalents	360.45	360.45
Bank balances other than cash and cash equivalents	154.11	154.11
Other Current financial assets	111.37	111.37
Total	1,959.89	1,959.89
Financial liabilities		
Borrowings	1,842.36	1,842.36
Trade Payables	757.49	757.49
Other Financial Liabilities	546.22	546.22
Total	3,146.07	3,146.07

Assets and liabilities carried at FVOCI

Particulars	Carrying Value	Fair Value
	As At March 31, 2023	As At March 31, 2023
Financial assets		
Investments	0.01	0.02

* Note:- Fair value of the Ajooni Biotech Limited has been done according to the Level-1 (Quoted prices (unadjusted) in active markets for identical assets or liabilities)

C) Fair value Measurement

(i) Fair Value hierarchy

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 assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

Level 3- Input based on unobservable market data

There are no assets and liabilities which have been carried at fair value through the profit and loss account.

Investments in Equity instruments have been carried at fair value through the other comprehensive income.

36 Capital Management

The company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the capital deployment.

The company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirement are met through equity and long-term/ short-term borrowings.

The company monitors the capital structure on the basis of total debt to equity ratio and maturity of the overall debt portfolio of the Company.

Particulars	As At March 31, 2023
Debt	3,295.13
Less: cash and cash equivalents	360.45
Net Debt (A)	2,934.68
Equity (B)	2,738.40
Gearing ratio (A/B)	1.07

37 Trade Receivable Ageing

Particulars (As at 31.03.2023)	Outstanding for following periods from					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- Considered good	1,333.96	-	-	-	-	1,333.96
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-

38 Trade Payables ageing Schedule

Particulars (As at 31.03.2023)	Outstanding for following periods from due date for payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	757.49	-	-	-	757.49
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

39 Capital Work in Progress Ageing

Particulars (As at 31.03.2023)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	930.44	-	-	-	930.44
Project temporarily suspended	-	-	-	-	

40 Additional Regulatory Information - Analytical Ratios

Name of Ratio	Numerator	Denominator	As At March 31, 2023
Current Ratio (In times)	Current Assets	Current Liabilities	1.43
Debt Equity Ratio(In times)	Debt (Borrowings + Lease Liabilities)	Shareholders Equity	0.82
Debt Service Coverage Ratio(In times)	PAT + depreciation +finance cost+ Profit on sale of PPE	Debt Service (Interest and lease payments + Principal	1.36
Return On Equity (In %)	Net Profit for the year	Average Shareholder Equity	11.96%
Inventory Turnover(In times)	Revenue from Operations	Average Inventory	5.32
Trade Receivable Turnover (In times)	Revenue from Operations	Average trade receivables	6.17
Trade Payable Turnover Ratio(In times)	Purchase	Average trade Payable	7.58
Net Capital Turnover Ratio(In times)	Revenue from Operations	Net Working Capital	6.76
Net Profit Margin(In %)	Net Profit for the year	Revenue from	4.16%
Return On Capital Employed(In %)	Profit before tax and finance cost	Capital Employed (Net Worth + borrowings +lease	11.29%

41 Details of Land and Building in Property , Plant and Equipment

Rellevant line item in the Balancesheet	Description of item of property	Gross carrying value as on 31.03.2023	Title deeds in the name of	Whether title deed holder is a promoter , director or their relatives	Property Held since which date	Reason for not being held in the name of the Company
PPE	land - Phagwara-Simbli	365.85	Pritika Engineering Components Private Limited	Company	30/04/2018	Name change in Process with relevant authorities
	land - Phagwara-Simbli	97.69	Meeta Castings Limited	Company	17/03/2022	-
	Building - Phagwara-Simbli	769.66	Pritika Engineering Components Private Limited	Company	30/04/2018	Name change in Process with relevant authorities
Investment Property	-	-	-	-	-	-
PPE retired from active use and held for disposal	-	-	-	-	-	-
others	-	-	-	-	-	-

42 Commitments and Contingencies

Particulars	As at 31.03.2023
(a) Contingent Liabilities :	
Claim against the Company not acknowledged as debts	-
- GST *	5.78
- Bank Guarantee	50.00
- Letter of credit	90.45

* **Note :** The GST demand is under appeal with GST Appellate authority and the management is hopeful to get relief hance no provision to be made.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates. In the normal course of business, we are exposed to certain market risks including foreign exchange rate risk and interest risk.

(i) Liquidity risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period

(Rs. In lakhs)	
Particulars	As at 31.03.2023
Borrowings	
expiring with in one year	1,452.77
expiring beyond one year	1,842.36
	3,295.13
Trade payables	
expiring with in one year	757.49
expiring beyond one year	-
	757.49
Other financial liabilities	
expiring with in one year	546.22
expiring beyond one year	-
	546.22

(ii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the The impairment analysis is performed on client to client basis at each reporting date for major customers. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

Write off Policy

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

(iii) 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's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Exposure to Interest Rate risk

Particulars	(Rs. In lakhs)
	As at 31.03.2023
Long term debts from Banks and Financial Institutions and others	1,842.36
Current Maturities of long term debts	402.03
Short term Borrowings from Banks	1,050.74
Total borrowings	3,295.13
% of Borrowings out of above bearing variable rate of interest	100%

Interest rate Sensitivity

A change of 50 bps in interest rate would have following impact on Profit before tax

(Rs. In lakhs)	
Particulars	As at 31.03.2023
50 bps increase would decrease the profit before tax by	(16.48)
50 bps decrease would increase the profit before tax by	16.48

43 Details of CSR Expenditure

(All amounts in Lacs)	
Particulars	(Rs. In lakhs)
a. Gross amount required to be spent by the Company during the year as	4.40
b. Amount spent during the year on:	
(i) Construction/acquisition of any asset	-
(ii) Purposes other than (i) above	4.65
c. Shortfall at the end of the year	-
d. Total of the previous years shortfall	-
e. reason for Shortfall	-
f. Nature of CSR Activities	Promoting Education ,Sports healthcare including preventive health care and menstrual hygiene awareness program
g. Details of the related party transaction	-
h. Movement in provision during the year	-

44 The name of The Company "Pritika Engineering Components Private Limited" has been changed to "Pritika Engineering Components Limited" w.e.f dated 21st April 2022 as per fresh certificate of incorporation issued by Registrar of Companies , Chandigarh

45 There is no charge pending yet to be registered or satisfy beyond the due date .

- 46 No funds have been advanced or loaned or invested (either from borrowed funds or share premium by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 47 No funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 48 The Annual accounts for the current year in respect of the wholly owned subsidiary is from 16th March 2022 to 31st March 2023 , so the Consolidated accounts doesn't carry any figures for the previous years i.e 31st March 2022

As per our report of even date

**For Sunil Kumar Gupta & Co.
Chartered Accountants
Firm Regn No. 003645N**

Sd/-
CA Rahul Goyal
Partner
Membership No.: 540880

Place: Mohali
Date: 16-05-2023
ICAI UDIN NO. : 23540880BGXMTW5127

For and on behalf of Board of Directors

Sd/-
Raminder Singh Nibber
(Chairman)
DIN No. 00239117

Sd/-
Harpreet Singh Nibber
(Director)
DIN No. 00239042

Sd/-
Narinder Kumar Tyagi
C.F.O

Sd/-
Chander Bhan Gupta
Company Secretary
M.No. F2232

Pritika Engineering Components Limited
Regd Office: C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab-160055
CIN: L28999PB2018PLC047462

Form No. MGT – 11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Annual General Meeting of the Members of Pritika Engineering Components Limited to be held on Thursday, 28th September, 2023 at 11.30 am at the Registered Office of the Company

CIN : L28999PB2018PLC047462
 Name of the Company : Pritika Engineering Components Limited
 Registered office : Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali- 160055, Punjab

Name of the member (s): Registered address: E-mail Id: Folio No/Client Id: DP ID:

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

1. Name: **Mr./Ms.** E-mail Id: _____

Address: _____

Signature: _____, or failing him

2. Name: **Mr./Ms.** E-mail Id: _____

Address: _____

Signature: _____, or failing him

3. Name: **Mr./Ms.** E-mail Id: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, the 28th day of September, 2023 at 11:30 AM at the registered office at Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali- 160055, Punjab, and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Options	
		For	Against
Ordinary Business			
1.	Adoption of Financial Statements		
2.	Adoption of Consolidated Financial Statements		
3.	Appointment of Mr. Ajay Kumar as a Director liable to retire by rotation.		
Special Business			
4.	To appoint Mr. Aman Tandon (DIN: 02159395) as an Independent Director of the Company.		
5.	Approval of the material related party transactions with Pritika Auto Industries Ltd.		
6.	Approval of the material related party transactions with Meeta Castings Ltd.		
7.	Approval of the material related party transactions with Pritika Industries Ltd.		

Signed this _____ day of _____, 2023

Signature of Member: _____

Signature of Proxy: _____

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for or against
3. Column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Pritika Engineering Components Limited
Regd Office: C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab-160055
CIN: L28999PB2018PLC047462

ATTENDANCE SLIP
(To be presented at the entrance)

Annual General Meeting of the Members of Pritika Engineering Components Limited to be held on Thursday, 28th September, 2023 at 11.30 am at the Registered Office of the Company at Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali- 160055, Punjab

Folio No. / DPID No.: _____

Client ID: _____

No. of shares held: _____

I/ We record my/ our presence at the Annual General Meeting of the Company to be held on Thursday, 28th September, 2023 at 11.30 am at the Registered Office of the Company at Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali- 160055, Punjab

Name of the Member: _____ Signature: _____

Name of the Proxy-holder: _____ Signature: _____

Note:

1. Only Member / Proxy-Holder can attend the Meeting.
2. You are requested to sign and handover this slip at the entrance of the meeting venue.
3. Members are requested to bring their copy of notice for reference at the Meeting.

ROUTE MAP

VENUE: Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali- 160055, Punjab

