QUANTUM MAGNETICS PRIVATE LIMITED

CIN : U32909MH2023PTC403966

Standalone Balance Sheet as at 31.03.2024

Particulars	Note No	31.03.2024
		₹
ASSET		
(1) Non Current Assets		
(a) Property, Plant and Equipment	2	33,403,056
(b) Intangible assets	2	69,920
(c) Right-of-use Assets	2	47,234,609
(d) Financial Assets		
(i) Loans	3	8,257,759
(e) Deferred Tax Assets (Net)	4	1,067,537
(f) Other Non-Current Assets	5	509,922
		90,542,803
(2) Current Assets		
(a) Inventories	6	209,484
(b) Financial Assets		
(i) Trade Receivables	7	24,326
(ii) Cash and Cash Equivalents	8	172,551
(c) Current Tax Asset (Net)		
(d) Other Current Assets	9	7,738,202
		8,144,564
Total Assets		**98,687,367**
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share Capital	10	500,000
(b) Other Equity	11	(25,393,686)
		(24,893,686)
Liabilities		
(2) Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Trade Payables		-
(ii) Lease Liabilities	12	38,411,258
(b) Provisions	13	24,409
(c) Deferred Tax Liabilities (Net)		-
(d) Other Non Current Liabilities		-
		38,435,667
(3) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	14	13,386,087
(ii) Trade Payables (Current)	15	8,290,866
(iii) Lease Liabilities	16	9,723,382
(iv) Other Financial Liabilities	16	137,200
(b) Other Current Liabilities	17	53,607,802
(c) Provisions	18	49
(d) Current Tax Liabilities		-
		85,145,386
Total Equity and Liabilities		**98,687,367**

Significant Accounting Policies 1

The Notes are an integral part of these financial statements

As per our Report of even date attached

For Jayesh Sanghrajka & Co LLP

Chartered Accountants

ICAI Firm Reg. No. 104184W/W100075

JAYESH SANGHRAJKA & CO. LLP Reg. No. 104184 W/ W100075 Chartered Accountants

Hemant Kumar

CA Hemant Kumar

Designated Partner

M. No. 403143

UDIN:24403143BKDIFV9402

Place : Mumbai

Dated : 15-05-2024

For & on behalf of the Board of Directors

Sharad Taparia

Managing Director

DIN:00293739

Mukul Taparia

Director

DIN:00318434

QUANTUM MAGNETICS PVT. LTD.

QUANTUM MAGNETICS PRIVATE LIMITED

CIN : U32909MH2023PTC403966

CASH FLOW STATEMENT (INDIRECT METHOD) FOR THE YEAR ENDED 31.03.2024

Particulars	31.03.2024 INR
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax and extraordinary items (PAT)	**(26,461,224)**
Adjustment for :	
Depreciation for PPE	8,293,625
Depreciation for Leased assets	5,612,034
Financial Charges under lease agreement	2,303,444
Interest income on security deposit	(195,990)
Unrealised Foreign Exchange Gain/loss	295,273
Operating Profit before working Capital Changes	**(10,152,837)**
Adjustment for:	
Inventories	(209,484)
Trade Receivables	(463,857)
Other Assets	(65,759,980)
Trade Payables	8,435,123
Other Liabilities	101,904,100
	33,753,065
Direct Taxes Paid	-
Net cash flow from Operating Activities	**33,753,065**
CASH FLOW FROM INVESTMENT ACTIVITIES	
Sale of/ (Additions to) Fixed Assets	(41,766,601)
Net cash used in investing activities	**(41,766,601)**
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from sthort Term Borrowings	13,386,087
Finance Charges paid (Net)	-
Payment of Lease liabilities	(5,700,000)
Equity Capital Inflow	500,000
Net cash from Financing Activities	**8,186,087**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**172,551**
Opening Cash and Cash Equivalents	-
Closing Cash and Cash Equivalents	172,551

Notes :

1. The above statement has been prepared in indirect method as described in Ind AS -7 issued by ICAI.
2. Cash and Cash Equivalent

Cash and Cash Equivalent	**31.03.2024**
Cash in hand	-
Balance with Banks	172,551
Total	**172,551**

For Jayesh Sanghrajka & Co LLP

Chartered Accountants

ICAI Firm Reg. No. 104184W/W100075

JAYESH SANGHRAJKA & CO. LLP. Reg. No. 104184 W/ W100075 Chartered Accountants

CA Hemant Kumar

Designated Partner

M. No. 403143

UDIN:24403143BKDIFV9402

Place : Mumbai

Dated : 15-05-2024

For & on behalf of the Board of Directors

QUANTUM MAGNETICS PVT. LTD.

Sharad Taparia

Managing Director

DIN:00293739

Mukul Taparia

Director

DIN:00318434

QUANTUM MAGNETICS PRIVATE LIMITED
CIN : U32909MH2023PTC403966
Statement of Profit and Loss for the period 31.05.2023 to 31.03.2024

Particulars	Note No	31.03.2024 ₹
I Revenue From Operations	19	80,080
II Other Income	20	513,911
III Total Income (I+II)		**593,991**
IV EXPENSES		
Cost of materials consumed	21	145,648
Purchases of Stock-in-Trade		
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	(88,323)
Employee benefits expense	23	4,003,008
Finance costs	24	2,303,444
Depreciation and amortization expense	25	13,905,659
Other expenses	26	6,785,778
Total expenses (IV)		**27,055,214**
V Profit/(loss) before exceptional items and tax (I- IV)		**(26,461,224)**
VI Exceptional Items		
VII Profit/(loss) before tax (V-VI)		**(26,461,224)**
VIII Tax expense:		
(1) Current tax		-
(2) Deferred tax		(1,067,537)
(3) Short /Excess provision of earlier years		-
IX Profit for the period from continuing operations (VII-VIII)		**(25,393,686)**
X Profit/(loss) from discontinued operations	27	-
XI Tax expense of discontinued operations		
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		
XIII Profit for the period (IX+XII)		**(25,393,686)**
XIV Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss	28	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		
B (i) Items that will be reclassified to profit or loss		
(ii) Income tax relating to items that will be reclassified to profit or loss		
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit and Other Comprehensive Income for the period)		**(25,393,686)**
XVI Earnings per equity share (for continuing operation):	29	
(1) Basic		(507.87)
(2) Diluted		(507.87)
XVII Earnings per equity share (for discontinued operation):	29	
(1) Basic		-
(2) Diluted		-
XVIII Earnings per equity share (for discontinued & continuing	29	
(1) Basic		(507.87)
(2) Diluted		(507.87)

Significant Accounting Policies 1
The Notes are an integral part of these financial statements

As per our Report of even date attached

For Jayesh Sanghrajka & Co LLP
Chartered Accountants
ICAI Firm Reg. No. 104184W/W100075

JAYESH SANGHRAJKA & CO. LLP. Reg. No. 104184 W/ W100075 Chartered Accountants

CA Hemant Kumar
Designated Partner
M. No. 403143
UDIN:24403143BKDIFV9402

Place : Mumbai
Dated : 15-05-2024

For & on behalf of the Board of Directors

Sharad Taparia
Managing Director
DIN:00293739

Mukul Taparia
Director
DIN:00318434

QUANTUM MAGNETICS PVT. LTD.

QUANTUM MAGNETICS PRIVATE LIMITED
CIN : U32909MH2023PTC403966
Notes forming part of Standalone Financial Statements as at 31.03.2024

Particulars	31.03.2024
	₹
Note 3: Loans	
Security Deposits	8,257,759
Total	**8,257,759**
Secured, considered good	
Unsecured, considered good	8,257,759
Doubtful	
Note 4: Deferred Tax Asset	
Deferred Tax Asset	
- On account of Depreciation diff. (ROU)	
- On account of Depreciation diff.	-
- On account of Gratuity diff.	-
	-
Add/Less:	
- On account of Depreciation diff. (ROU)	154,445
- On account of Depreciation diff.	917,289
- On account of Gratuity diff.	(4,197)
	1,067,537
Total	**1,067,537**
Note 5: Other Non-Current Assets	
Security Deposits with Govt Dept / courts	-
Capital Advances*	509,922
Total	**509,922**
Secured, considered good	
Unsecured, considered good	-
Doubtful	
Note 6: Inventories	
Raw materials	121,161
Work-in-progress	10,392
Stores and spares	-
Finished goods	77,931
Total	**209,484**
Note 7: Trade Receivables	
Secured, considered good	-
Unsecured, considered good	24,326
Doubtful	-
Less: Provision for Doubtful Debts	-
Total	**24,326**

Ageing for trade receivables as on 31.03.2023 are as below

	Not Due	Outstanding for following periods from due date of payment: Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable - Considered Good	-	24,326	-	-	-	-	24,326
Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
	-	**24,326**	**-**	**-**	**-**	**-**	**24,326**

Particulars	31.03.2024
Note 8: Cash and Cash Equivalents	
Balances with Banks*	172,551
Cash on hand	-
Total	**172,551**

* Balance with Banks includes debit balance in Cash credit and Export packing credit account Rs.1,55,17,993.08 (P.Y.Rs.1,82,92,744.63)

Particulars	31.03.2024
Note 9: Other Current Assets	
Advance to Suppliers	368,204
Balance with statutory/ Government Authorities	7,035,477
Prepaid Expenses	334,521
Total	**7,738,202**

JAYESH SANGHRAJKA & CO. LLP. Reg. No. 104184 W/ W100075 Chartered Accountants

QUANTUM MAGNETICS PVT. LTD.

QUANTUM MAGNETICS PRIVATE LIMITED

CIN : U32909MH2023PTC403966

Notes forming part of Standalone Financial Statements as at 31.03.2024

Note 10: Equity Share Capital	31.03.2024
	₹
AUTHORIZED CAPITAL	
50,000 (P.Y. Nil) Equity Shares of ` 10/- each	500,000
	-
	500,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL:	
50,000 (P.Y. Nil) Equity Shares of ` 10/- each, Fully Paid-Up	500,000
Total	**500,000**

10.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period
Equity Shares

Particulars	31st March, 2024	
	No of Shares	Amount In `
Number of Shares at the beginning	-	-
Add:- Number of Shares Issued	50,000	500,000
Number of Equity Shares at the end	**50,000**	**500,000**

10.2 Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Amount INR 10/- each per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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

10.3 Details of shareholders holding more than 5% shares in the company

Particulars	31st March, 2024	
	No of Shares held	% of Holding
Equity shares of INR 10 each fully paid		
Permanent Magnets Limited*	49,994	99.99%

*Permanent Magnets Limited is Holding company and Quantum Megnetics Private Limited is wholly owned subsidiary company. There are six nominee shareholders holding one share each

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

Shareholding of Promoters

Shares held by promoters at the end of the year		
Promoter name	**No. of Shares**	**% of total shares**
Permanent Magnets Limited*	49,994	99.99%

JAYESH SANGHRAJKA & CO. LLP Reg. No. 104184 W/ W100075 Chartered Accountants

QUANTUM MAGNETICS PVT. LTD.

QUANTUM MAGNETICS PRIVATE LIMITED

CIN : U32909MH2023PTC403966

Notes forming part of Standalone Financial Statements as at 31.03.2024

Particulars	31.03.2024 ₹
Note 11: Other Equity	
Retained Earnings	
Opening Surplus in the Statement of Profit and Loss	-
Add: Profit / (Loss) of the year	(25,393,686)
Closing Balance	**(25,393,686)**
Total Equity	**(25,393,686)**

Note 12: Other Financial Liabilities	
Lease Liability*	38,411,258
Total	**38,411,258**

* Building have been taken on lease by the Company . The terms of lease rent are for the period ranging from 3 years to 5 years depending on the lease agreement with the lessor. Such leases are renewable by mutual consent .There is no contingent rent, no sub -leases and no restrictions imposed by the lease agreements

Note 13: Provisions	
Provision for Gratuity	24,409
Provision for Leave Encashment	-
Total	**24,409**

Note 14: Borrowing	
Rupee Loan from Related Party	13,386,087
Total	**13,386,087**

Note 15: Trade Payables	
Micro Small & Medium Enterprises*	-
Others	8,290,866
Total	**8,290,866**

Trade Payables ageing Schedule for the year ending March 31, 2024

Particulars	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total O/s**
MSME	-	-	-	-	-	-
Others	719,916	7,570,950	-	-	-	8,290,866
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Total	**719,916**	**7,570,950**	**-**	**-**	**-**	**8,290,866**

Note 16: Other Financial Liabilities	
Lease Liabilities*	9,723,382
Other Liabilities	137,200
Total	**9,860,582**

Note 17: Other Current Liabilities	
Withholding & Other taxes payable	210,353
Advances received from Customers	53,397,449
Total	**53,607,802**

Note 18: Provisions	
Provision for Gratuity	49
Provision for Leave Encashment	-
Total	**49**

JAYESH SANGHRAJKA & CO. LLP. Reg. No. 104184 W/ W100075 Chartered Accountants

QUANTUM MAGNETICS PVT. LTD.

QUANTUM MAGNETICS PRIVATE LIMITED

CIN : U32909MH2023PTC403966

Notes forming part of Standalone Financial Statements for period 31.05.2023 to 31.03.2024

Particulars	31.03.2024
	₹
Note 19: Revenue from Operations	
Sale of Products	
Cast Magnets & Magnetic Assembly	78,193
Total A	**78,193**
Other Operational Income	
Export Benefits	1,887
Total B	**1,887**
Revenue from Operations (Gross)	**80,080**
Note 20: Other Income	
Interest Income	317,921
Interest on Security Deposit	195,990
Total	**513,911**
Note 21: Cost of Material Consumed	
Inventory at the beginning of the year	-
Add: Purchases (net)	266,809
	266,809
Less : Inventory at the end of the year	121,161
Cost of raw material & components Consumed	**145,648**
Note 22: Change in Inventories of WIP & Finished Goods	
Inventory at the end of the year	
Work-in-progress	10,392
Finished goods	77,931
	88,323
Less:	
Inventory at the beginning of the year	
Work-in-progress	-
Finished goods	-
	-
Total	**(88,323)**
Note 23: Employee Benefit Expenses	
Contribution to PF & Other Fund	247,844
Gratuity Expenses	24,458
Salaries, Wages & Bonus	3,660,779
Staff Welfare Expenses	69,927
Total	**4,003,008**
Note 24: Financial Cost	
Interest on Lease Liabilities	2,303,444
Total	**2,303,444**

JAYESH SANGHRAJKA & CO. LLP. Reg. No. 104184 W/ W100075 Chartered Accountants

QUANTUM MAGNETICS PVT. LTD.

Note 25: Depreciation & Amortised Cost

Depreciation	8,276,145
Amortisation	17,480
Depreciation on Right of use assets	5,612,034
Total	**13,905,659**

Note 26: Other Expenses

Manufacturing Expenses	
Consumption of Stores, Spares & Consumbles	71,927
Freight Inward	36,217
Sub-Contract Charges & Labour Charges	87,479
Repairs & Maintenance - Machinery	49,330
Power & Fuel Charges	742,640
A	**987,593**
Selling & Distribution Expenses	
Freight Outward & Transportation	57,732
B	**57,732**
Administrative & Other Expenses	
Auditors Remuneration	25,000
Bank Charges	27,052
Brokerage	975,000
Computer & Software Expenses	80,863
Travelling & Conveyance	250,478
Printing & Stationery Expenses	137,268
Legal & Professional Charges	664,213
Miscl Exp	34,335
Rates & Taxes	154,664
Rent Exp	125,000
Security Service Charges	276,490
Communication Cost	101,283
Repairs - Building	1,915,575
Repairs - Others	18,500
Office Expense	659,458
Exchange differeces (net)	295,273
C	**5,740,453**
Total A+B+C	**6,785,778**

Payment to Auditor

Particulars	
As Auditor	
- Audit Fee	25,000
- Tax Audit Fee	-
'- Others	-
Certifications	-
Others Services	-
	25,000

(Note: Above Figures are Excluding GST)

Note 27: Earning per Share
For Continued Operations

Profit/(Loss) attributable to Equity shareholders	(25,393,686)
Weighted Average Number of Shares for Basic and Diluted EPS	50,000
Basic EPS (Amount in Rs.)	(507.87)
Diluted EPS (Amount in Rs.)	(507.87)

JAYESH SANGHRAJKA & CO LLP Reg. No. 104184 W/ W100075 Chartered Accountants

QUANTUM MAGNETICS PVT. LTD.

QUANTUM MAGNETICS PRIVATE LIMITED

2 **Fixed Assets**

31.03.2024

Sr No.	Particulars	GROSS BLOCK 01.04.2023 INR	Additions INR	Deductions Adjustments Impairement INR	31.03.2024 INR	DEPRECIATION 01.04.2023 INR	During the year INR	Deductions / Adjustments INR	Upto 31.03.2024 INR	NET BLOCK As at 31.03.2024 INR
A	**Tangible Assets**									
1	Factory Building	-	4,030,010	-	4,030,010	-	1,155,825	-	1,155,825	2,874,185
2	Plant & Machinery*	-	21,672,755	-	21,672,755	-	3,350,270	-	3,350,270	18,322,485
3	Electric Installation	-	10,129,424	-	10,129,424	-	1,786,968	-	1,786,968	8,342,456
4	Furniture & Fixtures	-	4,432,686	-	4,432,686	-	1,348,104	-	1,348,104	3,084,582
5	Office Equipments	-	1,044,743	-	1,044,743	-	468,399	-	468,399	576,344
6	Computer & Printer	-	369,584	-	369,584	-	166,579	-	166,579	203,005
	TOTAL A	-	**41,679,201**	-	**41,679,201**	-	**8,276,145**	-	**8,276,145**	**33,403,056**
B	**Intangible Assets**									
1	Computer Software		87,400		87,400		17,480		17,480	69,920
	TOTAL B	-	**87,400**	-	**87,400**	-	**17,480**	-	**17,480**	**69,920**
	TOTAL (A+B)	-	**41,766,601**	-	**41,766,601**	-	**8,293,625**	-	**8,293,625**	**33,472,976**
	Previous Year									

*Plant & Machinery inclues Misc Factory Equipments

C	Particulars	Building
	Cost	
	Opening balance	
	Addition during the year	52,846,643
	Deletion during period	-
	As at 31.03.2024	**52,846,643**
	Accumulated Depreciation 01.04.2023	-
	Depreciation for the year	5,612,033
	Deletion during period	-
	As at 31.03.2024	**5,612,033**
	Net Block	
	As at 31.03.2024	**47,234,609**

JAYESH SANGHRAJKA & CO. LLP. Reg. No. 104184 W/ W100075 Chartered Accountants

QUANTUM MAGNETICS PVT. LTD.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Corporate Information (pending -take from management)
Quantum Magnetics Private Limited (QMPL) is Company Incorporate on 31.05.2023 under Companies Act 2013 having its registered office at Building No. 6B, Plot No. 6, Hriday Industrial Hub, Survey No.41, Hissa No. 1, Village - Chinchoti, Vasai East, 401208, Thane, Maharashtra. Company is in business of manufacture neodymium magnets and assemblies in India. This is wholly-owned subsidiary Company of Permanent Magnets Limited

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

Significant Accounting Policies:

A. Basis of Preparation

a. Compliance with Ind AS
This Standalone financial statement complies in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

b. Historical cost convention
These Standalone financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans-plan assets measured at fair value;

B. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director as chief operating decision maker.

C. Foreign currency translation

i) Functional and presentation currency
Items included in the Standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

JAYESH SANGHRAJKA & CO. LLP. Reg. No. 104184 W/ W100075 Chartered Accountants

QUANTUM MAGNETICS PVT. LTD.

D. Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services

Other income is comprised primarily of interest income, dividend income, gain/loss on investments, exchange gain/loss on translation of other assets and liabilities.

Interest income is recognized on time proportion basis taking into account the amount invested and rate of interest.

Dividend income is recognized when the Company's right to receive dividend is established by the Balance Sheet date, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted when the right to receive payment is established.

E. Income tax

Current Income tax

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

Current income tax relating to items recognized outside profit or loss is recognized in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at 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 tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax

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QUANTUM MAGNETICS PVT. LTD.

liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

F. Leases

As a lessee

Initial measurement

Lease Liability: At the commencement date, a Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

Right-of-use assets: Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

Lease Liability: Company measures the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right-of-use assets: Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a WDV basis over the shorter of the lease term and useful life of the under lying asset.

Impairment:

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor:

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

G. Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for

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which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

H. Cash and cash equivalents

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

I. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

J. Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value.

Cost of raw materials and traded goods comprise of cost of purchase.

Cost of work-in-progress and manufactured finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realizable 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.

K. Financial Instruments:

(i) Financial assets:

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost. All financial assets not recorded at fair value though profit or loss are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For Purposes of subsequent measurement, financial assets are classified in two broad categories:
- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value though other comprehensive income).

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A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

- Cash flow characteristics test: 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.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

- Cash flow characteristics test: 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.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss as doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

(a) The company has transferred substantially all the risks and rewards of the asset, or

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(b) The company has either transferred substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to received cash flow from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

(ii) Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

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

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

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Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials/services. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 3 months. These arrangements for raw materials are recognized as Deferred Payment Liabilities under Borrowings.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Reclassification of Financial Instruments
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

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Original Classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised Cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

L. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

M. Property, plant and equipment

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or Losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

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

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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Spares in the nature of capital spares/insurance spares are added to the cost of the assets. The total cost of such spares is depreciated over a period not exceeding the useful life of the asset to which they relate.

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation on tangible fixed assets has been provided on WDV method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of certain categories of assets, where the useful life of the assets has been assessed based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. For any addition during the year, depreciation is charged for whole year whereas for disposals of any assets during the year, depreciation is provided on pro-rata for the year of use.

The estimated useful lives are as mentioned below:

Name of Assets	Life as per management
Plant & Machinery	From 2 years to 25 years*
Electrical Installation	From 10 years to 20 years*
Furniture & Fixtures - Cabin & Aluminium Section	From 5 years to 10 years*
Laptop, Scanner & Monitors	5 Years*

* The Company believes that the technically evaluated useful lives, different from Schedule II of the Companies Act, 2013, best represent the period over which these assets are expected to be used.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

N. Intangible assets

a) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

b) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of five years.

O. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

P. Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence

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that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Q. Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

R. Provisions

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

S. Employee benefits

i. Short-term obligations

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

ii. Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating

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to the terms of the related obligations. Re-measurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

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

iii. Post-employment obligations

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

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually with the assistance of independent actuaries.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations and superannuation fund to LIC. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

iv. Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v. Contributed equity

Equity shares are classified as equity.

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

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T. Earnings per share

i. Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share

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

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

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I. **NOTES TO ACCOUNTS:**

1. In the opinion of Directors, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business, which is at least equal to the amount at which they are stated in the Balance Sheet.

2. **Contingent Liabilities: Nil** **(` in Lakh)**

3. Balance under the head 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof. Balance Confirmation e-mails have been issued to parties for confirmation of balances with the request to confirm or send / comments by the stipulated date failing which the balances as appearing in the letter would be taken as confirmed. however, no adverse communication has been received from the parties.

4. During the year INR 2.95 lakh has been debited to the Statement of Profit and Loss in respect of the Foreign Exchange Differences.

5. **Segment reporting**
The Chief Operational Decision Maker identifies and monitors the operating results of its business segments separately for purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Standalone financial statements. The Operating segments have been identified on the basis of the nature of products/services

6. **Leases:** - Effective date and transition
Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
    - Fixed payments, less any lease incentives receivable
    - Variable lease payments
    - Amount expected to be payable by the lessee under residual value guarantee

   Right-of-use assets are measured at cost comprising the following:
    - The amount of the initial measurement of lease liability
    - Any lease payments made at or before the commencement date less any lease incentives received
    - Any initial direct cost and restoration costs

   Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

   Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.
   Company measure lease liability at the present value of the remaining lease payments, discounted using the lessee's risk-free rate based on a government treasury note of similar term at the date of initial application, and measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet

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immediately before the date of initial application. Company is following SLM method for depreciation on Right of use assets over lease terms.

A) The following is the movement in lease liabilities

(` in Lakh)

Particulars	31.03.2024
Opening Balance as on 1st day of year	
Additions	515.31
Finance cost accrued during the period	23.03
Payment of lease liabilities	57.00
Closing Balance as on last day of year	481.35

B) Maturity Analysis of Lease Liabilities

Maturity analysis-Contractual undiscounted cash flows	31.03.2024
Less than one year	118.75
One year to five year	421.95
More than five years	-
Total Undiscounted lease liabilities	**540.70**
Lease liabilities included in the statement of financial position	
Non-Current	384.11
Current	97.23
Total	**481.34**

C) Amount Recognised in the Statement of profit and loss

Particulars	**31.03.24**
Interest on Lease Liabilities	23.03
Depreciation on Lease Asset	54.72
Rent Expenses -short term leases and leases of low value assets	-

7. **Related Party Disclosure:**

As per the Ind AS 24 details of related parties and nature of relationships:

Sr. No.	Name of the Related Parties	Nature of Relationship
	Key Managerial Personnel	
1	Shri. Sharad Taparia	Director
2	Shri. Mukul Taparia	Director
3	Shri. Anil Kumar Taparia	Director
1	Permanent Magnets Limited	Holding Company
1	Permanent Magnets Limited	Enterprises in which key managerial personnel and/or their relatives are able to exercise significant influence:
2	Varij Plantation Pvt Ltd.	
3	Pregna International Limited	
4	Megh Exim LLP	
5	NYMPH Properties Private Limited	

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Details of Transactions with and outstanding balances of related parties are furnished below:

(` in Lakh)

Names of Related Parties	Nature of Transactions	Year ended March 31, 2024	
		Transaction during year	Closing balance
Permanent Magnetics Limited	Loan Taken	147.75	132.75
	Loan Repaid	15.00	
	Expense incurred by PML	2.50	1.11
	Reimbursement made	1.39	

8. **Disclosure as required by Ind AS-19, Employee Benefits**

I. Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The company contribution "on the basis of actuarially ascertained by the Independent Actuaries" is charged to profit and loss account.

Other long-term employee benefits:

II. Leave encashment

The Company provides for the expected cost of accumulating paid leave which can be carried forward and used in future periods by the employees. Since this is first year of employment and as per company policy eligibility for earned leave is after 1 year of employment so the obligation for accumulating paid leaves is Nil to be recognized at the end of the reporting period.

In respect of Gratuity, provision is made based on the actuarial valuation by an independent actuary. The following information as required under Ind AS-19 is based on the report of the Actuary:

Particulars	**31.03.2024**
	Gratuity
	(Unfunded)
A) Acturial assumption	
i) Discounting rate	7.30%
ii) Future salary increases	5.00%
iii) Expected rate of return on plan assets	
iv) Retirement age (in Years)	60
v) Moratility rates upto Retirement age	IALM 2012-14 Uit
B) Expenses recognised in the statement of profit and loss	
i) Current service cost	0.24
ii) Net interest cost	-
iii) Expected return on plan assets	

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iv) Net actuarial (gain) / loss recognized in the period	-
v) Expenses recognized in the statement of Profit & Loss	0.24
C) Recognised in other comprehensive income	
i) Actuarial (gain) / loss arising on assets	
ii) Actuarial (gain) / loss on PBO arising from:	
Change in demographic assumptions	
Change in financial assumptions	-
Change in experience assumptions	-
iii) Net (gain)/ loss recognised in other comprehensive income	-
D) Change in present value of obligation	
i) Present value of obligation as at year beginning	-
ii) Interest cost	-
iii) Current service cost	0.24
iv) Past service cost incl. Curtailment gains and loss	-
v) Benefits paid	-
Actuarial (gain) / loss on PBO arising from:	
Change in demographic assumptions	
Change in financial assumptions	-
Change in experience assumptions	-
vi) Present value of obligation as at year end	0.24
E) Change in fair value of plan assets	
i) Fair value of plan assets at year beginning	-
ii) Actual return on plan assets	-
iii) Contributions	-
iv) Fund management charges (FMC)	-
v) Benefits paid	-
vi) Actuarial gain / (loss) on plan assets	-
vii) Fair value of plan assets at year end	-
F) Liability /(Assets) recognized in Balance Sheet	0.24
i) Within the next 12 months (next annual reporting period)	0.00*
ii) Between 1 and 5 years	0.00*
iii) Beyond 5 years -	0.03
iv) Total Expected Payments	0.04

*Amount is less than 1000

9. **Component Accounting for Fixed Assets:**
In opinion of the management, based on internal verification of the assets of the company, there is no major part, in case of any asset, which is significant to total cost of the asset and whose useful life is different from the useful life of the asset. Hence, there is no change in accounting of fixed assets and depreciation thereon as required under Ind AS 16: Property, Plant and Equipment.

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10. **Segment Reporting:**
As the Company operates mainly in one Business Segment i.e. manufactures neodymium magnets and assemblies. Hence is considered to be a single primary business segment. There have been no other reportable segments identified by Chief Operating Decision Maker and hence no segment reporting is presented under IND AS 108.

11. **Impairment of Assets:**
In accordance with Ind AS 36 ""Impairment of Assets" company has recognized impairment loss of INR Nil during year

12. a) Purchases of Finished Goods: NIL (P.Y. NIL)

b) **Expenditure and earning in Foreign Currencies:**

A. CIF Value of Imports:

Particulars	**Amount (` in Lakh)**
	2023-24
Raw Materials & component	189.29

B. Value of Imported and Indigenous Raw Materials and Spare Parts consumed during the year and its percentage to total consumption:

Particulars	**2023-24**	
	Amount (` in Lakh)	**%**
Raw Materials		
Imported	-	
Indigenous	1.45	100
Total	**1.45**	**100**

C. Expenditure in foreign currencies incurred during the year:

Particulars	**Amount (` in Lakh)**
	2023-24
1. Travelling Expenses	-
2. Others	-
3. Financial Charges	-

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D. Earnings in foreign currencies during the year:

Particulars	Amount (` in Lakh)
	2023-24
1. FOB Value of Exports	0.75

13. **Corporate Social Responsibility (CSR)**
Since, it is first year of the company CSR is not applicable to the current year

14. **Financial instruments and risk management**
Fair values
1. The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short-term nature.

2. Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities (noncurrent) consist of interest accrued but not due on deposits other financial assets consists of employee advances where the fair value is considered based on the discounted cash flow.

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

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	As at 31.03.2024 ` in Lakh	
	Carrying Amount	***Fair Value**
Financial Assets		
Measure at amortised cost:		
Non-Current		
Financial Assets		
(i)Loans	82.58	82.58
Current		
Financial Assets		
(i) Trade Receivables	0.24	0.24

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(ii) Cash and Cash Equivalents	1.73	1.73
(iii) Bank Balances		
(iv) Loans		
Measured at fair value through profit and loss		
Non - current		
(i) Investments		
Total	**84.55**	**84.55**
Financial Liabilities		
Measured at amortised cost		
Non-Current		
Borrowings		
Provisions	0.24	0.24
Other Non - Current Liabilities		
Current		
Financial Liabilities		
Borrowings	133.86	133.86
Trade Payables	82.91	82.91
Lease Liabilities	97.23	97.23
Other Financial Liabilities	1.37	1.37
Total	**315.62**	**315.62**

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

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

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Company has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

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2. **Financial risk management**

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.
The analysis excludes the impact of movements in market variables on the carrying values of financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables assets/liabilities. The risks primarily relate to fluctuations in US Dollar & EURO against the functional currencies of the Company. To mitigate the Group's exposure to foreign currency risk, cash flows are monitored and natural hedge is used. (Amounts to be paid and received in a specific currency are expected to largely offset one another). The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

(ii) 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 change 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 certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

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The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carries a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

15. **Event occurring after the balance sheet date**
There is no such event

16. **Commitments**
There is no Commitments

17. the Company has incurred a net loss of Rs. 2,53,93,686/- during the year ended March 31, 2024 and net worth has been fully eroded, and, as of that date, the Company's total liabilities exceeded its total assets by Rs. 2,48,93,686/-. This is the first year of the operation of the company. However, the financial statements of the Company have been prepared on a going concern basis as management belief that company will be in profit due to order in hand and positive market response of its product.

18. **Other Disclosures**
(a) Relationship with Struck off Companies - The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
(b) There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.
(c) There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.
(d) There is no Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
(e) There is no transaction in Crypto Currency or Virtual Currency
(f) The Company is not declared wilful defaulter by any bank or financials institution or lender during the year.
(g) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company)

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disclosed in the Standalone financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(h) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(i) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

19. This is the first year of the company so the question related to regrouped, rearranged and reclassification does not apply to in this year

For Jayesh Sanghrajka & Co LLP
Chartered Accountants
ICAI Firm Regd. No. 104184W/W100075

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Hemant Kumar Agrawal
Designated Partner
Membership. No. 403143
UDIN – 24403143BKDIFV9402

Place: Mumbai
Date: 15th May, 2024

For and on Behalf of the Board

Sharad Taparia
Managing Director
DIN:00293739

Mukul Taparia
Director
DIN: 00318434

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