



Independent Auditor's Report

To the members of
CFF FLUID CONTROL LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **CFF FLUID CONTROL LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2022, the statement of profit and loss, and cash flow statement for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2022, the net profit and of the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the companies Act, 2013 and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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



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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the applicable accounting standards and the other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our 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 due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from



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fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 reasonable be thought to bear on our independence, and where applicable, relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, 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 reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

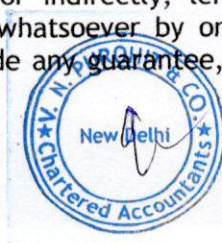


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2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and Cash flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact, if any, of pending litigations on its financial position, in its financial statements (Refer Note 30);
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund.
- h. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

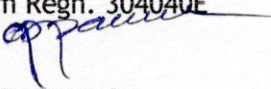


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(iii) Based on audit procedures that are considered reasonable and appropriate in circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above, contain any material misstatement.

- i. No dividend has been declared and paid by the Company during the year as per the provisions of section 123 of the Companies Act, 2013.
- j. In our opinion and according to information and explanations given to us, the Company has not paid managerial remuneration to any of its directors during the year and as such, the limits prescribed by section 197 for maximum possible permissible managerial remuneration is not applicable to the company.

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. 304040E



O. P. Pareek
Partner
Membership No. 014238



UDIN: 22014238BBHZYJ7946
Mumbai, the 15th day of September, 2022

ANNEXURE- A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of **CFF FLUID CONTROL LIMITED** (the Company) for the year ended on 31st March 2022.

- (i) (a) (A) As per the information and explanation given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant and Equipment,
- (B) As per information and explanation given to us, the company is maintaining proper records showing full particulars of intangible assets;
- (b) As per the information and explanation given to us, physical verification of Property Plant and equipment has been conducted at regular interval in a year by the management and no material discrepancies were noticed during the course of verification.
- (c) According to information and explanation given to us, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;
- (d) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year. Accordingly, the provision of sub clause (i)(d) of para 3 of the order are not applicable;
- (e) According to the information and explanations given to us and based on 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. Accordingly, the provision of sub clause (i)(e) of para 3 of the order are not applicable;
- (ii) (a) According to the information and explanation given to us, the physical verification of inventory has been conducted by the management once in a year which in our opinion is reasonable and appropriate. Further, during the course of verification, no discrepancy was noticed for more than 10% in aggregate for each class of inventory;
- (b) As per information and explanation given to us, the periodic returns or statements filed with the banks in respect of working capital limit sanctioned for the Company are in agreement with the books of accounts;
- (iii) The Company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly, the provisions of sub- clause (iii)(a) to (iii)(f) of para 3 of the order are not applicable;
- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 so far as applicable, in respect of providing loans, investments, guarantees and securities;



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- (v) According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;
- (vi) According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013;
- (vii) (a) According to information and explanations given to us, the company is regular in depositing undisputed statutory dues related to Goods and Service tax, Provident Fund, Employee State Insurance, Income Tax, cess, and other statutory dues as may be applicable to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable;
- (b) According to information and explanation given to us, there are no outstanding statutory dues on the part of Company which is not deposited on account of dispute with the appropriate authorities;
- (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 information and explanations given to us, the company has not defaulted in repayment of loans or other 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 willful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and thus there arise no question to divert such loans;
- (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 funds have been raised on short-term basis are not utilised for long term purpose;
- (e) According to the information and explanations given to us by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) According to the information and explanations given to us by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures;
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, provisions of sub-clause (x)(a) of para 3 of the order are not applicable.
- (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



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the year. Accordingly, provisions of sub- clause (x)(b) of para 3 of the order are 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 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 Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the Information and explanations given to us, there are no whistle blower complaints received by the company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of sub- clause (xii) of para 3 of the order are 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 Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements, etc., 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 in- house internal audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of internal auditors issued till date for the period under audit.
- (xv) According to information and explanations given to us, the Company has not entered into non- cash transactions with its directors or persons connected to its directors and hence, the provisions of Section 192 of the companies Act, 2013 are not applicable to the company;
- (xvi) (a) According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934;
- (b) According to information and explanations given to us, 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;
- (c) According to information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of sub-clause (xvi) (c) of para 3 of the order are not applicable;
- (d) According to information and explanations given to us, the Group does not have any CIC as part of the Group. Accordingly, the provisions of sub-clause (xvi) (d) of para 2 of the order are not applicable;
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year;

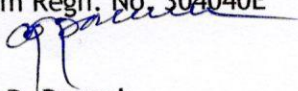


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- (xviii) There has been no resignation of the statutory auditors during the year covered by this report. Moreover, no issues, objections or concerns were raised by the outgoing auditors in respect of resignation of statutory auditors in the year of signing of this report;
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 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;
- (xx) (a) According to the information and explanations given to us, the Company does not have any unspent amount in respect of other than ongoing project and as such not required to transfer any amount to a fund specified in schedule VII of the Companies Act;
- (b) According to the information and explanations given to us, the Company does not have any ongoing projects and as such not required to transfer any amount to special amount referred to in Section 135 (6) of the Companies Act, 2013;
- (xxi) According to the information and explanations given to us, the Company does not have any subsidiary, associate or joint venture and as such, not require to prepare the consolidated financial statements. Accordingly, the provisions of sub- clause (xxi) of para 3 of the order are not applicable;

Signed for the purpose of identification

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E



O. P. Pareek
Partner

Membership No. 014238

UDIN: 22014238BBH2YJ7946

Mumbai, the 15th day of September 2022



ANNEXURE -B TO THE AUDITOR'S REPORT

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

In conjunction with our audit of the financial statements of the Company as at and for the year ended 31st March 2022, we have audited the internal financial controls with reference to financial statements of **CFF FLUID CONTROL LIMITED** (hereinafter referred to as "Company") along with its subsidiaries, as of that date.

Management's Responsibility for the Internal Financial Controls

The respective management of the company, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). 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 fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material aspects.

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

We believe that the audit evidences we have obtained for the company to which we are independent auditors is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



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Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the company, have, in all material aspects, an adequate internal financial controls system with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on "the internal financial controls with reference to financial statements criteria considering the essential components of internal control stated in the Guidance Note.

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

O.P. Pareek
Partner
Membership No. 014238

UDIN: 22014238BBHZYJ7946



Mumbai, the 15th day of September, 2022

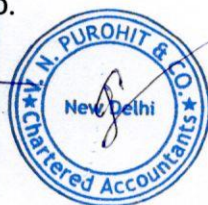
CFF FLUID CONTROL LIMITED
CIN: U28990MH2012PLC227023
BALANCE SHEET AS AT 31ST MARCH 2022

(In Rs. "000")

| | Notes | As at 31st March 2022 | As at 31st March 2021 |
|--|-------|--------------------------|--------------------------|
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders' fund | | | |
| Share capital | 3 | 7,137.05 | 7,137.05 |
| Reserves and surplus | 4 | 1,41,395.69 | 64,064.04 |
| Non- current liabilities | | | |
| Long- term borrowings | 5 | 1,10,447.80 | 1,01,764.12 |
| Long- term provisions | 6 | 838.90 | - |
| Current liabilities | | | |
| Short- term borrowings | 7 | 55,469.27 | 1,24,356.71 |
| Trade payables | 8 | | |
| - total outstanding dues of micro enterprises and small enterprises; and | | - | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,96,106.71 | 60,364.89 |
| Other- current liabilities | 9 | 23,745.04 | 64,802.29 |
| Short- term provisions | 10 | 24,429.49 | - |
| Total | | 5,59,569.95 | 4,22,489.10 |
| <u>ASSETS</u> | | | |
| Non- current assets | | | |
| Property, plant and equipment & Intangible assets | 11 | 81,290.70 | 90,370.08 |
| Deferred tax assets (net) | 12 | 764.82 | 670.64 |
| Current assets | | | |
| Inventories | 13 | 2,08,335.77 | 2,00,502.67 |
| Trade receivables | 14 | 1,31,439.13 | 66,011.07 |
| Cash and cash equivalents | 15 | 40,527.60 | 20,201.13 |
| Short-terms loans and advances | 16 | 82,946.28 | 23,663.15 |
| Other current assets | 17 | 14,265.65 | 21,070.36 |
| Total | | 5,59,569.95 | 4,22,489.10 |
| Notes on the financial statements | 1-43 | | |

The accompanying notes form an integral part of the financial statements.
As per our report of even date

FOR V. N. PUROHIT & CO.
Chartered Accountants
Firm Regn. 304040E



O.P. Pareek
Partner

Membership No. 014238

UDIN: 22014238BBH2YJ7946

Mumbai, the 15th day of September, 2022

For and on behalf of the Board of Directors of
CFF FLUID CONTROL LIMITED



Gautam Makker
Director

DIN:- 00354956

Sunil Menon
Director

DIN:- 00409485

CFF FLUID CONTROL LIMITED

CIN: U28990MH2012PLC227023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(In Rs. "000")

| | Notes | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
|---|-------|--|--|
| CONTINUING OPERATIONS | | | |
| Income | | | |
| Revenue from operations | 18 | 4,69,876.96 | 1,45,240.53 |
| Other income | 19 | 1,362.15 | 2,886.75 |
| Total income (I) | | 4,71,239.11 | 1,48,127.28 |
| Expenses | | | |
| Cost of material consumed | 20 | 3,11,347.15 | 98,097.05 |
| Operating expense | 21 | 16,348.18 | 5,570.96 |
| Employee benefit expenses | 22 | 9,679.37 | 10,126.39 |
| Finance cost | 23 | 12,517.36 | 17,275.43 |
| Depreciation | 11 | 9,079.37 | 10,778.10 |
| Other expenses | 24 | 7,874.01 | 3,670.44 |
| Prior period adjustments (note 31.3) | | 663.17 | - |
| Total Expenditure (II) | | 3,67,508.61 | 1,45,518.37 |
| Profit/ (loss) before tax (I - II) | | 1,03,730.50 | 2,608.91 |
| Tax Expense | | | |
| Current tax | | 26,500.00 | 910.00 |
| Deferred tax | | (94.18) | (1,090.12) |
| Short/ (Excess)Tax Provision for Earlier years | | (6.97) | 308.64 |
| Total tax expense | | 26,398.85 | 128.52 |
| Profit/ (loss) for the year | | 77,331.65 | 2,480.39 |
| Earning per share (EPS) | | | |
| [nominal value of share Rs. 10] | | | |
| Basic (in Rupees) | | 108.35 | 3.48 |
| Diluted (in Rupees) | | 108.35 | 3.48 |

Notes on the financial statements

1-43

The accompanying notes form an integral part of the financial statements.

As per our report of even date

FOR V. N. PUROHIT & CO.

Chartered Accountants

Firm Regn. 304040E

O.P. Pareek

Partner

Membership No. 014238

UDIN: 22014238BBH2YJ7946

For and on behalf of the Board of Directors of
CFF FLUID CONTROL LIMITEDGautam Makker
Director
DIN:- 00354956Sunil Menon
Director
DIN:- 00409485

Mumbai, the 15th day of September, 2022

CFF FLUID CONTROL LIMITED

CIN: U28990MH2012PLC227023

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2022

| | (In Rs. "000") | |
|---|-----------------------------|-----------------------------|
| | 31st March 2022 (Rupees) | 31st March 2021 (Rupees) |
| A. Cash flow from Operating Activities | | |
| Net Profit before tax as per statement of profit & loss | 1,03,730.53 | 2,608.91 |
| <u>Add/ (less): Adjustment for non- cash/ other items</u> | | |
| Depreciation | 9,079.37 | 10,778.09 |
| Gratuity (Refer note 32.2) | 838.90 | - |
| Finance costs | 12,517.36 | 15,626.07 |
| Interest income | (1,044.61) | (805.40) |
| Balance written back | (317.54) | - |
| Operating profit before working capital changes | <u>1,24,804.01</u> | <u>28,207.67</u> |
| <u>Adjustment for working capital</u> | | |
| Increase/(decrease) in trade payables | 1,35,741.82 | (26,388.60) |
| Increase/(decrease) in other current liabilities | (40,739.73) | (4,733.44) |
| (Increase)/ decrease in inventories | (7,833.10) | (17,522.42) |
| (Increase)/ decrease in loans and advances | (59,283.13) | 82,376.67 |
| (Increase)/ decrease in other current assets | 6,804.71 | (45,643.51) |
| (Increase)/ decrease in trade receivables | (65,428.06) | (15,410.62) |
| Cash generated from operations | <u>94,066.52</u> | <u>885.75</u> |
| Direct taxes paid | (2,063.54) | (1,218.63) |
| Net Cash flow from Operating Activities (A) | <u><u>92,002.98</u></u> | <u><u>(332.87)</u></u> |
| B. Cash flow from Investing Activities | | |
| Interest received | 1,044.61 | 805.40 |
| Net Cash flow from Investing Activities (B) | <u><u>1,044.61</u></u> | <u><u>805.40</u></u> |
| C. Cash flow from Financing Activities | | |
| Finance cost | (12,517.36) | (15,626.07) |
| Net proceeds/(repayment) from borrowings | (60,203.75) | 6,417.65 |
| Net Cash flow from Financing Activities (C) | <u><u>(72,721.11)</u></u> | <u><u>(9,208)</u></u> |
| Net cash flow during the year (A + B + C) | 20,326.48 | (8,735.89) |
| Add: Opening cash and cash equivalents | 20,201.12 | 28,937.01 |
| Closing cash and cash equivalents | <u><u>40,527.60</u></u> | <u><u>20,201.12</u></u> |
| Components of cash and cash equivalents | | |
| Cash on hand | 500.00 | - |
| Deposit with banks | 40,027.60 | 20,201.12 |
| Total cash and cash equivalents (Note 15) | <u><u>40,527.60</u></u> | <u><u>20,201.12</u></u> |

The accompanying notes form an integral part of the financial statements.
As per our report of even date

FOR V. N. PUROHIT & CO.
Chartered Accountants
Firm Regn. 304040E

O.P. Pareek
Partner

Membership No. 014238

UDIN: 22014238BBHZYJ7946



For and on behalf of the Board of Directors of
CFF FLUID CONTROL LIMITED

Gautam Makker
Director
DIN:- 00354956

Sunil Menon
Director
DIN:- 00409485

Mumbai, the 15th day of September, 2022

CFF FLUID CONTROL LIMITED

CIN: U28990MH2012PLC227023

NOTES TO THE FINANCIAL STATEMENTS

1 Company information

CFF Fluid Control private Limited is a company incorporated on 16th February 2012 and having its registered office at Plot No. 01 Survey No 96 Khubhivli Madap , Raigad Maharashtra 410203 with Registrar of Companies, Maharashtra. It is engaged in the business of manufacturing, Overhaul, repairs and maintenance of shipboard machinery, combat system, reference system, test facilities (pneumatic, hydraulic, electrical, electrical systems) for submarines and surface ships for Indian Navy.

2 Summary of significant accounting policy

2.1 Basis of preparation of financial statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles (Indian GAAP), including Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies not specifically referred, are consistently applied from the past accounting periods.

2.2 Use of estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Policies requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon managements' evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/ materialized.

2.3 Revenue recognition

Having regard to size, nature and complexity of business and practices followed by others in the same line and level of business, the management is of opinion that Company is applying accrual basis of accounting for recognition of income and expenditure earned or incurred respectively, in the normal course of business.

2.4 Inventories

Inventories are stated at the lower of cost of net realisable value. Net realisable value means 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.

2.5 Employee benefits

Short term benefits such as salary, bonus, ex-gratia and other benefits as may be applicable on the Company are accounted for on accrual basis. The Company at present does not have any Defined Contribution Plan or Defined Benefit Plan as contemplated under AS-15 on 'Employee Benefits'.

2.6 Taxes on income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred tax is provided on timing differences between taxable income and accounting income subject to consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date.

2.7 Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resource embodying economic benefits will be require to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at the end of each reporting date and adjusted to reflect the current best estimates.

2.8 Earnings per Share

Basic Earnings per Share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year. Diluted Earnings per Share is computed by dividing net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.9 Depreciation and Amortisation

Depreciation is provided on 'Written Down Value Method' in accordance with the rates and other conditions laid down in Schedule- II of the Companies Act, 2013. The calculation of deprecation is made on annual basis including in case of additions or sale of property, plant & equipment during the year.

2.10 Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. The cost of property, plant and equipment includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

2.11 Employee benefits

Short term benefits such as salary, bonus, leave salary and other benefits are accounted on accrual basis.

Defined contribution plans includes company's contributions towards state plans for the employees, such as EPF, ESI etc. where contributions made towards such plans are charged to revenue as and when they become due to the company.

Defined benefit plans includes gratuity, liability of which is provided in the books of account on the basis of actuarial valuation made at the end of year.



| 3 Share capital | As at | |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| Authorised shares | | |
| 10,00,000 (31 March 2021: 10,00,000) shares of Rs. 10 each | 1,00,000 | 1,00,000 |
| Issued, subscribed and fully paid- up shares | | |
| 7,13,705 (31 March 2021: 7,13,705) equity shares of Rs. 10 each fully paid | 7,137.05 | 7,137.05 |
| Total issued, subscribed and fully paid- up share capital | 7,137.05 | 7,137.05 |

| 3.1 Reconciliation of shares outstanding at the beginning and at the end of reporting year | As at 31st March 2022 | | As at 31st March 2021 | |
|--|-----------------------|-----------------|-----------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| Share capital at the beginning of the year | 7,13,705 | 7,137.05 | 7,13,705 | 7,137.05 |
| Issue during the year | - | - | - | - |
| Outstanding at the end of the year | 7,13,705 | 7,137.05 | 7,13,705 | 7,137.05 |

3.2 **Terms and rights attached to equity shares**
The company has issued only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

| 3.3 Details of shareholders holding more than 5% shares in the company | As at 31st March 2022 | | As at 31st March 2021 | |
|--|-----------------------|-----------|-----------------------|-----------|
| | Nos. | % holding | Nos. | % holding |
| Financiere MB Sas | - | 0.00% | 1,39,015 | 19.48% |
| Flash Forge Pvt. Ltd. | - | 0.00% | 5,74,689 | 80.52% |
| Sunil Menon | 3,56,833 | 50.00% | 1 | 0.00% |
| Gautam Makker | 2,17,817 | 30.52% | - | 0.00% |
| Niranjan Makker | 50,837 | 7.12% | - | 0.00% |
| Sheeila Makker | 88,178 | 12.35% | - | 0.00% |

| 3.4 Details of shares held by promoters in the Company | As at 31st March 2022 | | As at 31st March 2021 | | % Change during the year |
|--|-----------------------|-------------------|-----------------------|-------------------|--------------------------|
| | No of Shares | % of total Shares | No of Shares | % of total Shares | |
| M/s Financiere MB SAS | - | - | 1,39,015 | 19.48% | -100% |
| M/s Flash Forge Private Limited | - | - | 5,74,689 | 80.52% | -100% |
| Sunil Menon | 3,56,833 | 50.00% | 1 | 0.00% | 35683200% |
| Gautam Makker | 2,17,817 | 30.52% | - | - | N.A. |
| Niranjan Makker | 50,837 | 7.12% | - | - | N.A. |
| Sheeila Makker | 88,178 | 12.35% | - | - | N.A. |

| 4 Reserves and surplus | As at | |
|---|--------------------|------------------|
| | 31st March 2022 | 31st March 2021 |
| Securities premium account | | |
| Balance as per last financial statements | 27,871.77 | 27,871.77 |
| Add : Securities premium on issue of shares | - | - |
| Closing balance | 27,871.77 | 27,871.77 |
| Surplus/ (deficit) in statement of profit & loss | | |
| Balance as per last financial statements | 36,192.27 | 33,711.88 |
| Profit/ (loss) for the year | 77,331.65 | 2,480.39 |
| Tax adjustments for earlier years | - | - |
| Net profit in statement of profit and loss | 1,13,523.92 | 36,192.27 |
| | 1,41,395.69 | 64,064.04 |



| | | | | | | |
|-----------|--|---|------------------------|------------------|--------------------------|--------------|
| 5 | Long term borrowing | As at | As at | | | |
| | | 31st March 2022 | 31st March 2021 | | | |
| | Long term maturities of term loans | | | | | |
| | - from Banks (Secured) (Refer note 5.1) | 31,426.57 | 30,829.77 | | | |
| | - from related parties others (unsecured) | 79,021.23 | 70,934.35 | | | |
| | | <u>1,10,447.80</u> | <u>1,01,764.12</u> | | | |
| 5.1 | Term loans obtained from Axis Bank Limited effectively carrying interest of 9.25% p.a., are secured against hypothecation on the entire movable assets of the company (Present and Future), equitable mortgage of the Company's factory Land and Building located at Plot No. 1, Survey No. 96, Village Khumbivali, Taluka Khalapur, Dist. Raigad, Maharashtra, corporate guarantee of M/s Flash Forge Private Limited and personal guarantee of the directors, Mr. Gautam Makker and Mr. Sunil Menon. | | | | | |
| 6 | Long- term provisions | As at | As at | | | |
| | | 31st March 2022 | 31st March 2021 | | | |
| | For gratuity (Refer note 32.2) | 838.90 | - | | | |
| | | <u>838.90</u> | <u>-</u> | | | |
| 7 | Short term borrowings | As at | As at | | | |
| | | 31st March 2022 | 31st March 2021 | | | |
| | Current maturities of long term borrowings | 15,182.27 | 21,975.00 | | | |
| | <u>Loan repayable on demand (secured)</u> | | | | | |
| | Cash credit facilities from bank (Refer note 6.1) | 40,287.00 | 1,02,381.71 | | | |
| | | <u>55,469.27</u> | <u>1,24,356.71</u> | | | |
| 7.1 | Bank cash credit (Existing limits & New limits) from Axis Bank Limited is secured against exclusive first charge by way of hypothecation on the entire Current Assets of the company (Present and future). Extension of exclusive charge by way of equitable mortgage on land and building, owned by the company, corporate guarantee of M/s Flash Forge Private Limited and personal guarantee of directors, Mr. Gautam Makker and Mr. Sunil Menon. | | | | | |
| 8 | Trade payables | As at | As at | | | |
| | | 31st March 2022 | 31st March 2021 | | | |
| | Total outstanding dues of micro enterprises and small enterprises; and | - | - | | | |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises (Note 7.1) | 1,96,106.71 | 60,364.89 | | | |
| | | <u>1,96,106.71</u> | <u>60,364.89</u> | | | |
| 8.1 | There are no dues to micro enterprises and small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on balance sheet date. The above information regarding micro, small and medium enterprises has been determined on the basis of information available with the Company and has been duly relied upon by the auditors of the Company. | | | | | |
| | Trade payable due for payment and the ageing schedule as below:- | | | | | |
| | | Outstanding from due date of payment as on 31st March 2022 | | | | |
| | Particulars | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| | Others than MSME | 1,66,654.32 | 28,786.21 | 269.63 | 396.56 | 1,96,106.71 |
| | | Outstanding from due date of payment as on 31st March 2021 | | | | |
| | Particulars | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| | Others than MSME | 32,104.05 | 21,769.42 | 6,404.68 | 86.75 | 60,364.90 |
| 9 | Other current liabilities | As at | As at | | | |
| | | 31st March 2022 | 31st March 2021 | | | |
| | Audit fee payable | 330.00 | 60.00 | | | |
| | Other expenses payable | 826.67 | 2,353.06 | | | |
| | Professional tax payable | 45.98 | 150.88 | | | |
| | TDS payable | 1,477.73 | 476.74 | | | |
| | ESI and EPF payable | 533.95 | 378.29 | | | |
| | Payable against letter of credit | - | 39,850.58 | | | |
| | Advance from customers | 666.70 | 1,668.73 | | | |
| | Share Application Money Refundable | 19,864.01 | 19,864.01 | | | |
| | | <u>23,745.04</u> | <u>64,802.29</u> | | | |
| 10 | Short- term provisions | As at | As at | | | |
| | | 31st March 2022 | 31st March 2021 | | | |
| | For income tax (net of advances) | 24,429.49 | - | | | |
| | | <u>24,429.49</u> | <u>-</u> | | | |



11 Property, plant & equipment and Intangible assets :-

| | As at 31st March 2022 | | | | | | As at 31st March 2021 |
|--|--------------------------|---------------------|------------------|---------------|-----------------------|------------------|--------------------------|
| Carrying amount: - | | | | | | | |
| Land | 21,974.00 | | | | | | 21,974.00 |
| Plant and Machinery | 22,266.37 | | | | | | 27,187.27 |
| Factory building | 36,221.33 | | | | | | 40,023.57 |
| Computers | 24.01 | | | | | | 24.01 |
| Furniture and fixture | 606.01 | | | | | | 817.72 |
| Office equipment | 198.98 | | | | | | 343.51 |
| Total | 81,290.70 | | | | | | 90,370.08 |
| | Land | Plant and Machinery | Factory building | Computers | Furniture and fixture | Office equipment | Total |
| Cost or Deemed Cost: - | | | | | | | |
| Balance as at 1st April 2020 | 21,974.00 | 56,645.47 | 56,979.36 | 740.99 | 2,328.99 | 3,204.27 | 1,41,873.08 |
| Additions during the year | - | - | - | - | - | - | - |
| Assets disposal/ written off during the year | - | - | - | - | - | - | - |
| Balance as at 31st March 2021 | 21,974.00 | 56,645.47 | 56,979.36 | 740.99 | 2,328.99 | 3,204.27 | 1,41,873.08 |
| Additions during the year | - | - | - | - | - | - | - |
| Assets disposal/ written off during the year | - | - | - | - | - | - | - |
| Balance as at 31st March 2022 | 21,974.00 | 56,645.47 | 56,979.36 | 740.99 | 2,328.99 | 3,204.27 | 1,41,873.08 |
| Accumulated Depreciation: - | | | | | | | |
| Balance as at 1st April 2020 | - | 23,449.77 | 12,754.42 | 714.59 | 1,225.60 | 2,580.52 | 40,724.90 |
| Charge for the year | - | 6,008.43 | 4,201.37 | 2.39 | 285.67 | 280.24 | 10,778.10 |
| Adjusted on assets disposed/ written off | - | - | - | - | - | - | - |
| Balance as at 31st March 2021 | - | 29,458.20 | 16,955.79 | 716.98 | 1,511.27 | 2,860.76 | 51,503.00 |
| Charge for the year | - | 4,920.90 | 3,802.24 | - | 211.71 | 144.53 | 9,079.37 |
| Adjusted on assets disposed/ written off | - | - | - | - | - | - | - |
| Balance as at 31st March 2022 | - | 34,379.10 | 20,758.03 | 716.98 | 1,722.98 | 3,005.29 | 60,582.38 |
| Carrying amount: - | | | | | | | |
| Balance as at 31st March 2021 | 21,974.00 | 27,187.27 | 40,023.57 | 24.01 | 817.72 | 343.51 | 90,370.08 |
| Balance as at 31st March 2022 | 21,974.00 | 22,266.37 | 36,221.33 | 24.01 | 606.01 | 198.98 | 81,290.70 |

Notes

- 11.1 All the above property, plant & equipment are owned by the company.
 11.2 The company has not made any of change (10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) in the value of Property, Plant & Equipment due to revaluation.

12 Deferred tax assets/ (liabilities) (net)

| | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Asset/ (liabilities) at the start of the year | 670.64 | - |
| Credit/ (charge) to the statement of profit & loss | 94.18 | 670.64 |
| Asset/ (liabilities) at the end of the year | 764.82 | 670.64 |

- 12.1 Deferred tax asset is recognised to the extent 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 utilised.

- 12.2 The tax effect of significant timing differences that has resulted in deferred tax assets are given below: -

| Timing differences on account of :- | For the year ended on 31st March 2022 | | |
|-------------------------------------|---------------------------------------|--|-----------------|
| | Opening balance | Recognised in statement of profit and loss | Closing balance |
| Property, plant & equipment | 670.64 | 94.18 | 764.82 |
| Total | 94.18 | 94.18 | 764.82 |



| Timing differences on account of :- | For the year ended on 31st March 2021 | | |
|-------------------------------------|---------------------------------------|--|-----------------|
| | Opening balance | Recognised in statement of profit and loss | Closing balance |
| Property, plant & equipment | (419.48) | 1,090.12 | 670.64 |
| Total | (419.48) | 1,090.12 | 670.64 |

| | As at 31st March 2022 | As at 31st March 2021 |
|-----------------------------------|--------------------------|--------------------------|
| 13 Inventories | | |
| <u>Closing stock</u> | | |
| Raw Materials | 2,08,335.77 | 2,00,502.67 |
| Work in progress | - | - |
| Finished goods | - | - |
| | <u>2,08,335.77</u> | <u>2,00,502.67</u> |
| 14 Trade receivables | | |
| <u>Unsecured, considered good</u> | <u>1,31,439.13</u> | <u>66,011.07</u> |
| | <u>1,31,439.13</u> | <u>66,011.07</u> |

14.1 Trade receivables ageing schedule

| Particulars | Outstanding from due date of payment as on 31st March 2022 | | | | | |
|--|--|-------------------|-----------|-----------|-------------------|-------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Receivables : Considered good | 1,31,439.13 | - | - | - | - | 1,31,439.13 |
| | | | | | | |
| Particulars | Outstanding from due date of payment as on 31st March 2021 | | | | | |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Receivables : Considered good | 66,011.07 | - | - | - | - | 66,011.07 |

| | As at 31st March 2022 | As at 31st March 2021 |
|--|--|--|
| 15 Cash and cash equivalents | | |
| <u>Balances with banks: -</u> | | |
| In current accounts | 23,081.07 | 146.95 |
| In deposit accounts | 16,946.53 | 20,054.18 |
| Cash on hand (as certified) | 500.00 | - |
| | <u>40,527.60</u> | <u>20,201.13</u> |
| 16 Short terms loans and advances | | |
| <u>Unsecured, considered good</u> | | |
| Advances to suppliers | 82,264.44 | 23,663.15 |
| Advance to related parties | 271.69 | - |
| Advances to employees | 410.15 | - |
| | <u>82,946.28</u> | <u>23,663.15</u> |
| 17 Other current assets | | |
| <u>Security deposit</u> | | |
| Retention Money and other Deposits | 1,932.28 | 696.28 |
| Earnest money deposit | 10,284.16 | 1,746.83 |
| Advance income tax (net of provision) | 117.50 | 117.50 |
| Input tax credit under GST | - | 355.99 |
| | <u>1,931.71</u> | <u>18,153.76</u> |
| | <u>14,265.65</u> | <u>21,070.36</u> |
| 18 Revenue from operations | | |
| | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
| Sale of Goods | 4,27,994.80 | 1,40,764.85 |
| Sale of service | 41,882.16 | 4,475.68 |
| | <u>4,69,876.96</u> | <u>1,45,240.53</u> |
| 19 Other income | | |
| | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
| Interest on fixed deposit | 1,044.61 | 805.40 |
| Balance written back | 317.54 | - |
| Foreign exchange fluctuation gain | - | 2,081.35 |
| | <u>1,362.15</u> | <u>2,886.75</u> |



| | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
|--|--|--|
| 20 Cost of material consumed | | |
| Opening Stock | 2,00,502.67 | 1,82,980.26 |
| Add: Purchases | 3,16,050.93 | 1,14,231.63 |
| Custom Duty | 2,003.37 | 1,017.98 |
| Clearing & Forwarding Charges | 1,125.95 | 369.85 |
| Less: Closing Stock | 2,08,335.77 | 2,00,502.67 |
| | 3,11,347.15 | 98,097.05 |
| 21 Operating expense | | |
| Excise duty reversal/duties & taxes | - | 26.11 |
| Factory Expenses | 6.05 | - |
| Labour charges | 240.77 | 62.98 |
| Job charges | 2,610.50 | 47.54 |
| Loading and unloading charges | 7,975.47 | 847.29 |
| Packing expense | 0.20 | 8.00 |
| Testing charges | 430.12 | 255.45 |
| Water expense | 42.35 | 107.50 |
| Electricity expense | 4,887.34 | 4,023.45 |
| Repair and Maintenance | 146.79 | 154.34 |
| | 8.59 | 38.30 |
| | 16,348.18 | 5,570.96 |
| 22 Employee benefit expenses | | |
| Salaries and wages | 9,168.46 | 9,918.26 |
| Contribution to EPF | 180.31 | 198.13 |
| Contribution to ESI | 19.09 | - |
| Gratuity (Note 31.2) | 175.72 | - |
| Staff welfare expenses | 91.79 | 10.00 |
| Rent expenses | 44.00 | - |
| | 9,679.37 | 10,126.39 |
| 23 Finance Costs | | |
| Bank Interest | 11,534.87 | 15,785.61 |
| BG Commission | 947.99 | 1,396.35 |
| Interest to others | 34.50 | 93.47 |
| | 12,517.36 | 17,275.43 |
| 24 Other Expenses | | |
| Administration Charges | 0.67 | 1.46 |
| Bank Charges | 121.41 | 33.01 |
| Commission expenses | 210.00 | - |
| Conveyance expense | 422.90 | - |
| Filing fees | 25.80 | - |
| GST liability paid | 583.82 | - |
| Insurance Expense | 208.36 | 245.85 |
| Inspection charges | 3.29 | - |
| Late fee/interest on statutory dues | 564.85 | - |
| Loan processing fee and supervision | - | 340.99 |
| Miscellaneous Expenses | 54.43 | 74.34 |
| Office Maintenance expenses | 34.48 | - |
| Payment to auditors (As statutory audit fee) | 300.00 | 30.00 |
| Postage & Courier | 241.29 | 107.37 |
| Printing and Stationery | - | 42.79 |
| Professional fees | 2,861.00 | 1,260.84 |
| Professional tax | 0.60 | - |
| Rent | 1,429.16 | 144.40 |
| Roc expenses | - | 7.30 |
| Security charges | 235.70 | 321.49 |
| Foreign exchange fluctuation loss | 209.70 | - |
| Sundry Balance Write off | - | 159.73 |
| Telephone & Internet charges | 141.80 | 214.49 |
| Travelling and conveyance expense | 224.75 | 686.38 |
| | 7,874.01 | 3,670.44 |



25 In absence of any identifiable business segment, Accounting Standard (AS) 17 on Segment Reporting are not applicable on the Company.

26 Balance shown under head Sundry debtors, creditors and advances are subject to confirmation.

27 Following are the disclosure under the requirements of Accounting Standard (AS)- 18 on 'Related Party Disclosure': -

27.1 Related Parties Covered: -

| | |
|--|--|
| Key Managerial Personnel | Sunil Menon (Director) |
| Relatives of Key Management Personnel | None |
| Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives | Flash Forge Private Limited (Ceased to be holding company on 01/04/2021) |

27.2 Transaction with Related Parties: -

| Transaction with | Nature of Transaction | Transaction during the year ended on | |
|--|-----------------------|--------------------------------------|-----------------|
| | | 31st March 2022 | 31st March 2021 |
| <u>Key Management Personnel-</u> | | | |
| Sunil Menon (Director) | Loan Taken | 1160.00 | Nil |
| | Loan Repaid | 1199.99 | Nil |
| <u>Relative of Key Management Personnel- None</u> | | | |
| <u>Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives-</u> | | | |
| Flash Forge Pvt. Ltd. | Sales | Nil | 91987.72 |
| | Loan Taken | 92293.00 | 174028.94 |
| | Loan Repaid | 84166.13 | 103147.37 |

| Transaction with | Nature of Balance | Closing Balance as at | |
|--|-------------------|-----------------------|-----------------|
| | | 31st March 2022 | 31st March 2021 |
| <u>Key Management Personnel-</u> | | | |
| Sunil Menon (Director) | Borrowings | Nil | 39.99 |
| <u>Relative of Key Management Personnel- None</u> | | | |
| <u>Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives-</u> | | | |
| Flash Forge Pvt. Ltd. | Expenses payable | Nil | Nil |
| | Borrowings | 79021.23 | 70894.36 |

28 Earning/ Remittance and/ or Expenditure in Foreign Currency: -

| Particulars | 31st March 2022 | 31st March 2021 |
|---|-----------------|-----------------|
| <u>Expenditure in Foreign Currency</u> | | |
| Purchase of Raw Material | 17,580.95 | 11,652.51 |
| <u>Earnings/ Income in Foreign Currency</u> | Nil | Nil |

29 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

| Particulars | 31st March 2022 | 31st March 2021 |
|--|-----------------|-----------------|
| Contingent liabilities not provided for | Nil | Nil |
| Pending litigations/ against the company | Nil | Nil |



31 Ratio Analysis and its components

| S.No. | Particulars | 31st March 2022 | 31st March 2021 | % change from March 31, 2021 to March 31, 2022 |
|-------|---------------------------------|-----------------|-----------------|--|
| 1 | Current ratio | 1.59 | 1.33 | 19.93% |
| 2 | Debt- equity ratio | 1.12 | 3.18 | -64.65% |
| 3 | Debt service coverage ratio | 3.71 | 1.05 | 253.22% |
| 4 | Return on equity ratio | 0.70 | 0.04 | 1885.30% |
| 5 | Inventory turnover ratio | 2.09 | 0.73 | 185.19% |
| 6 | Trade receivable turnover ratio | 4.76 | 2.49 | 91.06% |
| 7 | Trade payable turnover ratio | 2.46 | 1.55 | 58.71% |
| 8 | Net capital turnover ratio | 2.64 | 1.77 | 49.10% |
| 9 | Net profit ratio | 0.16 | 0.02 | 863.70% |
| 10 | Return on capital employed | 0.37 | 0.06 | 489.68% |
| 11 | Return on investment | 0.06 | 0.04 | 53.49% |

Reasons for variance of more than 25% in above ratios

| Particular | Reasons |
|---------------------------------|---|
| Debt- equity ratio | Increase in total shareholder fund due to net profits. |
| Debt service coverage ratio | Substantial increase in earning for debt services as compared to interest and principal repayment of long term borrowing. |
| Return on equity ratio | Increase in net profits as compared to average shareholder's equity. |
| Inventory turnover ratio | Increase in revenue from sales of products. |
| Trade receivable turnover ratio | Increase in revenue from operation during the year. |
| Trade payable turnover ratio | Increase in purchase of goods during the year. |
| Net capital turnover ratio | Substantial increase in revenue from operation as compared to working capital. |
| Net profit ratio | Substantial increase in net profit as compared to revenue from operations. |
| Return on capital employed | Increased in net profits for the current year. |
| Return on investment | Increase in interest income from fixed deposits with banks. |

Components of Ratio

| S.No. | Ratios | Numerator | Denominator | 31st March 2022 | | 31st March 2021 | |
|-------|-----------------------------|--|--|-----------------|-------------|-----------------|-------------|
| | | | | Numerator | Denominator | Numerator | Denominator |
| 1 | Current ratio | Current Assets | Current Liabilities | 4,77,514.43 | 2,99,750.51 | 3,31,448.38 | 2,49,523.89 |
| 2 | Debt- equity ratio | Total Debts | Total Equity(Equity Share capital+Other equity) | 1,66,755.97 | 1,48,532.74 | 2,26,120.83 | 71,201.09 |
| 3 | Debt service coverage ratio | Earnings available for debt service (Net profit before exceptional Items & tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment) | Finance cost + principle repayment of long term borrowings during the period/year | 1,24,379.24 | 33,544.37 | 29,266.09 | 27,879.08 |
| 4 | Return on equity ratio | Net profit after tax- Exceptional items | Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2] | 77,331.65 | 1,09,866.92 | 2,480.39 | 69,960.89 |
| 5 | Inventory turnover ratio | Revenue from sales of products | Average Inventory [(opening balance + closing balance)/2] | 4,27,994.80 | 2,04,419.22 | 1,40,764.85 | 1,91,741.46 |



| | | | | | | | |
|----|---------------------------------|--|--|-------------|-------------|-------------|-------------|
| 6 | Trade receivable turnover ratio | Revenue from operations | Average trade receivable [(Opening balance + closing balance)/2] | 4,69,876.96 | 98,725.10 | 1,45,240.53 | 58,305.76 |
| 7 | Trade payable turnover ratio | Purchase of Goods | Average trade payable [(Opening balance + closing balance)/2] | 3,16,050.93 | 1,28,235.80 | 1,14,231.63 | 73,559.20 |
| 8 | Net capital turnover ratio | Revenue from operations | Working capital (Current asset-current liabilities) | 4,69,876.96 | 1,77,763.92 | 1,45,240.53 | 81,924.49 |
| 9 | Net profit ratio | Net profit after tax-Exceptional items | Revenue from operations | 77,331.65 | 4,69,876.96 | 2,480.39 | 1,45,240.53 |
| 10 | Return on capital employed | Profit Before interest, Tax & Exceptional item | Total Equity + Total Debts (including preference share liability) | 1,15,299.87 | 3,14,449.81 | 18,487.99 | 2,97,321.92 |
| 11 | Return on investment | Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment | Current investments + Non current Investments + Fixed deposits with bank | 1,044.61 | 16,946.53 | 805.40 | 20,054.18 |

32 Necessary disclosures as per requirements of Accounting Standard (AS) - 15 on 'Employee Benefits' are made as follows: -

32.1 Defined contribution plans: -

The amount recognised as expense for defined contribution plans are as under: -

| | 31st March 2022 | 31st March 2021 |
|--|-----------------|-----------------|
| Contribution to provident fund | 180.31 | 198.13 |
| Contribution to employee's state insurance | 19.09 | - |
| | <u>199.40</u> | <u>198.13</u> |

32.2 Defined benefit plans: -

In respect of gratuity, the Company has recognised following amounts: -

| | 31st March 2022 | 31st March 2021 |
|---|------------------------|-----------------|
| <u>Amount recognised in balance sheet: -</u> | | |
| Present Value of the obligation | 838.90 | - |
| Fair Value of Plan Assets | - | - |
| Funded Status [Surplus/ (Deficit)] | (838.90) | - |
| Unrecognised Past Service Cost | - | - |
| Net Asset/ (liability) recognised in Balance Sheet | <u>(838.90)</u> | <u>-</u> |
| <u>Amount recognised in statement of Profit and Loss: -</u> | | |
| Current service cost | 139.53 | - |
| Interest cost | 43.77 | - |
| Expected Return on plan asset | - | - |
| Actuarial loss/ (gain) recognised during the year | (7.58) | - |
| Expenses recognised in the statement of Profit & Loss (Note 21) | 175.72 | - |
| Prior period adjustments in the statement of Profit & Loss | 663.17 | - |
| Total expenses charged to Profit & Loss Account | <u>838.90</u> | <u>-</u> |

Financial assumptions: -

| | | |
|------------------------------|------------------------------|------|
| Method of valuation | Projected Unit Credit Method | None |
| Discount rate | 7.05% p.a. | None |
| Rate of increase in salaries | 7.00% p.a. | None |

Demographic assumptions: -

| | | |
|---------------------------------------|----------------------|------|
| Mortality rate | 100% of IALM 2012-14 | None |
| Normal retirement age | 60 Years | None |
| Expected return on plan Assets | 7.05 % per annum | |
| Attrition rate, based on age (% p.a.) | | |
| Upto 31 Years | 15.00% | None |
| From 31 Years to 44 Years | 10.00% | None |
| More than 44 Years | 5.00% | None |



CFF FLUID CONTROL LIMITED

CIN: U28990MH2012PLC227023

NOTES TO THE FINANCIAL STATEMENTS

(In Rs. "000")

- 32.3 As the gratuity provisions made for the first time, comparative figures would not appear in the financial statements.
- 33 The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- 34 The company does not have transactions with the companies struck off under section 248 of Companies Act ,2013.
- 35 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 36 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 37 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 38 The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 39 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) disclosed in the 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.
- 40 The financial statements were approved for issue by the board of directors on 15th September 2022.
- 41 Figures have been rounded off to the nearest thousands of rupees.
- 42 Figures in brackets indicate negative (-) figures.
- 43 Previous year's figures have been re- arranged or re- grouped wherever considered necessary.

Signed for the purpose of Identification

FOR V. N. PUROHIT & CO.
Chartered Accountants
Firm Regn. 304040E

O.P. Pareek
O.P. Pareek
Partner
Membership No. 014238
UDIN: 22014238BBH2YJ7946



For and on behalf of the Board of Directors of
CFF FLUID CONTROL LIMITED

Gautam Makker
Gautam Makker
Director
DIN:- 00354956

Sumit Menon
Sumit Menon
Director
DIN:- 00409485

Mumbai, the 15th day of September, 2022