O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

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B-225, 5th Floor, Okhla Indl. Area
Phase - 1, New Delhi - 110020
Ph.: 011-47011850, 51, 52, 53
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Independent Auditors' Report

TO THE MEMBERS OF PPAP TECHNOLOGY LIMITED
(Formerly PPAP Technology Private Limited & PPAP Automotive Technology Private Limited.)

Report on the Standalone Ind AS Financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **PPAP Technology Limited (Formerly PPAP Technology Pvt. Ltd. & PPAP Automotive Technology Pvt. Ltd.)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, including the notes to financial statements, a summary of significant accounting policies and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2021, its loss including other comprehensive loss and its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone Ind AS financial statements 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone financial statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Director's report, Corporate Governance report, Business responsible report and Management Discussion and Analysis of Annual report, but does not include the Standalone Ind AS financial statements and our report thereon. The Directors report, Corporate Governance report, Business responsible report and Management Discussion and Analysis of Annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

2. Obtain an understanding of internal financial 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.

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

4. 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 standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   c. The Balance Sheet, 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 standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of sub-section (2) of Section 164 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 II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, no remuneration has been paid by the Company to its directors during the year.

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

i. The Company does not have any pending litigations which could impact its financial position.

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

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

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS
FRN. 000018N/N500091

(SANJEEV AGARWAL)
PARTNER
M.No. 408316

PLACE : NEW DELHI
DATED : 06-05-2021
UDIN : 21408316AAAADU5182

O P BAGLA & CO. LLP ★ FRN: 000018N/N500091 ★ Chartered Accountants ★ New Delhi

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Annexure- I to Independent Auditors' Report

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of **PPAP TECHNOLOGY LIMITED** ("the Company") on the financial statements as of and for the year ended 31st March, 2021.

1. In respect of the Company's fixed assets:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) Fixed assets were physically verified by the management during the year. No material discrepancies were noticed on such physical verification.

   c) There are no immovable properties held in the name of the Company.

2. As explained to us physical verification has been conducted by the management at reasonable intervals in respect of inventories of finished goods. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. We are explained that no material discrepancies have been noticed on physical verification.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

4. We are informed that the Company has not granted any loans or provided any guarantees or given any security or made any investments requiring compliance with provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, provisions of clause 3(iv) of the Order are not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

6. In respect of business activities of the Company, maintenance of cost records has not been specified by the Central Government under sub-section (I) of Section 148 of the Companies Act, 2013 read with rules framed thereunder.

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7. (a) As per information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues with the appropriate authorities. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.

   b) There are no dues as on the balance sheet date in respect of income-tax, goods and service tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

8. The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

9. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments).

10. Based upon the audit procedures and information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

11. No remuneration has been paid by the Company to its directors during the year. Therefore, requirements under clause 3(xi) are not applicable to the Company.

12. The Company is not a Nidhi company and therefore clause 3(xii) of the Order related to such companies is not applicable to the Company.

13. According to information and explanations given to us by the management, transactions with related parties are in compliance with the Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting Standards.

14. The company has not made preferential allotment/private placement of shares or fully or partly convertible debentures covered under the provisions of Section 42 of Companies Act 2013 during the year under review.

15. According to information and explanations given to us by the management, the Company has not entered into any non-cash transactions with any of its directors or persons connected with the directors during the year. Therefore, clause 3(xv) of the Order is not applicable.

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16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS
FRN. 000018N/N500091

PLACE : New Delhi
DATED : 06-05-2021
UDIN : 21408316AAAADU5182

O P BAGLA & CO. LLP * FRN : 000018N/N500091 * Chartered Accountants New Delhi

(SANJEEV AGARWAL)
PARTNER
M.No. 408316

ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **PPAP Technology Limited (Formerly PPAP Technology Pvt. Ltd. & PPAP Automotive Technology Pvt. Ltd.)** ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS 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 the risks of material misstatement of the financial statements, whether due to fraud or error.

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

O P BAGLA & CO. LLP FRN: 000018N/N500091 New Delhi Chartered Accountants

PPAP TECHNOLOGY LIMITED
(Formerly PPAP Technology Pvt. Ltd. & PPAP Automotive Technology Pvt. Ltd)
Balance Sheet as at 31st March, 2021

(Amount in Rupees, unless otherwise stated)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
I ASSETS			
Non-current assets			
Property, plant and equipment	3	4,37,83,194	58,494
Capital work-in-progress	3a	-	59,66,237
Other Intangible Assets	3b	3,85,231	16,315
Intangible assets under development	3c	2,39,400	-
Deferred tax assets (net)	4	30,88,719	99,736
Sub-total		**4,74,96,544**	**61,40,782**
Current assets			
Inventories	5	1,81,41,669	-
Financial assets			
Trade receivables	6	22,44,752	-
Cash and cash equivalents	7	18,46,260	66,76,620
Other financial assets	8	3,90,000	1,10,000
Other current assets	9	1,19,65,840	72,14,845
Sub-total		**3,45,88,521**	**1,40,01,465**
Total Assets		**8,20,85,065**	**2,01,42,247**
II EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	6,29,99,850	1,80,00,000
Other equity	11	(99,72,737)	(14,23,162)
Sub-total		**5,30,27,113**	**1,65,76,838**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	12	2,32,09,990	-
Current liabilities			
Financial liabilities			
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		16,59,434	29,84,243
Other financial liabilities	14	39,30,425	5,22,466
Other current liabilities	15	2,58,103	58,700
Sub-total		**58,47,962**	**35,65,409**
Total Equity and Liabilities		**8,20,85,065**	**2,01,42,247**

Significant Accounting Policies 1 & 2

See accompanying notes no. 1 to 33 to the financial statements.

In terms of our report of even date attached
FOR O P BAGLA & CO LLP
Chartered Accountants
FRN 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Delhi
Date : 06.05.2021

O P BAGLA & CO. LLP FRN: 000018N/N500091 New Delhi Chartered Accountants

For and on behalf of the Board
PPAP Technology Limited

Abhishek Jain
Director
DIN : 00137651

Ramesh Chander Khanna
Director
DIN : 08543872

PPAP TECHNOLOGY LIMITED
(Formerly PPAP Technology Pvt. Ltd. & PPAP Automotive Technology Pvt. Ltd)
Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in Rupees, unless otherwise stated)

	Particulars	Notes	Year ended 31.03.2021	Year ended 31.03.2020
I	**INCOME**			
	Revenue From Operations	16	72,42,354	-
	Other income	17	11,666	-
	Total Income (I)		**72,54,020**	**-**
II	**EXPENSES**			
	Cost of materials consumed	18	95,33,431	-
	Changes in inventories of finished goods, work-in progress and stock-in-trade	19	(20,72,768)	-
	Employee benefits expense	20	52,71,804	2,96,014
	Finance costs	21	18,85,277	-
	Depreciation and amortisation expense	3	14,19,448	4,944
	Other expenses	22	27,55,386	1,06,460
	Total expenses (II)		**1,87,92,578**	**4,07,418**
III	**Profit / (loss) for the year from continuing operations (I-II)**		**(1,15,38,558)**	**(4,07,418)**
IV	**Tax expense:**	4		
	Current Tax		-	-
	Deferred Tax		(29,88,983)	(99,736)
V	**Profit / (Loss) for the Year (III-IV)**		**(85,49,575)**	**(3,07,682)**
VI	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss in subsequent period			
	Re-measurement gains (losses) on defined benefit plans		-	-
	Income tax effect		-	-
VII	**Total comprehensive income/ (Loss) for the year, net of tax**		**(85,49,575)**	**(3,07,682)**
VIII	**Earnings per equity share**	23		
	Basic and Diluted computed on the basis of profit from continuing operations		**(3.27)**	**(0.76)**

Significant Accounting Policies **1 & 2**

See accompanying notes no. 1 to 33 to the financial statements.

In terms of our report of even date attached
FOR O P BAGLA & CO LLP
Chartered Accountants
FRN 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Delhi
Date : 06.05.2021

O P BAGLA & CO. LLP
FRN : 000018N/N500091
New Delhi
Chartered Accountants

For and on behalf of the Board
PPAP Technology Limited

Abhishek Jain
Director
DIN : 00137651

Ramesh Chander Khanna
Director
DIN : 08543872

PPAP TECHNOLOGY LIMITED
(Formerly PPAP Technology Pvt. Ltd. & PPAP Automotive Technology Pvt. Ltd)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rupees, unless otherwise stated)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(1,15,38,558)	(4,07,418)
Adjusted for :		
Depreciation and amortisation expense	14,19,448	4,944
Operating profit before working capital changes	**(1,01,19,111)**	**(4,02,474)**
Working capital adjustments:		
Decrease/ (Increase) in inventories	(1,81,41,669)	-
Decrease/ (Increase) in trade and other receivables	(72,75,747)	(73,24,845)
Movement in trade and other payables	22,82,553	35,53,727
Cash Generated from Operations	**(3,32,53,973)**	**(41,73,592)**
Direct Taxes Refunded/ (Paid)	-	-
Net Cash from operating activities	**(3,32,53,973)**	**(41,73,592)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant, equipment	(3,97,86,226)	(60,45,990)
Net cash used in investing activities	**(3,97,86,226)**	**(60,45,990)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	4,49,99,850.00	1,79,00,000
Proceeds / (repayment) of long term borrowings	2,32,09,990.00	-
Transaction cost of issue of equity share capital	-	(10,28,850)
Net cash flow from in financing activities	**6,82,09,840**	**1,68,71,150**
Net increase in cash and cash equivalents (A+B+C)	**(48,30,360)**	**66,51,568**
Cash and cash equivalents opening	**66,76,620**	**25,052**
Cash and cash equivalents closing	**18,46,260**	**66,76,620**
Components of cash and cash equivalents		
Cash on hand	-	-
Balance with banks:		
On current accounts	18,46,260	66,76,620
Deposits with maturity of less than 3 months		
	18,46,260	**66,76,620**

Significant Accounting Policies **1 & 2**

See accompanying notes no. 1 to 33 to the financial statements.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
FRN No. 000018N/N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Delhi
Date : 06.05.2021

O P BAGLA & CO. LLP
FRN : 000018N/N500091
New Delhi
Chartered Accountants

For and on behalf of the Board
PPAP Technology Limited

Abhishek Jain
Director
DIN : 00137651

Ramesh Chander Khanna
Director
DIN : 08543872

PPAP TECHNOLOGY LIMITED
(Formerly PPAP Technology Pvt. Ltd. & PPAP Automotive Technology Pvt. Ltd)
Statement of Changes in Equity for the year ended 31st March, 2021

(Amount in Rupees, unless otherwise stated)

a **Equity share capital (refer note no. 10)**

	As at 31.12.2021	As at 31.03.2020
Issued, subscribed and paid up capital		
Opening balance	1,80,00,000	1,00,000
Changes during the year	4,49,99,850	1,79,00,000
Closing balance	**6,29,99,850**	**1,80,00,000**

b **Other equity**

Particulars		Reserves and Surplus	Items of OCI	Total equity
As at 1st April 2019		**(86,630)**	**-**	**(86,630)**
Net income / (loss) for the year		(3,07,682)	-	(3,07,682)
Other comprehensive income				
		(3,94,312)	**-**	**(3,94,312)**
Transaction costs arising on share issue		10,28,850	-	10,28,850
At 31st March 2020		**(14,23,162)**	**-**	**(14,23,162)**
Net income / (loss) for the year		(85,49,575)	-	(85,49,575)
Other comprehensive income				
At 31st March 2021		**(99,72,737)**	**-**	**(99,72,737)**

Significant Accounting Policies **1 & 2**

See accompanying notes no. 1 to 33 to the financial statements.

FOR O P BAGLA & CO LLP
Chartered Accountants
FRN 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Delhi
Date : 06.05.2021

O P BAGLA & CO. LLP
FRN: 000018N/N500091
New Delhi
Chartered Accountants

For and on behalf of the Board
PPAP Technology Limited

Abhishek Jain
Director
DIN : 00137651

Ramesh Chander Khanna
Director
DIN : 08543872

1. Corporate Information

PPAP TECHNOLOGY LIMITED (Formerly PPAP Technology Private Limited & Automotive Technology Private Limited the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. The registered office of the company is located at 54, Okhla Industrial Estate, Phase III, New Delhi 110020.

The Company, a wholly owned subsidiary of PPAP Automotive Limited, is a manufacturer of lithium ion battery packs for mobility, solar and other storage application. The financial statements of the Company for the year ended 31st March 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 6th May, 2021.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016

The financial statements have been prepared on a going concern accounting using historical cost convention and accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost.

The financial statements are presented in Indian Rupees (INR).

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Property, plant and equipment

i) Tangible assets

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/ installation], net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case of retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipment are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

Leasehold Land and Leasehold Improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.

The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii) Capital work in progress

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

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(c) borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

(d) Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

(e) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, trading and other products are determined on weighted average basis. Work-in-progress is carried at cost or net realisable value whichever is lower.

(f) Revenue recognition

The Company derives revenues primarily from manufacturing and sale of automotive components.

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.

Arrangements with customers for sale of automotive components are mostly on a fixed – price basis.

Revenue from fixed-price contracts are recognised when the performance obligations are satisfied upon delivery of components to the customers and where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increase in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof

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cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(g) Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(h) Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction.

At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(i) Employee Benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, etc. are recognized as expense during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

(j) Taxes

Current income tax

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

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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 recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable 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 realised 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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

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Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS
FRN. 000018N/N500091

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(SANJEEV AGARWAL)
PARTNER
M.No. 408316

PLACE : New Delhi
DATED : 06-05-2021
UDIN : 21408316AAAADU5182

(k) Leases
As a lessee:

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability
adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The
lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using
the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset is separately presented in the Balance Sheet and lease payments is classified
as financing cash flows.

As a lessor :

Lease income from operating leases where the Company is a lessor is recognised in the Statement of Profit and Loss on a straight- line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(l) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Derecognition

A financial asset is primarily derecognized 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.

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Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables and all lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

(b) Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

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

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Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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.

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

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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(n) Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

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(o) Cash and cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(p) Recent accounting pronouncements

i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the standalone financial statements of the Company.

(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of the Company, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's financial statements.

(iii) Amendments to Ind AS 107 and Ind AS 109:

Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and / or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships. The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Company's standalone financial statements.

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(q) Unless specifically stated to be otherwise, these policies are consistently followed.

2.3 Significant Accounting Judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgments

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

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered

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impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(c) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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Note 3 : Property, plant and equipment

	Plant & Machinery	Furniture & fixtures	Computer	Office Equipment	Total
Cost					
As at 1st April, 2019	-	-	-	-	-
Additions	-	-	62,550	-	62,550
Disposals	-	-	-	-	-
As at 31st March, 2020	-	-	**62,550**	-	**62,550**
Additions	4,32,11,747	8,70,619	5,75,778	4,63,419	4,51,21,563
Disposals	-	-	-	-	-
As at 31st March, 2021	**4,32,11,747**	**8,70,619**	**6,38,328**	**4,63,419**	**4,51,84,113**
Depreciation					
As at 1st April, 2019	-	-	-		-
Depreciation charge for the year 2019-20	-	-	4,056	-	4,056
Disposals	-	-	-	-	-
As at 31st March, 2020	-	-	**4,056**	-	**4,056**
Depreciation charge for the year 2020-21	12,39,909	37,842	90,855	28,257	13,96,863
Disposals	-	-	-	-	-
As at 31st March, 2021	**12,39,909**	**37,842**	**94,911**	**28,257**	**14,00,919**
Net book value :					
As at 31st March, 2021	**4,19,71,838**	**8,32,777**	**5,43,417**	**4,35,162**	**4,37,83,194**
As at 31st March, 2020	-	-	**58,494**	-	**58,494**

Note: Additions include preoperative expenses capitalised during the current year - Rs. 42,17,821/-

Note 3a: Capital work-in-progress

Particulars	Plant & Machinery	Pre Operative Exp. Pending Capitalization	Total
As at 1st April, 2019	-	-	-
Additions	46,05,617	13,60,619	**59,66,237**
Disposals / capitalizations	-	-	-
As at 31st March, 2020	46,05,617	13,60,619	**59,66,237**
Additions	3,47,71,765	28,57,201	**3,76,28,967**
Disposals / capitalizations	**3,93,77,383**	**42,17,821**	**4,35,95,203**
As at 31st March, 2021	-	-	-
As at 31st March, 2020	**46,05,617**	**13,60,619**	**59,66,237**

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3b. Other Intangible assets

	Software	Total
As at 1st April, 2019	-	-
Additions	17,203.39	17,203.39
Disposals	-	-
As at 31st March, 2020	**17,203.39**	**17,203.39**
Additions	**3,91,500.00**	**3,91,500.00**
Disposals	-	-
As at 31st March, 2021	**4,08,703.39**	**4,08,703.39**
Depreciation		
As at 1st April, 2019	-	-
Depreciation charge for the year 2019-20	888	888
Disposals	-	-
As at 31st March, 2020	**888**	**888**
Depreciation charge for the year 2020-21	22,584	22,584
Disposals	-	-
As at 31st March, 2021	**23,472**	**23,472**
Net book value :		-
As at 31st March, 2021	**3,85,231**	**3,85,231**
As at 31st March, 2020	**16,315**	**16,315**

3c. Other Intangible assets under development

	Technical Knowhow	Total
Cost		
As at 1st April, 2019	-	-
Additions	-	-
Disposals	-	-
As at 31st March, 2020	-	-
Additions	2,39,400	2,39,400
Disposals	-	-
As at 31st March, 2021	**2,39,400**	**2,39,400**
Net book value :		
As at 31st March, 2021	**2,39,400**	**2,39,400**
As at 31st March, 2020	-	-

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Note 4 : Income taxes

The major components of income tax expense for the year ended 31st March, 2021 and 31st March, 2020 are:

A. Statement of profit and loss

(i) Profit & loss section

	As at 31.03.2021	As at 31.03.2020
Current income tax charge	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	(29,88,983)	(99,736)
Income tax expense reported in the statement of profit & loss	**(29,88,983)**	**(99,736)**

(ii) OCI Section

Deferred tax related to items recognised in OCI during the year:	As at 31.03.2021	As at 31.03.2020
Net loss / (gain) on Remeasurements of defined benefit plans	-	-
Income tax charged to OCI	**-**	**-**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for financial year ended 31st March, 2021 and 31st March, 2020.

	As at 31.03.2021	As at 31.03.2020
Accounting profit before tax from continuing operations	(1,15,38,558)	(4,07,418)
Profit / (loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**(1,15,38,558)**	**(4,07,418)**
At India's statutory income tax rate of 25.17% (31st March, 2020: 25.17%)	-	-
Adjustments in respect of current income tax of previous years	-	-
Net disallowances on which deferred tax is not recognised	-	-
Exempted income / deductions	-	-
Unabsorbed losses and depreciation carry forward and set off	(29,88,983)	(99,736)
At the effective income tax rate	**(29,88,983)**	**(99,736)**
Income tax expense reported in the statement of profit and loss	(29,88,983)	(99,736)
Income tax attributable to a discontinued operation	-	-
	(29,88,983)	**(99,736)**

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C. Deferred tax

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss / OCI	
	As at 31.03.2021	**As at 31.03.2020**	**Year ended 31.03.2021**	**Year ended 31.03.2020**
Accelerated depreciation for tax purposes	(5,48,183)	-	(5,48,183)	-
Unabsorbed losses and depreciation	35,86,815	99,736	34,87,079	99,736
Present valuation of borrowings	50,087	-	50,087	-
Deferred tax (expense) / income			**29,88,983**	**99,736**
Net deferred tax assets / (liabilities)	**30,88,719**	**99,736**		

Reflected in the balance sheet as follows:

	As at 31.03.2021	**As at 31.03.2020**
Deferred tax assets	35,86,815	99,736
Deferred tax liabilities	(4,98,096)	-
Deferred tax liabilities, net	**30,88,719**	**99,736**

Reconciliation of deferred tax liabilities (net)

	As at 31.03.2021	**As at 31.03.2020**
Opening balance	99,736	-
Tax (income) / expense during the period recognized in profit & loss	(29,88,983)	(99,736)
Closing balance	**30,88,719**	**99,736**

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Note 5 : Inventories

Particulars	As at 31.03.2021	As at 31.03.2020
Raw materials	1,50,28,226	-
Packing materials & consumables	10,40,675	-
Work-in-progress	17,56,368	-
Finished goods	3,16,400	-
Total	**1,81,41,669**	**-**

Note 6 : Trade receivables	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good	22,44,752	-
Unsecured, credit impaired	-	-
Less: Provision for doubtful receivables	-	-
Total	**22,44,752**	**-**

Note 7 : Cash and cash equivalents

Particulars	As at 31.03.2021	As at 31.03.2020
Balance with banks		
In current accounts	18,46,260	66,76,620
Cash on hand	-	-
Total	**18,46,260**	**66,76,620**

Note 8 : Other financial assets
(Unsecured, considered good)

Particulars	Current	
	As at 31.03.2021	As at 31.03.2020
Balance with banks		
In term deposit accounts	2,80,000	-
Security Deposits	1,10,000	1,10,000
Total	**3,90,000**	**1,10,000.00**

Break up of financial assets carried at amortised cost:	As at 31.03.2021	As at 31.03.2020
Cash and cash Equivalents	18,46,260	66,76,620
Other financial assets	3,90,000	1,10,000
Total	**22,36,260**	**67,86,620**

Note 9 : Other current assets
(Unsecured, considered good)

Particulars	As at 31.03.2021	As at 31.03.2020
Advance to suppliers & contractors	96,688	61,23,533
Prepaid expenses	3,33,577	-
Balances with government authorities	1,15,35,575	10,91,312
Total	**1,19,65,840**	**72,14,845**

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Particulars	As at 31.03.2021	As at 31.03.2020
Note 10 : Equity Share capital		
Authorised Share Capital		
Equity share capital		
1,00,00,000 shares (PY 10,000 shares of par value of Rs. 10 each)	10,00,00,000	1,00,000
Increase / (decrease) during the year Nil (PY 99,90,000 shares of Rs. 10 each)	-	9,99,00,000
Total	**10,00,00,000**	**10,00,00,000**
Issued, subscribed and paid up capital		
Equity share capital		
18,00,000 shares (PY 10,000 shares of par value of Rs. 10 each)	1,80,00,000	1,00,000
Changes in equity share capital during the year 44,99,985 (PY 17,90,000) shares of par value of Rs. 10 each	4,49,99,850	1,79,00,000
	6,29,99,850	**1,80,00,000**

During the year, the Company has issued equity shares. Following is the reconciliation of number of shares outstanding as at the beginning of the year and end of the year.

Reconciliation of number of shares outstanding at the beginning and at the end of the year
Equity share capital

Particulars	Number of shares	
	As at 31.03.2021	As at 31.03.2020
Shares outstanding at the beginning of the year	18,00,000	10,000
Shares issued during the year	44,99,985	17,90,000
Shares outstanding at the end of the year	**62,99,985**	**18,00,000**

Particulars	Amount of share capital	
	As at 31.03.2021	As at 31.03.2020
Shares Capital at the beginning of the year	1,80,00,000	1,00,000
Shares issued during the year	4,49,99,850	1,79,00,000
Shares Capital at the end of the year	**6,29,99,850**	**1,80,00,000**

Rights, preferences and restrictions attached to the equity shares

The Company has only one class of Issued, subscribed and paid up equity shares having a par value of Rs. 10/- each per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

Details of the Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of shares	% of holding	Number of shares	% of holding
PPAP Automotive Limited - Holding Company	62,99,985	100%	18,00,000	100%

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Note 11 : Other Equity

	Amount
Retained earnings	
At 1st April 2019	**(86,630)**
Profit/ (loss) during the period	(3,07,682)
Transaction costs of issue of equity share capital	(10,28,850)
At 31st March 2020	**(14,23,162)**
Profit/(loss) during the period	(85,49,575)
At 31st March 2021	**(99,72,737)**
Total other equity as at	
At 31st March 2021	(99,72,737)
At 31st March 2020	(14,23,162)

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12. Borrowings	Non-current		Current	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Secured				
Term loans				
Term loan from banks (refer note I below)	2,58,10,990	-	-	-
Less: Current maturities	26,01,000	-	-	-
Total	**2,32,09,990**	**-**	**-**	**-**

Terms of Borrowings

Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	As at 31.03.2021	As at 31.03.2020			
Term loan from banks	2,58,10,990	-	8.45% per annum	Refer note I	Repayable in 20 quarterly installments

Note I:
Term loans are secured by corporate guarantee from PPAP Automotive Ltd., holding company and exclusive charge on assets of the Company funded out of the term loan.

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Note 13: Trade payables	**As at 31.03.2021**	**As at 31.03.2020**
- total outstanding dues of micro and small enterprises	-	-
- total outstanding dues of creditors other than micro and small enterprises	16,59,434	29,84,243
Total	**16,59,434**	**29,84,243**

Note 14 : Other Financial Liabilities	**As at 31.03.2021**	**As at 31.03.2020**
Current maturities of long-term debt	26,01,000	-
Provision for expenses	13,29,425	5,22,466
Total	**39,30,425**	**5,22,466**

Note 15 : Other Current Liabilities	**As at 31.03.2021**	**As at 31.03.2020**
Advance from customers	71,359	-
Statutory dues payable	1,86,744	58,700
Total	**2,58,103**	**58,700**

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Note 16 : Revenue from Operations

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Sale of Products	72,42,354	-
Total	**72,42,354**	**-**

Note 17 : Other Income

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Foreign Exchange Gain	11,666	-
Total	**11,666**	**-**

18. Cost of materials consumed

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Raw materials	95,33,431	-
	95,33,431	**-**

Note 19 : Changes in inventories of finished goods, stock in trade and work-in-progress

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Inventories at the beginning of the year		
Finsihed Goods & WIP	-	-
Total inventories at the beginning of the year (A)	-	-
Inventories at the end of the year		
Finsihed Goods & WIP	20,72,768	
Total Inventories at the end of the year (B)	**20,72,768**	**-**
Total (A-B)	**(20,72,768)**	**-**

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Note 20. Employee benefits expense

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Salaries and wages	50,39,385	2,86,966
Contribution to provident and other funds	2,32,419	9,048
Total	**52,71,804**	**2,96,014**

Note 21. Finance Cost

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest on short term loan	7,22,533	-
Interest on term loan	10,94,382	-
Ancillary borrowing cost	68,363	-
Total	**18,85,277**	**-**

Note 22 : Other expenses

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Other manufacturing expenses		
Stores and spares consumed	10,725	-
Factory expenses	20,650	-
Repair & Maintenance		
Others	7,934	-
Administrative and other expenses		
Rent	6,60,000	-
Computer expenses	67,806	-
Printing & stationery	1,12,185	826
Traveling & conveyance expenses	9,13,841	-
Insurance charges	50,084	-
Legal & professional charges	3,26,240	8,800
Bank charges	-	177
Fees & subscription	2,79,825	80,858
Miscellaneous expenses	1,38,055	224
Auditor's Remuneration		
-As Audit Fee	15,000	9,900
-For Tax matters	7,500	5,675
-For other matters	20,000	-
Selling & Distribution Expenses		
Freight & forwarding expenses	65,590	-
Advertisement, publicity & sales promotion	59,950	-
Total	**27,55,386**	**1,06,460**

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Note -23 : Earning per share

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

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit attributable to equity holders of the Company:		
Continuing operations	(85,49,575)	(3,07,682)
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	**(85,49,575)**	**(3,07,682)**
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect	**(85,49,575)**	**(3,07,682)**
Weighted average number of equity shares used for computing earning per share (Basic & Diluted) *	26,17,805	4,05,328

* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

Earning Per Share - Continuing operations		
Basic	(3.27)	(0.76)
Diluted	(3.27)	(0.76)
Face Value per equity share	10	10

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Note 24 : **Leases:**

Operating leases taken:

The Company has taken certain buildings on operating lease arrangements. The lease expense recognised in the statement of profit and loss is Rs. 6,60,000/- (PY nil) and under Capital work in progress Rs 6,60,000/- (PY 2,20,000/-). The future minimum lease payments under the lease are as follows:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Not later than one year	13,20,000	13,20,000
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	**13,20,000**	**13,20,000**

Note 25 : **Commitments and contingencies**

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:
At 31st March, 2021, the Company had commitments of Rs. 5,33,463/- (31st March, 2020: Nil)

b. Contingent liabilities

At 31st March, 2021, the Company had contingent liability of Rs. Nil (31st March, 2020: Nil)

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26. Segment information

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. Based on the consideration of dominant sources and nature of risk & returns, the Company is considered an automotive components manufacturer. Most of the activities are revolving around this business and accordingly has only one reportable segment. The geographical location of its main operations and the internal organization / reporting and management structure supports such treatment.

27. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro and Small Enterprises Development Act, 2006 to the extent information available with the Company is given below:

	Particulars	31.03.2021	31.03.2020
(I)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
(II)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(III)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(IV)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(V)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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Note 28 : Related party disclosures

A. List of related parties

(a) Holding Company

1. PPAP Automotive Limited

(b) Key Managerial Personnel

1. Mr. Ajay Kumar Jain
2. Mr. Abhishek Jain
3. Mr. Ramesh Chander Khanna

The following transactions were carried out with related parties in the ordinary course of business:

Related Party Transactions	Period	PPAP Automotive Ltd- Holding company
Security deposit given	31.03.2021	-
	31.03.2020	1,10,000
Issue of equity shares	31.03.2021	4,49,99,850
	31.03.2020	1,79,00,000
Loan received	31.03.2021	3,00,00,000
	31.03.2020	-
Loan repaid	31.03.2021	3,00,00,000
	31.03.2020	-
Purchase of assets	31.03.2021	50,389
	31.03.2020	-
Interest paid on loan	31.03.2021	7,22,533
	31.03.2020	-
Rent paid	31.03.2021	13,20,000
	31.03.2020	2,20,000

Net outstanding balance :-

Related party transactions	Period	PPAP Automotive Ltd- Holding company
Trade Payable	31.03.2021	9,405
	31.03.2020	(25,600)
Security deposit	31.03.2021	1,10,000
	31.03.2020	1,10,000

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III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31st March, 2021					
Borrowings- Non Current	-	-	2,08,08,000	-	2,08,08,000
Borrowings- Current	-				-
Trade payables	16,59,434	-	-	-	16,59,434
Other financial liabilities (current)	26,29,925	39,01,500.00	-	-	65,31,425
	42,89,359	39,01,500.00	-		2,89,98,859
Year ended 31st March, 2020					
Trade payables	29,84,243	-	-	-	29,84,243
Other financial liabilities (current)	5,22,466	-	-	-	5,22,466.00
	35,06,709	-	-		35,06,709

IV. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The company is in automotive components manufacturing business and the management have assessed risk concentration as low.

Particulars	31.03.2021	31.03.2020
Revenue from top customer (In %)	31.52%	0.00%
Revenue from top 10 customers (In %)	99.36%	0.00%

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(Amount in Rupees, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements for which fair values are disclosed at 31st March, 2021:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets	31.03.2021	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Financial assets and liabilities measured at fair value - recurring fair value measurements for which fair values are disclosed at 31 March 2020:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets	31.03.2020	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Valuation technique used to determine fair value:
For cash and cash equivalents, trade receivables, other financial assets, trade payables and other current financial liabilities the management assessed that they approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the company's investments in mutual funds has been determined by multiplying the number of units held at the year end to the closing NAV.

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30. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise trade payables, and creditors for expenses. The Company's principal financial assets include trade receivables, cash and short-term deposits/ loan that derive directly from its operations. The Company also holds FVTPL investments in quoted mutual funds.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company. The Board provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. Market risk

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

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31st March, 2021 and 31st March, 2020.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

- 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 31st March, 2021 and 31st March, 2020.

Impact of COVID-19 (Global pandemic)

The Company based on the assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is neglegible as the Company does not have any borrowings.

B. Foreign currency sensitivity

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 Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes is neglegible as the company does not have ny foreign currency receivables or payables.

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 29. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

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PPAP TECHNOLOGY LIMITED
(Formerly PPAP Technology Pvt. Ltd. & PPAP Automotive Technology Pvt. Ltd)
Notes to Financial Statements for the year ended 31st March, 2021

III. Liquidity risk
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31st March, 2021					
Borrowings- Non Current	-	-	2,08,08,000	-	2,08,08,000
Borrowings- Current	-				-
Trade payables	16,59,434	-	-	-	16,59,434
Other financial liabilities (current)	26,29,925	39,01,500.00	-	-	65,31,425
	42,89,359	**39,01,500.00**	**-**		**2,89,98,859**
Year ended 31st March, 2020					
Trade payables	29,84,243	-	-	-	29,84,243
Other financial liabilities (current)	5,22,466	-	-	-	5,22,466.00
	35,06,709	**-**	**-**		**35,06,709**

IV. Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The company is in automotive components manufacturing business and the management have assessed risk concentration as low.

Particulars	**31.03.2021**	**31.03.2020**
Revenue from top customer (In %)	31.52%	0.00%
Revenue from top 10 customers (In %)	99.36%	0.00%

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Notes to Financial Statements for the year ended 31st March, 2021

(Amount in Rupees, unless otherwise stated)

31 . Capital Management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. No changes were made in the objectives, policies or processes during the year ended 31st March, 2021.

	31.03.2021	31.03.2020
Borrowings- Non Current	2,32,09,990	-
Trade payables	16,59,434	29,84,243
Other financial liabilities (current)	39,30,425	5,22,466
Other current liabilities	2,58,103	58,700
Total Debts	**2,90,57,952**	**35,65,409**
Less: Cash and cash equivalents	18,46,260	66,76,620
Net debts (A)	**2,72,11,692**	**(31,11,211)**
Total equity (B)	**5,30,27,113**	**1,65,76,838**
Total debt and equity (C=A+B)	**8,02,38,805**	**1,34,65,627**
Gearing ratio (%) (A / C)	**33.91%**	**NA**

32. Balance confirmation

Debit and credit balance of trade payables and trade receivables to the extent not confirmed are subject to confirmation and reconciliation with parties.

33. In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of current assets on realisation in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

In terms of our report of even date attached
FOR O P BAGLA & CO LLP
Chartered Accountants
FRN 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Delhi
Date : 06.05.2021

For and on behalf of the Board
PPAP Technology Limited

Abhishek Jain
Director
DIN : 00137651

Ramesh Chander Khanna
Director
DIN : 08543872

O P BAGLA & CO LLP
FRN : 000018N/N500091
New Delhi
Chartered Accountants