

S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in ₹, unless otherwise stated)

1. Firm's information

S M Auto Industries is a partnership firm formed through partnership deed dated. 1st July, 2009.

Share of profit/loss of the partners of the firm is as under : -

<u>Name of partner</u>	<u>From 01.04.2021 to 31.12.2021</u>	<u>From 01.01.2022 to 31-03-2022</u>
Ms. Suman Minda	50.00%	-
Ms. Paridhi Minda	37.50%	-
Sh. Sanjeev Garg	12.50%	12.50%
Minda Industries Limited	-	87.50%

2. Basis of preparation

A. Statement of compliance

The Financial statements are prepared on historical cost convention, unless stated otherwise, on a going concern basis and, in accordance with normally accepted accounting principles.

Fair value concept has not been considered though all financial assets and liabilities (current and non-current) are expected to realize and payable at the value which are considered in the financials.

B. Use of estimates and judgments

In preparing these financial statements, the partners have made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

C. Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Partnership firm at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss,

D. Current versus non-current classification

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

- (a) expected to be realised in, or is intended to be sold or consumed in normal operating cycle;
- (b) held primarily for the purpose of being traded;



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- (c) expected to be realised within 12 months after the reporting date; or
- (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A Liability is current when:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Partnership firm does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

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

Operating cycle

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

E. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Partnership firm.

iv. Depreciation

Depreciation is provided for the year on WDV method at the rates specified in Income Tax Act, 1961.



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Notes forming part of the financial statements for the year ended 31 March 2022
(All amounts in ₹, unless otherwise stated)

F. Impairment

Impairment of non-financial assets

The Partnership firm's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

G. Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and employee benefit assets, which continue to be measured in accordance with the Partnership firm's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets, property and plant and equipment are no longer amortized or depreciated.

H. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

I. Leases

a) Operating leases

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

b) Finance leases

Assets acquired under finance leases are recognized as an asset and a liability at the lower of the fair value of the leased assets at the inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability and charged to the Statement of Profit and Loss.

J. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.



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(All amounts in ₹, unless otherwise stated)

In determining the cost, first in first out method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Finished goods inventory is inclusive of excise duty.

Inventories in transit are valued at cost.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

K. Revenue recognition

- (i) Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. The amount recognized as revenue is inclusive of excise duty and exclusive of sales tax, value added taxes (VAT), goods & service tax (GST). This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.
- ii) Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable and the ultimate collection is reasonably certain.
- (iii) Export entitlement under Duty Entitlement Pass Book Scheme ('DEPB') is recognized on accrual basis and when the right to entitlement has been established.
- (iv) Share of profit from partnership firms is recognized on accrual basis.

L. Government grants

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

When the Partnership firm receives grants of non-monetary assets, the assets and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.



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Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in ₹, unless otherwise stated)

M. Provisions (other than employee benefits)

A provision is recognized if, as a result of a past event, the Partnership firm has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for...

(i) Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods and is included in the statement of profit and loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

(ii) Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

N. Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Partnership firm has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit to such extent is classified as a long-term employee benefit. The Partnership firm records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Actuarial gains and losses are recognized in the Statement of Profit and Loss.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the partnership firm can no longer withdraw the offer of those benefits and when the Partnership firm recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.



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Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in ₹, unless otherwise stated)

O. Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income..

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

P. Cash and cash equivalents

Cash and cash equivalents in the balance sheet firm 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Partnership firm's cash management.

For AJH & Co.

Chartered Accountants

Firm Registration No: 005302N


Ajay Jain
Partner

Membership No. 084096




Partner


Partner

Place : Delhi

Date : 20-04-2022

UDIN : 22084096AIKUQT5266

S M AUTO INDUSTRIES

Balance Sheet as at 31st March, 2022

(All amounts in Indian ₹, unless otherwise stated)

ASSETS	Note	As at 31 March 2022	As at 31 March 2021
1 Non-Current Assets			
Property, plant and equipment and capital work-in-progress	3		
Property, Plant and Equipment	3A	7,221,654	7,468,545
Financial Assets			
(i) Other Non Current Financial Assets	4	558,301	558,301
Total Non-Current Assets		7,779,955	8,026,846
2 Current Assets			
a) Inventories	5	19,930,571	32,737,244
b) Financial Assets			
(i) Trade Receivables	6	23,013,915	26,408,639
(ii) Cash and Cash Equivalents	7	4,256,283	690,068
c) Other Current Assets	8	6,455,866	937,915
Total Current Assets		53,656,635	60,773,866
Total Assets		61,436,590	68,800,712
EQUITY AND LIABILITIES			
Equity			
Partners' Capital	9	41,414,857	34,514,005
Total Equity		41,414,857	34,514,005
Liabilities			
1 Non-Current Liabilities			
Provisions	10	2,324,556	2,208,847
Total Non-Current Liabilities		2,324,556	2,208,847
2 Current Liabilities			
a) Financial Liabilities			
(i) Trade Payables	11	13,446,966	29,597,911
b) Other Current Liabilities	12	3,548,380	1,137,682
c) Provisions	13	133,795	625,071
d) Current Tax Liabilities (Net)	14	568,036	717,196
Total Current Liabilities		17,697,177	32,077,860
Total Equity and Liabilities		61,436,590	68,800,712

Significant accounting policies

The accompanying notes form an integral part of the financial statements

In terms of our report attached

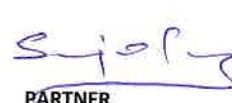
For AJH & Co.

Chartered Accountants

Firm Registration No: 005302N

Ajay Jain
Partner
Membership No: 084096


PARTNER


PARTNER

Place : Delhi

Date : 20-04-2022

UDIN : 22084096AIKUQT5266

S M AUTO INDUSTRIES

Statement of Profit and Loss for the Year ended 31st March, 2022 (All amounts in Indian ₹, unless otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
TOTAL INCOME			
I) Revenue from Operations	15	209,728,753	186,548,942
II) Other Income	16	4,746,070	237,156
III) Total Income		214,474,823	186,786,098
IV) EXPENSES			
Cost of Materials Consumed	17	161,060,510	141,105,448
Changes in inventory of finished goods and work-in-progress	18	-	469,931
Employee Benefit Expenses	19	12,668,435	11,678,298
Finance Costs	20	230,664	238,545
Depreciation and Amortization	21	1,761,190	1,772,636
Other Expenses	22	13,123,956	12,366,443
Total Expenses (IV)		188,844,755	167,631,301
Profit for the year before tax		25,630,068	19,154,797
Income tax Expense			
Current Tax		8,998,000	7,057,000
Short/(Excess) Provision for Income Tax		13,573	(94,120)
Profit for the year after tax		16,618,495	12,191,917
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability (asset)		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of income tax		282,357	121,150
Total Comprehensive Income for the Year		16,900,852	12,313,067

Significant accounting policies

The accompanying notes form an integral part of the financial statements

1-2

In terms of our report attached

For AJH & Co.

Chartered Accountants
Firm Registration No. 005302N

Ajay Jain

Partner

Membership No. 084096



[Signature]
PARTNER

[Signature]
PARTNER

Place : Delhi

Date : 20-04-2022

UDIN : 22084096AIKUQT5266

Notes forming part of the financial statements
(All amounts in Indian ₹ , unless otherwise stated)

Note No. 3

Property, plant and equipment and capital work-in-progress

A. Tangible Assets

	Note	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total (A)
Cost or deemed cost (gross carrying amount)							
Balance at 1 April 2020		15,946,502	826,685	142,692	489,345	614,052	18,019,276
Additions		3,076,860	-	-	-	11,600	3,088,460
Deductions/ Adjustments		33,200	-	-	-	-	33,200
Balance at 31 March 2021		18,990,162	826,685	142,692	489,345	625,652	21,074,536
Balance at 1 April 2021		18,990,162	826,685	142,692	489,345	625,652	21,074,536
Additions		1,596,044	-	-	-	-	1,596,044
Deductions/ Adjustments		81,745	-	-	-	-	81,745
Balance at 31 March 2022		20,504,461	826,685	142,692	489,345	625,652	22,588,835
Accumulated depreciation and impairment losses							
Balance at 1 April 2020		10,492,501	502,020	71,263	220,115	547,456	11,833,355
Depreciation for the year		1,660,112	32,467	10,714	40,385	28,958	1,772,636
Disposals		-	-	-	-	-	-
Balance at 31 March 2021		12,152,613	534,487	81,977	260,500	576,414	13,605,991
Balance at 1 April 2021		12,152,613	534,487	81,977	260,500	576,414	13,605,991
Depreciation for the year		1,677,948	29,220	-	34,327	19,695	1,761,190
Disposals		-	-	-	-	-	-
Balance at 31 March 2022		13,830,561	563,707	81,977	294,827	596,109	15,367,181
Carrying amounts (net)							
At 1 April 2020		5,454,001	324,665	71,429	269,230	66,596	6,185,921
At 31 March 2021/ 1 April 2021		6,837,549	292,198	60,715	228,845	49,238	7,468,545
Balance at 31 March 2022		6,673,900	262,978	60,715	194,518	29,543	7,221,654



Notes forming part of the financial statements
(All amounts in Indian ₹ , unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Notes No. 4		
Other Non-current financial assets		
Security deposits	558,301	558,301
	558,301	558,301
Notes No. 5		
Inventories		
(Valued and certified by the partners)		
(At lower of cost and net realisable value, unless otherwise stated)		
Raw materials	19,465,766	31,880,050
Finished goods	-	-
Work-in-progress	-	-
Stores & spares	464,805	857,194
	19,930,571	32,737,244
Notes No. 6		
Trade receivables		
(Unsecured, considered good unless otherwise stated)		
Less than 6 months	23,013,915	25,900,774
More than 6 months	-	-
Doubtful	-	507,865
(As per annexure attached)	23,013,915	26,408,639



S.M. AUTO INDUSTRIES
FY 2021-22

Annexure to Note no. 6
Trade receivables Ageing Schedule
As at 31 March 2022

1 Debtors ageing from Due date of invoice and NOT invoice date in following format.

1 (a)	Particulars	Outstanding for following periods from due date of payment 31st Mar-22					
		Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
	(i) Undisputed Trade receivables – considered good	21,907,821	1,106,094	-	-	-	-
	(ii) Provision for doubtful debt of Undisputed Trade Receivables	-	-	-	-	-	-
	(iii) Bad Debt of Undisputed Trade Receivables	-	-	-	-	-	-
	(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
	(v) Provision for doubtful debt of Disputed Trade Receivables	-	-	-	-	-	-
	(vi) Bad Debt of Disputed Trade Receivables	-	-	-	-	-	-
	Total						23,013,915

As at 31 March 2021

1 (b)	Particulars	Outstanding for following periods from due date of payment -31st Mar-21					
		Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
	(i) Undisputed Trade receivables – considered good	24,909,202	991,572	-	-	-	-
	(ii) Provision for doubtful debt of Undisputed Trade Receivables	-	-	-	-	-	-
	(iii) Bad Debt of Undisputed Trade Receivables	-	-	-	-	-	-
	(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
	(v) Provision for doubtful debt of Disputed Trade Receivables	-	-	507,865	-	-	-
	(vi) Bad Debt of Disputed Trade Receivables	-	-	-	-	-	-
	Total						25,900,774



	As at 31 March 2022	As at 31 March 2021
Notes No. 7		
Cash and cash equivalents		
- Balances with banks		
On current accounts	4,228,079	650,605
	4,228,079	650,605
- Cash on hand	28,204	39,463
	4,256,283	690,068
Notes No. 8		
Other current assets		
Prepaid Expenses	119,984	116,838
Advance to staff	16,000	-
Advances to suppliers	5,981,794	56,421
Budgetary Support Receivable under GST	-	382,914
Export Incentive Receivable	88,692	139,606
GST Receivable	212,511	209,811
Sliver coin *	36,885	32,325
	6,455,866	937,915
* Nos. of Sliver coin	61	55



Notes forming part of the financial statements
(All amounts in Indian ₹, unless otherwise stated)

	As at 31 March 2022		As at 31 March 2021
Notes No. 9			
Partners Capital Account			
Smt. Suman Minda			
Opening Balance	19,701,040	16,944,508	
Profit for the period from 1 Apr-21 to 31 Dec-21	5,748,358	6,156,532	
Drawings	(7,500,000)	-	
Transfer on retirement	(17,949,398)	(3,400,000)	19,701,040
Mr. Sanjeev Garg			
Opening Balance	4,285,783	7,903,731	
Addition	299,999	-	
Profit during the year	2,112,607	1,854,308	
Drawings	(2,049,999)	(5,472,256)	4,285,783
Smt. Paridhi Minda			
Opening Balance	10,527,182	7,924,955	
Profit for the period from 1 Apr-21 to 31 Dec-21	4,311,268	4,302,227	
Drawings	(750,000)	-	
Transfer on retirement	(14,088,450)	(1,700,000)	10,527,182
Minda Industries Limited			
Opening Balance	-	-	
Addition	32,037,848	-	
Profit for the period from 1 Jan-22 to 31 Mar-22	4,728,620	-	
Drawings	-	36,766,468	-
	41,414,857		34,514,005
Notes No. 10			
Long-term provisions			
Provision for employee benefits			
Gratuity	1,833,075	1,749,402	
Compensated absences	491,481	459,445	
	2,324,556	2,208,847	
Notes No. 11			
Trade payables			
Less than 6 months	13,446,966	29,597,911	
More than 6 months	-	-	
(As per annexure attached)	13,446,966	29,597,911	



S.M. AUTO INDUSTRIES
FY 2021-22

Annexure to Note no. 11
Trade payables Ageing Schedule
As at 31 March 2022

2 Ageing of Trade Payable in the following format from Due date and NOT invoice date:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	13,446,966	-	-	-	13,446,966
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at 31 March 2021

Ageing of Trade Payable in the following format from Due date and NOT invoice date:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	29,597,911	-	-	-	29,597,911
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-



	As at 31 March 2022	As at 31 March 2021
Notes No. 12		
Other current liabilities		
Payable to Employees	706,142	676,085
Statutory dues	2,753,739	349,169
Expenses payable	88,499	112,428
	<u>3,548,380</u>	<u>1,137,682</u>
Notes No. 13		
Short-term provisions		
Provision for employee benefits		
Gratuity	108,082	96,454
Compensated absences	25,713	20,752
Others		
Provision of Doubtful Debtors	-	507,865
	<u>133,795</u>	<u>625,071</u>
Notes No. 14		
Current tax liabilities (net)		
Provision for Income Tax (net of advance income tax)	568,036	717,196
	<u>568,036</u>	<u>717,196</u>



Notes forming part of the financial statements
(All amounts in Indian ₹ , unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
Notes No. 15		
Revenue from operations		
Sale of Products		
Finished Goods	204,359,839	183,686,552
Scrap	1,099,248	593,944
Sale of Services	4,269,666	2,268,446
	209,728,753	186,548,942
Notes No. 16		
Other income		
Interest Received from UPCL	8,494	8,746
Duty Draw Back	-	87,760
Export Incentive	88,692	139,606
Provision for Bad debts written back	507,865	-
Insurance Claim received	4,132,518	-
Amount written off / back	8,501	1,044
	4,746,070	237,156
Notes No. 17		
Cost of materials consumed		
Raw materials (including purchased components and packing material consumed)		
Opening Inventories	31,880,050	18,892,741
Purchases	148,646,226	154,092,757
Closing Inventories	(19,465,766)	(31,880,050)
	161,060,510	141,105,448
Notes No. 18		
Changes in inventories of finished goods, work in progress and stock in trade		
Inventories at the end of the Year :		
Work-in-progress	-	-
Finished goods (other than those acquired for trading)	-	-
Finished goods (Material in transit)	-	-
Inventories at the beginning of the Year :		
Work-in-progress	-	-
Finished goods (other than those acquired for trading)	-	469,931
Finished goods (Material in transit)	-	-
Net (increase) / decrease in stocks	-	469,931



	Year ended 31 March 2022	Year ended 31 March 2021
Notes No. 19		
Employee benefit expenses		
Salaries, Wages and Bonus	11,355,584	10,485,576
Leave Encashment	87,713	9,057
Gratuity	413,391	404,792
Contribution to provident and other funds	412,918	403,672
Contribution to Employees' State Insurance Scheme	99,738	98,014
Staff welfare expense	299,091	277,187
	12,668,435	11,678,298
Notes No. 20		
Finance costs		
Bank Charges	1,677	20,693
Interest on income tax	228,940	203,197
Interest on Other	47	14,655
	230,664	238,545
Notes No. 21		
Depreciation and amortisation		
Depreciation on tangible fixed assets	1,761,190	1,772,636
	1,761,190	1,772,636
Notes No. 22		
Other expenses		
Power and Fuel	1,563,991	1,549,800
Consumption of Stores and Spares	6,403,546	6,061,382
Rent	811,200	676,000
Building Maintenance	540,000	450,000
Fee & Subscription	28,576	15,439
Payment to auditors:		
- Audit Fee	110,000	136,000
- Taxation Matters	211,000	118,500
Printing and Stationery	78,629	89,579
Communication	72,934	78,596
Travelling and Conveyance	37,577	19,356
Legal and Professional	335,425	161,105
Repairs :		
- Machinery	225,087	272,108
- Others	193,945	304,937
Commission On Sale	105,448	79,250
Packing and Forwarding	1,001,981	983,773
General Expenses	108,852	98,441
Insurance	178,532	128,435
Business Promotion	2,500	280
Foreign Exchange Fluctuation	112,839	163,793
Security Expenses	494,029	468,742
Doubtful Debts	-	507,865
Bad Debts	507,865	-
Excess Provision written off	-	3,062
	13,123,956	12,366,443



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022
(All amounts in ₹, unless otherwise stated)

23 Capital and other commitments (net of advance)

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2022 aggregates to INR Nil.

24 Disclosure pursuant to Ind AS 19 on "Employee Benefits"**Defined benefit plans**

Gratuity is payable to all eligible employees of the Company on retirement/exit, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act, 1972.

Inherent Risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks

Gratuity**(i) Changes in present value of obligation:**

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Present value of obligation as at the beginning of the year		
Acquisition adjustment	1,845,856	1,619,693
Interest cost		
Current service cost	125,429	110,870
Curtailment cost/(credit)	287,962	293,922
Benefits paid		
Actuarial (gain)/loss on obligation	(35,733)	(57,479)
Present value of obligation as at the end of year	(282,357)	(121,150)
- Long term	1,941,157	1,845,856
- Short term	1,833,075	1,749,402
	108,082	96,454

(ii) The amounts recognized in the Balance Sheet are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at the end of the year		
Fair value of plan assets as at the end of the year	1,941,157	1,845,856
unfunded status		
Net asset/(liability) recognized in balance sheet	1,941,157	1,845,856

(iii) Expenses recognized in the Statement of Profit and Loss:

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Current service cost		
Interest cost	287,962	293,922
Expected return on plan assets	125,429	110,870
Net actuarial (gain)/ loss recognized in the year		
Expenses recognized in the Consolidated Statement of Profit and Loss	413,391	404,792



(iv) Re-measurements recognised in other Comprehensive Income (OCI):

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Changes in Financial Assumption		
Changes in Demographic Assumption	(138,829)	16,768
Experience Adjustments	-	-
Actual return on plan assets less interest on plan assets	(143,528)	(137,918)
Amount recognized in other Comprehensive Income (OCI)	(282,357)	(121,150)

(v) Maturity profile of defined benefit obligation:

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
1 Year		
2 to 5 Years	108,082	96,454
6 to 10 Years	76,064	63,448
More than 10 years	315,489	276,912
	7,423,394	7,076,445

(vi) Principal actuarial assumptions at the balance sheet date are as follows:

a) Financial assumptions:

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate taking account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate		
Salary Growth Rate (per annum)	7.20%	6.80%
	10.00%	10.00%

b) Demographic assumptions:

Particulars	As at 31 March 2022	As at 31 March 2021
i) Retirement Age (Years)		
ii) Mortality Table	58	58
iii) Withdrawal rate (per annum)	100%	100%
	1%	1%

(vii) Sensitivity analysis for significant assumptions:*

Increase/(Decrease) on present value of defined benefits obligation at the end of the year

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
1% increase in discount rate		
1% decrease in discount rate	1,640,309	1,542,374
1% increase in salary growth rate	2,313,056	2,225,126
1% decrease in salary growth rate	2,298,958	2,209,161
50% increase in attrition rate	1,644,784	1,547,863
50% decrease in attrition rate	1,901,263	1,798,634
10% increase in mortality rate	1,984,113	1,896,874
10% decrease in mortality rate	1,938,985	1,843,410
	1,943,340	1,848,313

(viii) Enterprise best estimate of contribution during the next year is

Particulars	Amount
Gratuity*	-

*Since the scheme is managed on unfunded basis, the next year contribution is taken as NIL.



Leave Encashment

(i) Changes in present value of obligation:

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Present value of obligation as at the beginning of the year		
Acquisition adjustment	480,197	492,962
Interest cost		
Current service cost		
Curtailment cost/(credit)	87,713	9,057
Benefits paid		
Actuarial (gain)/loss on obligation	(50,716)	(21,822)
Present value of obligation as at the end of year		
- Long term	517,194	480,197
- Short term	491,481	459,445
	25,713	20,752

(ii) The amounts recognized in the Balance Sheet are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at the end of the year	517,194	480,197
Fair value of plan assets as at the end of the year		
unfunded status		
Net asset/(liability) recognized in balance sheet	517,194	480,197

(iii) Expenses recognized in the Statement of Profit and Loss:

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Current service cost		
Interest cost	87,713	9,057
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year		
Expenses recognized in the Consolidated Statement of Profit and Loss	87,713	9,057

(iv) Re-measurements recognised in other Comprehensive Income (OCI):

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Changes in Financial Assumption		
Changes in Demographic Assumption	-	-
Experience Adjustments	-	-
Actual return on plan assets less interest on plan assets	-	-
Amount recognized in other Comprehensive Income (OCI)	-	-

(v) Maturity profile of defined benefit obligation:

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
1 Year		
2 to 5 Years	25,713	20,752
6 to 10 Years	19,558	16,173
More than 10 years	58,354	45,088
	2,119,927	1,985,810

(vi) Principal actuarial assumptions at the balance sheet date are as follows:

a) Financial assumptions:

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate taking account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.20%	6.80%
Future salary increase	10.00%	10.00%



b) Demographic assumptions:

Particulars	As at 31 March 2022	As at 31 March 2021
i) Retirement Age (Years)		
ii) Mortality Table	58	58
iii) Withdrawal rate (per annum)	100%	100%
Rate of Leave Availment (per annum)	1%	1%
Rate of Leave Encashment during employment (per annum)	0%	0%

(vii) Sensitivity analysis for significant assumptions:*

Increase/(Decrease) on present value of defined benefits obligation at the end of the year

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
1% increase in discount rate		
1% decrease in discount rate	433,415	397,379
1% increase in salary growth rate	621,317	584,329
1% decrease in salary growth rate	617,361	579,934
50% increase in attrition rate	434,658	398,872
50% decrease in attrition rate	506,047	467,387
10% increase in mortality rate	529,227	494,086
10% decrease in mortality rate	516,595	479,536
	517,797	480,861

(viii) Enterprise best estimate of contribution during the next year is

Particulars	Amount
Leave Encashment*	-

*Since the scheme is managed on unfunded basis, the next year contribution is taken as NIL.

25 Provision for Contingencies

(i) Warranty-Nil



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022
(All amounts in ₹ , unless otherwise stated)

26 Financial Risk Management Objectives (Ind AS 107)

The Partnership firm, as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Firm's decentralised management structure with the main activities in the plants make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Firm is exposed to and how it manages the risks:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at March 31 2022. 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.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Firm's exposure to the risk of changes in foreign exchange rates relates primarily to the Firm's operating activities (when revenue or expense is denominated in a foreign currency).



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in ₹, unless otherwise stated)

(ii) Interest Rate risk

N.A.

(iii) Other price risks

Fluctuation in commodity price affects directly and indirectly the price of raw material and components used by the Firm in its various products. Substantial pricing pressure from markets to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Firm.

b) Liquidity Risk

Liquidity risk is the risk that the Firm may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Firm's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Firm closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As at March 31, 2022	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
Trade payable		13,446,966	-	-		13,446,966
Other financial liabilities		706,142	-			706,142
As at March 31, 2021						
Trade Payable		29,590,099	7,812			29,597,911
Other financial liabilities		676,085	-			676,085

c) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Firm is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by Firm subject to the Firm's established policy, procedures and control relating to customer credit risk management. Outstanding Debtors ageing from Due date of invoice and NOT invoice date in following format.

The table below summarises the ageing bracket of trade receivables.

Particulars	Gross carrying amount	
	31-Mar-22	31-Mar-21
Current (not past due)	21,907,821	24,909,202
1-30 days past due	1,106,094	991,572
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days past due	-	507,865

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Firm's treasury department in accordance with the Firm's policy. Investments of surplus funds are made in bank deposits and other risk free securities. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Firm.



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in ₹, unless otherwise stated)

(b) Details of related parties with whom transactions / balances exceed 10% of the class of transaction:

Related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions during the year			
Minda Industries Ltd.	Sales-Goods	175,747,420	120,255,770
Minda Industries Ltd.	Sales-Service	4,269,666	2,092,484
Minda Industries Ltd.	Commission Paid	105,448	79,250
Minda Industries Ltd.	Professional Charges Paid	52,137	-

Related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance as at year end			
Auto Components	Sales	123,515	5,904
Samaira Engineering	Sales & Purchase	100,443	730,344
Y A Auto Industries	Sales & Purchase	1,635,406	1,541,431
Minda Industries Ltd.	Sales, Purchase, Service	20,184,816	22,097,186

Nil in previous year column represent ' Nil or transaction less than 10% of the class of transaction.

* Excluding taxes.

(c) Key managerial personnel compensation

Particulars	31-Mar-22	31-Mar-21
Short term employee benefits (Partner salary)	-	-
Total compensation	-	-



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in ₹, unless otherwise stated)

(d) Transactions / balances with related parties

(a) Summary of transactions / balances with related parties	Entities over which key management personnel and their relatives are able to exercise significant influence		Minda Industries Limited	
	31-Mar	31-Mar	31-Mar	31-Mar
Transactions during the year	2022	2021	2022	2021
Sale of Goods	25,508,160	25,608,543	175,747,420	120,255,770
Purchase of Goods	296,874	693,848	5,039,809	3,983,880
Sale of Service	-	-	4,269,666	2,092,484
Professional Charges Paid	-	-	52,137	-
Commission Paid	-	-	105,448	79,250
Sales of Goods				
Auto Component	1,215,827	271,120		-
Samaira Engineering	6,734,676	9,950,621		-
Samaira Engineering (Job work)	-	2,727		-
Samaira Engineering (Fixed Assets)	44,167	-		-
Y A Auto Industries	16,404,424	13,144,935		-
Y A Auto Industries (Job work)	1,109,066	2,239,140		-
	-	-		-
	25,508,160	25,608,543		
Purchase of Goods				
Samaira Engineering	-	-		
Samaira Engineering (Fixed Assets)	17,500			
Y A Auto Industries	279,374	693,848		-
Y A Auto Industries (Job work)	-	-		-
Y A Auto Industries (Fixed Assets)	-	-		
	296,874	693,848		



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022
(All amounts in ₹ , unless otherwise stated)

(a) Summary of balances with related parties	Entities over which key management personnel and their relatives are able to exercise significant influence		Key Management personnel and relatives	
	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Balance outstanding- Receivable/(Payable)	1,859,364	2,277,679	20,184,816	22,097,186



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022
(All amounts in ₹, unless otherwise stated)

27 Related Party Disclosures

(a) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Nature of related party transaction

Name of related party

Key management personnel

Minda Industries Ltd.
Ms. Suman Minda
Ms.Paridhi Minda
Mr. Sanjeev Garg

**Other entities over which key management personnel and their relatives
are able to exercise significant influence**

Auto Components
Samaira Engineering
Y A Auto Industries
Minda Industries Limited



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022
(All amounts in ₹ , unless otherwise stated)

28 Capital management

The Firm's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Firm monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs). The Firm's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	March 31, 2022
Net Debt	-
EBITDA	27,904,232
Net Debt to EBITDA	-



S M Auto Industries

Notes forming part of the financial statements for the year ended 31 March 2022
(All amounts in ₹, unless otherwise stated)

29 Fair value measurements

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

Category	As at 31st March, 2022		As at 31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
1) Financial assets at amortized cost				
Trade receivables (current / non current)	23,013,915	23,013,915	26,408,639	25,900,774
Cash and cash equivalents	4,256,283	4,256,283	690,068	690,068
Security deposit (current / non current)	558,301	558,301	558,301	558,301
Total	27,828,499	27,828,499	27,657,008	27,149,143
2) Financial Liabilities at amortized cost				
Trade payables	13,446,966	13,446,966	29,597,911	29,597,911
Other financial liabilities (current / non current)	706,142	706,142	676,085	676,085
Total	14,153,108	14,153,108	30,273,996	30,273,996

* Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables and Interest accrued on borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

For AJH & Co.

Chartered Accountants

Firm Registration No. 005302N

Ajay Jain, FCA

Partner

Membership No. 084696



PARTNER

PARTNER

Place : Delhi

Date : 20-04-2022

UDIN : 22084096AIKUQT5266

S M AUTO INDUSTRIES

Cash Flow Statement for the year ended 31st MARCH 2022

(All amounts in Indian ₹, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities :		
Profit before tax	25,630,068	19,154,797
Adjustments for :		
Depreciation and amortisation	1,761,190	1,772,636
Finance Costs	230,664	238,545
Interest Income	(8,494)	(8,746)
Other comprehensive income	282,357	121,150
Operating profit before working capital changes	2,265,717	2,123,585
Adjustments for working capital changes :	27,895,785	21,278,382
(Increase)/decrease in other non current financial assets	-	(20,230)
(Increase)/ decrease in inventories	12,806,673	(12,161,339)
(Increase)/ decrease in trade and other receivables	3,394,724	137,596
(Increase)/ decrease in other assets	(5,517,951)	818,293
Increase in trade payables	(16,150,945)	10,909,528
Increase/(decrease) in short-term provisions	(491,276)	138,358
Increase/(decrease) in other current liabilities	2,410,698	(661,021)
Increase in long-term provisions	115,709	582,905
Cash generated from operations	(3,432,368)	(255,910)
Income tax paid	24,463,417	21,022,472
Net Cash flows from operating activities (A)	(9,160,733)	(7,332,387)
B. Cash flows from investing activities	15,302,684	13,690,085
Purchase of property, plant & equipment	(1,596,044)	(3,088,460)
Proceeds from sale of fixed assets	81,745	33,200
Finance cost	(230,664)	(238,545)
Interest received on fixed deposits	8,494	8,746
Net cash used in investing activities (B)	(1,736,469)	(3,285,059)
C. Cash flows from financing activities		
Share capital of partners - Additions / withdrawal	(10,000,000)	(10,572,256)
Net cash used in financing activities (C)	(10,000,000)	(10,572,256)
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	3,566,215	(167,230)
Cash and Bank equivalents as at opening	690,068	857,298
Cash and cash equivalents as at closing	4,256,283	690,068
Cash equivalents as at Closing	28,204	39,463
Balances with banks:		
- on current accounts	4,228,079	650,605
Cash and cash equivalents at the end of the year	4,256,283	690,068

Significant accounting policies

The accompanying notes form an integral part of the financial statements

- 1 The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, as specified under the section 133 of the Companies Act, 2013.
- 2 Purchase of Property, Plant and Equipment includes movement of Capital work-in-progress (including capital advances) du

In terms of our report attached

For AJH & Co.

Chartered Accountants

Firm Registration No. 005302N

FRN No. 005302N

GURUGRAM

Ajay Jain

Partner

Membership No. 084096

Place : Delhi

Date : 20-04-2022

UDIN : 22084096AIKUQT5266

PARTNER

PARTNER

