

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GALA PRECISION ENGINEERING PRIVATE LIMITED

#### Report on the Consolidated Financial Statements

##### Opinion

We have audited the accompanying Consolidated Financial Statements of GALA PRECISION ENGINEERING PRIVATE LIMITED hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements of a subsidiary as were audited by the other auditor, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Group as at 31st March, 2023, its profit (financial performance) and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

##### Other Information

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Consolidated financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this auditor report.

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



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement of this other information; we are required to report that fact.

**Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read together with Rules thereon. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, , which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

A further description of our responsibilities for the audit of the Consolidated Financial Statements is included in appendix A of this auditor's report.



**Other Matters**

We did not audit financial statements of a foreign subsidiary which, in the aggregate represent total assets as at March 31, 2023 of Rs. 869.36 Lakhs, total revenue of Rs. 945.09 Lakhs and net Cash outflow of Rs. 1.82 Lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our report in terms of sub section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 26.44 Lacs as at 31st March, 2023, total revenues of Rs. Nil and net cash outflow of Rs. 6.04 Lacs for the year ended on that date. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements.
- b) In our opinion, proper books of account, as required by the law relating to preparation of the aforesaid Consolidated Financial Statements, have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account, maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read together with Rules thereon.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors, none of the directors of the Holding Company are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";



- 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.

The Holding Company being a private limited company, the provisions of Section 197 are not applicable to the Company.

- 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, and based on the consideration of the report of the other auditors on separate financial statements, as mentioned in the 'Other Matter' paragraph;

a. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 26(a) to the consolidated financial statements;

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

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

d. (a) As represented to us by the management of the Holding Company and to the best of its knowledge and belief, no funds have been advanced or lend or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(b) As represented to us by the management of the Holding Company and to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- e. The Holding Company has not declared any dividend during the year.



- f. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable
- g. According to the information and explanations given to us, and based on the CARO report issued by and the information provided by the auditors of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the holding company and to no other company included in the consolidated financial statements. We have not reported any qualifications or adverse remarks in the CARO report of the holding company.

For M M Nissim & Co LLP  
Chartered Accountants  
(Firm Regn. No. 107122W/W100672)

  
N. Kashinath  
Partner

Mem. No.: 036490

Mumbai, 12<sup>th</sup> June, 2023

UDIN:- 23036490BG1X5AL8356



**Appendix A- Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For the entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements



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.



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GALA PRECISION ENGINEERING PRIVATE LIMITED**

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

**Opinion**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to these financial statements of **GALA PRECISION ENGINEERING PRIVATE LIMITED** ("the Holding Company").
2. In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal controls with reference to Consolidated Financial Statements reporting criteria established by the Holding 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 ICAI.

**Management's Responsibility for Internal Financial Controls**

3. The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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**

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





5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls with reference to consolidated financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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



**Other Matters**

8. Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these financial statements does not include report in respect of foreign subsidiary company.

**For M M Nissim & Co LLP**

*Chartered Accountants*

(Firm Regn. No. 107122W/W100672)

*N. Kashinath*  
N. Kashinath  
Partner  
Mem. No.: 036490  
Mumbai, 12<sup>th</sup> June, 2023  
UDIN:- 23036490BQXSAL8356



# Gala Precision Engineering Private Limited

## Consolidated Balance sheet as at 31 March 2023

(Currency : Indian Rupees)

	Note	31 March 2023	(Amt in Lakhs) 31 March 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	252.44	252.79
Reserves and surplus	4	8,116.12	5,798.92
Non Controlling Interest		0.26	-
		<u>8,368.82</u>	<u>6,051.71</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	2,049.99	2,377.44
Deferred tax liability, net	6	376.37	309.72
Long-term provisions	7	459.96	396.36
		<u>2,886.32</u>	<u>3,083.52</u>
<b>Current liabilities</b>			
Short-term borrowings	8	3,809.92	3,311.80
Trade payables	9		31.40
Dues to micro and small enterprises		67.52	
Dues to Others		743.25	1,348.31
Other current liabilities	10	991.11	684.48
Short-term provisions	7	61.62	255.98
		<u>5,673.42</u>	<u>5,631.97</u>
		<u>16,928.56</u>	<u>14,767.20</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	4,139.84	3,946.25
Intangible assets	11	1,768.66	1,683.76
Capital work-in-progress		125.02	12.55
Intangible assets under development		345.50	293.30
Investment property	12	-	-
Non-current investments	13	0.17	-
Long-term loans and advances	14	273.69	359.34
		<u>6,652.88</u>	<u>6,295.20</u>
<b>Current assets</b>			
Inventories	15	5,575.72	4,972.31
Trade receivables	16	2,996.34	2,545.74
Cash and bank balances	17	1,200.31	267.08
Short-term loans and advances	14	438.58	614.28
Other current assets	18	64.73	72.59
		<u>10,275.68</u>	<u>8,472.00</u>
		<u>16,928.56</u>	<u>14,767.20</u>

### Significant accounting policies

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For M M Nissim & Co LLP

Chartered Accountants

Firm's Registration No: 107122W/W100672

For and on behalf of the Board of Directors of  
Gala Precision Engineering Private Limited



N. Kashinath  
Partner

Membership No. 036490  
Mumbai, 12th Jun, 2023

UDIN:- 23036490BGIXSAL8356

Kirit Gala  
Managing Director

Mumbai, 12th Jun, 2023

Balkishan Jalan  
Executive Director

Mumbai, 12th Jun, 2023

## Gala Precision Engineering Private Limited

### Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(Currency : Indian Rupees)

	Note	31 March 2023	(Amt in Lakhs) 31 March 2022
<b>INCOME</b>			
Revenue from operations	19	16,582.13	14,571.55
Other income	20	160.96	266.28
<b>TOTAL INCOME</b>		<b>16,743.09</b>	<b>14,837.83</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	21	7,136.47	6,008.08
Changes in inventory of finished goods and work-in progress	22	(457.41)	(88.70)
Employee benefit Expenses	23	2,294.22	2,154.11
Finance costs	24	509.95	486.14
Depreciation and amortisation	25	597.02	626.08
Other expenses	26	4,859.78	4,534.53
<b>TOTAL EXPENSES</b>		<b>14,940.03</b>	<b>13,720.24</b>
<b>Profit before exceptional items and tax</b>		<b>1,803.06</b>	<b>1,117.59</b>
<b>Add: Exceptional items</b>	27	<b>975.94</b>	-
<b>Profit before tax and after exceptional items</b>		<b>2,779.00</b>	<b>1,117.59</b>
<b>Less: Provision for taxation</b>			
- Current tax		300.00	325.00
- Deferred tax charge		(53.48)	13.79
- Deferred tax charge of Earlier years		120.14	-
- Tax adjustments of earlier years		86.30	-
		<b>452.96</b>	<b>338.79</b>
<b>Profit after tax for the year</b>		<b>2,326.04</b>	<b>778.80</b>
<b>Profit before tax and after exceptional items from continuing operations</b>		<b>2,009.26</b>	-
Less: Provision for taxation		452.96	-
<b>Profit for the year from continuing operations</b>		<b>1,556.30</b>	-
<b>Profit from discontinuing operations before tax</b>		<b>164.91</b>	-
Less: Provision for taxation		-	-
<b>Profit from discontinuing operations after tax</b>		<b>164.91</b>	-
<b>Earnings per equity share of face value of Rs. 10 each</b>			
- Basic earnings per equity share	28	92.14	30.81
- Diluted earnings per equity share	28	90.54	30.27

#### Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.


For M M Nissim & Co LLP

Chartered Accountants

Firm's Registration No: 107122W/W100672

For and on behalf of the Board of Directors of

Gala Precision Engineering Private Limited

  
N. Kashinath  
Partner  
Membership No. 036490



  
Kirit Gala  
Managing Director

  
Balkishan Jalan  
Executive Director

Mumbai, 12th Jun, 2023

UDIN:- 23036490BGXSAL8356

Mumbai, 12th Jun, 2023

Mumbai, 12th Jun, 2023

# Gala Precision Engineering Private Limited

## Consolidated Cash flow statement for the year ended 31 March 2023

(Currency : Indian Rupees)

	31 March 2023	(Amt in Lakhs) 31 March 2022
<b>(A) Cash inflow/ (outflow) from operating activities</b>		
Profit before tax and after exceptional items from continuing operations	2,779.00	1,117.59
<b>Adjustments for :</b>		
Depreciation and amortisation	597.02	626.08
(Profit) /loss on sale of asset	(3.15)	43.95
Profit on Sale of Property, Plant & Equipment	(675.94)	
Intangible Assets written off	-	190.51
Interest income	(49.77)	(10.87)
Finance costs	509.95	486.14
Unrealised foreign exchange loss/(gain)	158.84	101.12
Provision for doubtful debts	-	2.28
Sundry balances written back	(0.85)	(5.40)
Bad debts written off	11.67	44.32
<b>Operating profit before working capital changes</b>	<b>3,326.77</b>	<b>2,595.72</b>
<b>(Increase)/decrease in working capital</b>		
Inventories	(603.41)	(1,019.71)
Trade receivables	(621.11)	(566.64)
Long Term Loans and advances	20.00	8.54
Short Term Loans and advances	176.68	(155.43)
Other Assets	12.49	3.11
Trade payables	(568.94)	323.43
Other current liabilities	307.48	69.67
Provisions	25.49	45.74
<b>Net changes in working capital</b>	<b>(1,251.31)</b>	<b>(1,291.29)</b>
<b>Cash generated from operations</b>	<b>2,075.46</b>	<b>1,304.43</b>
Taxes paid (net of refund)	(438.36)	(186.15)
<b>Net cash inflow from operating activities ( A )</b>	<b>1,637.10</b>	<b>1,118.28</b>
<b>(B) Cash inflow/ (outflow) from investing activities</b>		
Payments for purchase of Property, Plant & Equipment including changes in capital work in progress and capital advances	(1,210.36)	(604.01)
Proceeds from sale of property, plant & equipment	850.80	10.34
Redemption/maturity of bank deposits (Margin Money)	(932.78)	(40.38)
Interest received	45.14	10.31
<b>Net cash used in investing activities ( B )</b>	<b>(1,247.20)</b>	<b>(623.74)</b>
<b>(C) Cash inflow/ (outflow) from financing activities</b>		
Proceeds from long-term borrowings	349.65	182.64
Repayment of Long Term Borrowings	(670.40)	(853.13)
Proceeds/repayment from short-term borrowings	493.11	466.83
Minority Interest	0.26	-
Acquisition of control in Subsidiary	(52.01)	-
Prior Period Adjustment of Subsidiary	-	2.28
Finance costs paid	(510.06)	(488.75)
<b>Net cash used in financing activities ( C )</b>	<b>(389.45)</b>	<b>(690.12)</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>0.45</b>	<b>(195.59)</b>



Handwritten signatures and initials in blue ink.

# Gala Precision Engineering Private Limited

## Consolidated Cash flow statement for the year ended 31 March 2023 (Continued)

(Currency : Indian Rupees)

	31 March 2023	(Amt in Lakhs) 31 March 2022
Cash and cash equivalents at the beginning of the year	52.92	248.40
Cash and cash equivalents at the end of the year	53.37	52.82
<b>Cash and cash equivalents comprise</b>		
Cash on hand	5.05	6.90
Balances with scheduled banks in		
- Current account	48.32	46.02
	<u>53.37</u>	<u>52.92</u>

As per our report of even date attached.

**For M M Nissim & Co LLP**

*Chartered Accountants*


Firm's Registration No: 107122W/W100672

For and on behalf of the Board of Directors of  
**Gala Precision Engineering Private Limited**

  
**N. Kashinath**  
*Partner*  
Membership No. 036490



  
**Kirit Gala**  
*Managing Director*

  
**Balkishan Jalan**  
*Executive Director*

Mumbai, 12th Jun, 2023

UDIN:- 23036490BQXSAL8356

Mumbai, 12th Jun, 2023

Mumbai, 12th Jun, 2023



# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

### 1 Basis of Consolidation

The Consolidated financial statements relate to Gala Precision Engineering Private Limited and its subsidiaries. The Company and its subsidiaries constitutes the Group.

### 2 Significant accounting policies & principles of consolidation:

The financial statements are prepared under the historical cost convention on an accrual basis, in conformity with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and generally accepted accounting principles and practices.

The significant accounting policies of the company and its subsidiary are largely similar and are set out in the separate financial statements of the company. Appropriate disclosures, as applicable, is made of significant deviations from Company's accounting policies, which have not been adjusted. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.

#### Principles of consolidation:

- i. The consolidated financial statements have been prepared in accordance with the Accounting Standards-21 on Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.

The consolidated financial statements comprise of the financial statements of the Company and the following subsidiary as on March 31, 2023:

Name	Country of incorporation	Proportion of ownership interest	Financial Statement as on
Gala Springs LLP (w.e.f 31.03.2023)	India	92%	31-Mar-23
Gala Precision Components (Shanghai) Private Limited - Step Down subsidiary (Wholly owned subsidiary till 30.03.2023)	China	92%	31-Mar-23

- ii. The financial statements of the Company and its subsidiary company have been combined on a line-by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated.

- iii. The difference between the cost of investment in the subsidiary and the share of net assets at the time of acquisition of shares in the subsidiary, where applicable, is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

- iv. Minority Interest in the net assets of subsidiary consists of:  
- The amount of equity attributable to the minorities at the date on which the investment in subsidiary is made, and  
- The minorities' share of movements in equity since the date – subsidiary relationship came into existence.

- v. The consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate Financial Statements.

- vi. The audited Financial Statements of foreign subsidiary has been prepared in accordance with the Generally Accepted Accounting Principle of their countries of incorporation/International Financial Reporting Standards. The differences in accounting policies of the company and its subsidiaries are not material.



## Gala Precision Engineering Private Limited

### Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

3 Share capital	31 March 2023	31 March 2022
<i>Authorised</i>		
11,000,000 equity shares of Rs. 10 each.	1,100.00	1,100.00
7,000,000 preference shares of Rs. 10 each.	700.00	700.00
	<u>1,800.00</u>	<u>1,800.00</u>
<i>Issued, subscribed and paid-up</i>		
25,24,396 [previous year: 25,27,896 equity shares of Rs. 10 each, fully paid-up.	252.44	252.79
	<u>252.44</u>	<u>252.79</u>

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

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
At the commencement of the period	25,27,896	252.79	25,27,896	252.79
Less: Intergroup Elimination	(3,500)	(0.35)	-	-
At the end of the period	<u>25,24,396</u>	<u>252.44</u>	<u>25,27,896</u>	<u>252.79</u>

#### b) Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### c) Particulars of shareholders holding more than 5% shares of a class of shares

	31 March 2023			31 March 2022		
	Number	% of total shares in the class	% Change during the year	Number	% of total shares in the class	% Change during the year
<b>Equity shares of Rs. 10 each, fully</b>						
- Kirit Vishanji Gala	5,72,872	22.66	-	5,72,872	22.66	-
- Vishanji Harshi Gala	3,85,200	15.24	-	3,85,200	15.24	(6.33)
- Rumie Kirit Gala	3,11,772	12.33	-	3,11,772	12.33	-
- Taramati V Gala	2,60,400	10.30	-	2,60,400	10.30	-
- Pooja Unichem LLP	1,65,000	6.53	-	1,65,000	6.53	-

#### c) Particulars of Promoter Shareholding

	31 March 2023			31 March 2022		
	Number	% of total shares in the class	% Change during the year	Number	% of total shares in the class	% Change during the year
<b>Equity shares of Rs. 10 each, fully paid-up held by-</b>						
- Kirit Vishanji Gala	5,72,872	22.66	-	5,72,872	22.66	-
- Vishanji Harshi Gala	3,85,200	15.24	-	3,85,200	15.24	(6.33)
- Rumie Kirit Gala	3,11,772	12.33	-	3,11,772	12.33	-
- Taramati V Gala	2,60,400	10.30	-	2,60,400	10.30	-
- Vishanji Harshi Gala(HUF)	54,400	2.15	-	54,400	2.15	(30.19)
- Kirit Vishanji Gala(HUF)	53,400	2.11	-	53,400	2.11	-
- Nayna Gala	50,000	1.98	-	50,000	1.98	-
- Alpa Kiran Chheda	50,000	1.98	-	50,000	1.98	-
- Vaibhavi Gala	50,000	1.98	-	50,000	1.98	-
- Saloni Kirit Gala	22,286	0.88	-	22,286	0.88	-
- Smeet Kirit Gala	22,286	0.88	-	22,286	0.88	-



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

4 Reserves and surplus	31 March 2023	31 March 2022
<b>Capital redemption reserve</b>		
<i>On buyback of 6% Non-cumulative compulsorily convertible preference shares:</i>		
At the commencement of the year	150.00	150.00
Transferred from reserves during the year	-	-
Balance as at the end of the year	<u>150.00</u>	<u>150.00</u>
<b>Securities premium account</b>		
<i>On equity share capital:</i>		
At the commencement of the year	2,852.39	2,852.39
For the year	-	-
Balance as at the end of the year	<u>2,852.39</u>	<u>2,852.39</u>
<i>On preference share capital:</i>		
At the commencement and at the end of the year	520.00	520.00
Balance as at the end of the year	<u>520.00</u>	<u>520.00</u>
<b>Foreign currency translation reserve</b>		
At the commencement of the year	334.13	364.26
For the year	0.79	(30.13)
Balance as at the end of the year	<u>334.92</u>	<u>334.13</u>
<b>Surplus (Profit and loss balance)</b>		
At the commencement of the year	1,942.40	1,161.32
Prior period adjustments of subsidiary	-	2.28
Share of Subsidiary in Reserves	(11.48)	-
Share of Non Controlling Interest	1.85	-
Profit for the year	<u>2,326.04</u>	<u>778.80</u>
Balance as at the end of the year	<u>4,258.81</u>	<u>1,942.40</u>
	<u>8,116.12</u>	<u>5,798.92</u>



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

### 5 Long-term borrowings

	31 March 2023		31 March 2022	
	Non-current portion	Current portion *	Non-current portion	Current portion *
<b>Term loans</b>				
- From HDFC Bank Ltd. (secured) (The loan is repayable in 72 monthly (Including moratorium) installments from the 7 Jun 2022. The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan. The loan carries rate of interest of 8.95% to 10.70% per annum.	267.95	34.29	-	-
- From Yes Bank Ltd. (secured) (The loan is repayable in 84 monthly installments from the 5 Jul 2019. The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan. The loan carries rate of interest of 8.88% to 11.10% per annum. (Previous Year 9.60% per annum)	251.90	101.33	350.82	140.70
<b>Emergency Credit Line Gurantee Scheme</b>				
- From HDFC Bank Ltd. (secured) (The loan is repayable in 48 monthly after one year of moratorium i.e. 1 Oct 2021. The loan carries rate of interest of 8.25% to 9.25% per annum.)(Previous Year 8.25% per annum)	239.11	123.12	211.01	113.40
- From Yes Bank Ltd. (secured) (The loan is repayable in 48 monthly after one year of moratorium i.e. 1 Nov 2021. The loan carries rate of interest of 8.64% to 9.25% per annum.)(Previous Year 8.88% per annum)	222.98	102.13	325.11	102.13
<b>Vehicle finance loan (secured)</b> (The loans are repayable in equated monthly installments, from the month subsequent to disbursement of the loan. The loans are secured against hypothecation of related vehicles taken under the loans. The loan carries rate of interest of 8.46% to 10.50% per annum [previous year: 8.46% to 10.50% per annum].)	57.90	13.46	65.85	12.98
	<b>1,039.84</b>	<b>374.33</b>	<b>952.79</b>	<b>369.21</b>
<b>Unsecured Loans</b>				
- Loan from Shareholders / Directors (The loans are repayable by 30/04/2024. The loan carries rate of interest of 9.00% to 10% per annum [previous year: 9.00% to 10% per annum])	785.15	-	1,199.65	-
- Inter-corporate deposits (The loan is repayable by 30/04/2024. The loan carries rate of interest of 9.00% per annum [previous year: 9.00% per annum])	225.00	-	225.00	-
	<b>1,010.15</b>	<b>-</b>	<b>1,424.65</b>	<b>-</b>
	<b>2,049.99</b>	<b>374.33</b>	<b>2,377.44</b>	<b>369.21</b>

\* Amount disclosed under "Short Term Borrowings" (Refer Note 8)



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued) for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

### 6 Deferred tax liability - net

31 March 2023

31 March 2022

The components of deferred tax balance are as follows :

#### Deferred tax liability

Excess of depreciation/amortisation on property, plant and equipment and intangible assets under income-tax law over depreciation/amortisation provided in accounts.

635.79

746.09

635.79

746.09

#### Deferred tax assets

Expenditure under Section 43 B of the Income tax Act, 1961

- Provision for compensated absences

30.22

30.21

- Provision for Gratuity

101.06

114.25

Provision for bad and doubtful debts

-

4.64

Others

(0.50)

(0.58)

Unabsorbed depreciation

128.64

287.85

259.42

436.37

376.37

309.72

### 7 Provisions

31 March 2023

31 March 2022

	31 March 2023		31 March 2022	
	Long-term	Short-term	Long-term	Short-term
<b>Provision for employee benefits</b>				
Compensated absences	109.15	10.91	93.39	10.35
Gratuity	350.81	50.71	302.97	89.38
	459.96	61.62	396.36	99.73
<b>Other provisions</b>				
Provision for tax (net of advance tax Rs. 374.78 Lakhs )	-	-	-	156.25
	-	-	-	156.25
	459.96	61.62	396.36	255.98



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

8 Short-term borrowings	31 March 2023	31 March 2022
Loans repayable on demand		
- Cash credit and overdraft facilities from banks (secured)		
From HDFC Bank Ltd.	2,456.25	1,950.20
From Yes Bank Ltd.	972.33	985.27
Current maturities of long-term debt (Refer Note 5)	374.34	369.22
Interest accrued and due on borrowings	7.00	7.11
	<b>3,809.92</b>	<b>3,311.80</b>

Cash credit and overdraft facilities from HDFC Bank Ltd. carries rate of interest of 8.25% to 10.50% per annum [previous year: 8.85% to 10.25% per annum] and Yes Bank Ltd. carries rate of interest of 8.90% to 10.50% per annum [previous year: 9.05% to 10.10% per annum], computed on a monthly basis on the actual amount utilised, and are repayable on demand. These are secured by pari passu charge by way of hypothecation of inventories of raw materials and finished goods and book debts, both present and future.

9 Trade payables	31 March 2023	31 March 2022
Sundry creditors for goods and services		
- Due to micro and small enterprises	67.52	31.40
- Due to others		
Acceptances	63.66	400.71
Trade payables	679.59	947.60
	<b>810.77</b>	<b>1,379.71</b>

### Trade payable Ageing Schedule As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	16.85	-	-	-	50.67	67.52
ii) MSME-Disputed	-	-	-	-	-	-
ii) Others	233.74	43.58	1.08	19.59	445.26	743.25
<b>Total.....</b>	<b>250.59</b>	<b>43.58</b>	<b>1.08</b>	<b>19.59</b>	<b>495.93</b>	<b>810.77</b>

### Trade payable Ageing Schedule As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	14.12	13.90	-	-	-	28.01
ii) MSME-Disputed	-	-	3.37	0.02	-	3.39
ii) Others	853.53	455.36	6.94	2.81	29.67	1,348.31
<b>Total.....</b>	<b>867.65</b>	<b>469.26</b>	<b>10.31</b>	<b>2.83</b>	<b>29.67</b>	<b>1,379.71</b>



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

### 10 Other current liabilities

	31 March 2023	31 March 2022
Advance received from customers	32.65	41.69
Other advances	-	15.00
Other Deposits	65.00	30.00
Forward contracts payable (net)	204.26	-
<b>Statutory dues :</b>		
Withholding Tax payable	43.68	43.12
Sales tax payable	0.04	1.19
GST payable	-	1.23
Other statutory liabilities	13.61	12.89
Liabilities for revenue expenditure	351.14	260.63
Liability For Employee Benefit Expenses	258.27	261.46
Other Payables	22.46	17.27
	<u>991.11</u>	<u>684.48</u>



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## Gala Precision Engineering Private Limited

### Notes to consolidated financial statements (Continued) for the year ended 31 March 2023

(Currency: Indian Rupees)

(Amt in Lakhs)

#### II Property, Plant & Equipment

Description	Gross block			Accumulated depreciation/amortisation			Net block					
	As at 1 April 2022	Reclassification to assets *	Additions during the year	Deductions during the year	As at 31 March 2023	As at 1 April 2022	Reclassification to assets *	Charge for the year	On deletions during the year	As at 31 March 2023	As at 31 March 2022	
<b>Tangible Assets</b>												
Borewell	1.85	-	-	-	1.85	0.08	-	0.35	-	0.43	1.42	1.77
Freehold land	86.85	-	-	-	86.85	-	-	-	-	-	86.85	86.85
Leasehold land	143.93	-	287.57	143.93	287.57	32.90	-	1.75	33.96	0.69	286.88	111.03
Leasehold improvements	156.49	-	36.09	-	192.58	27.55	-	4.99	-	32.54	160.04	128.94
Factory building	1,141.33	-	2.31	73.39	1,070.25	373.57	-	28.50	32.73	369.35	700.90	767.76
Plant and machinery	3,584.60	-	325.37	10.57	3,899.40	1,312.01	-	209.28	9.09	1,512.20	2,387.20	2,272.59
Effluent Treatment Plant	15.05	-	-	-	15.05	0.40	-	0.71	-	1.11	13.94	14.65
Electrical installation	266.27	-	8.09	19.93	254.42	187.07	-	14.86	17.08	184.85	69.57	77.66
Computers	123.55	-	22.44	6.98	139.00	105.69	-	11.88	6.55	111.02	27.98	17.86
Vehicles	115.68	-	9.22	19.40	105.51	25.77	-	13.90	12.81	26.86	78.65	89.91
Furniture and fixtures	516.33	-	19.52	142.13	393.72	332.14	-	34.36	132.46	234.04	159.68	184.19
Office equipments	101.82	-	13.76	11.32	104.26	79.41	-	6.92	11.30	75.03	29.23	22.41
Spares, tools and equipments	49.66	-	10.20	0.98	58.88	40.59	-	5.76	0.98	45.37	13.51	9.07
Dies and moulds	461.02	-	33.76	1.56	493.21	299.46	-	71.33	1.56	369.22	123.99	161.56
	6,764.43	-	768.33	430.21	7,102.55	2,816.64	-	404.60	258.51	2,962.71	4,139.84	3,946.25
<b>Intangible assets</b>												
Development cost	1,979.43	-	291.95	-	2,271.38	436.80	-	185.92	-	622.72	1,648.66	1,542.63
Lean Improvement	150.12	-	-	-	150.12	43.01	-	21.45	-	64.46	85.66	107.11
Computer Software	96.70	-	7.65	0.55	103.80	62.68	-	7.97	0.54	70.11	33.69	34.02
Goodwill on Consolidation			0.65		0.65						0.65	
<b>Total</b>	2,226.25	-	300.25	0.55	2,525.95	542.49	-	215.34	0.54	757.29	1,768.66	1,683.76
	8,990.68	-	1,068.59	430.76	9,628.50	3,359.13	-	619.94	259.05	3,720.00	5,908.50	5,630.01
Previous year	9,307.05	39.18	682.39	1,037.95	8,990.68	3,494.18	8.98	650.65	793.15	3,359.13		

i) Title deeds of Freehold Land are held in the name of the Company. Title deeds in respect of Buildings on immovable properties which are constructed on company's Freehold/Leasehold Land is based on documents constituting evidence of legal ownership of the Buildings.

ii) Total borrowing costs capitalised during the year is Rs. 8.38 Lakhs (previous year: Rs. 2.90 Lakhs).

iii) The Company has capitalised depreciation of Rs. 22.90 Lakhs (previous year: Rs. 24.56 Lakhs) and transferred to capital work-in-progress, hence net depreciation of Rs. 595.41 Lakhs is treated as a charge in Statement of Profit and Loss.

a) Development costs capitalised during the year includes:

	31-Mar-23	31-Mar-22
Raw material	3.48	1.38
Personnel costs	178.18	172.17
Process costs	33.09	59.16
Testing costs	2.50	1.61
Job-work cost	40.77	37.46
Technical fees and other expenses	33.94	39.14
	291.95	311.13



## Gala Precision Engineering Private Limited

### Notes to consolidated financial statements (Continued) for the period ended 31 March 2022

(Currency : Indian Rupees)

(Amt in Lakhs)

#### 11 Property, Plant & Equipment (previous year figures)

Description	As at		Reclassification		Gross block		Deductions		As at		Accumulated depreciation/amortisation		Net block	
	1 April 2021	31 March 2022	to assets *	to assets *	during the year	during the year	during the year	during the year	31 March 2022	31 March 2022	Charge for	On deletions	As at	As at
<b>Tangible assets</b>														
Borewell	-	1.85	-	1.85	1.85	-	0.08	-	0.08	1.77	-	-	1.77	-
Freehold land	86.85	86.85	-	86.85	-	-	-	-	-	86.85	-	-	86.85	86.85
Leasehold land	143.93	143.93	-	143.93	30.26	-	2.64	-	32.90	111.03	-	-	111.03	113.67
Leasehold improvements	156.49	156.49	-	156.49	22.57	-	4.98	-	27.55	128.94	-	-	128.94	133.91
Factory building	1,099.98	1,141.33	39.18	1,141.33	334.32	0.04	30.27	0.01	373.57	767.76	-	-	767.76	765.66
Plant and machinery	3,454.96	3,584.60	-	3,584.60	1,157.61	68.13	197.77	46.91	1,312.01	2,272.59	-	-	2,272.59	2,297.36
Effluent Treatment Plant	-	15.05	-	15.05	-	-	15.05	-	0.40	14.65	-	-	14.65	-
Electrical installation	267.46	266.27	-	266.27	185.42	12.26	11.07	14.79	188.61	77.66	-	-	77.66	82.04
Computers	129.95	123.55	-	123.55	107.86	15.54	9.14	12.60	105.69	17.86	-	-	17.86	22.09
Vehicles	124.63	115.68	-	115.68	71.86	76.59	67.64	9.54	25.77	89.91	-	-	89.91	52.77
Furniture and fixtures	530.78	516.33	-	516.33	314.32	18.43	3.98	35.01	332.14	184.19	-	-	184.19	216.47
Office equipments	128.55	101.82	-	101.82	98.22	29.56	2.83	9.27	79.41	22.41	-	-	22.41	30.33
Spares, tools and	57.82	49.66	-	49.66	42.38	8.24	0.08	5.94	40.59	9.07	-	-	9.07	15.43
Dies and moulds	552.07	461.02	-	461.02	344.69	134.14	43.10	81.62	299.46	161.56	-	-	161.56	207.38
<b>Total</b>	<b>6,733.48</b>	<b>6,764.43</b>	<b>39.18</b>	<b>6,764.43</b>	<b>2,709.52</b>	<b>362.93</b>	<b>354.70</b>	<b>408.45</b>	<b>2,818.18</b>	<b>3,946.25</b>	<b>8.98</b>	<b>308.78</b>	<b>3,946.25</b>	<b>4,023.96</b>
<b>Intangible assets</b>														
Development cost	2,340.86	1,979.43	-	1,979.43	705.55	672.56	311.13	213.31	436.80	1,542.63	-	482.06	1,542.63	1,635.31
Lease Improvement	150.12	150.12	-	150.12	21.56	-	-	21.45	43.01	107.11	-	-	107.11	128.56
Computer Software	82.59	96.70	-	96.70	57.55	2.45	16.56	7.44	62.68	34.02	-	2.31	34.02	25.04
<b>Total</b>	<b>2,573.57</b>	<b>2,226.25</b>	<b>-</b>	<b>2,226.25</b>	<b>784.67</b>	<b>675.02</b>	<b>327.69</b>	<b>242.19</b>	<b>542.49</b>	<b>1,683.76</b>	<b>-</b>	<b>484.37</b>	<b>1,683.76</b>	<b>1,788.90</b>
<b>Total</b>	<b>9,307.05</b>	<b>8,990.68</b>	<b>39.18</b>	<b>8,990.68</b>	<b>3,494.18</b>	<b>1,037.95</b>	<b>682.39</b>	<b>650.65</b>	<b>3,360.67</b>	<b>5,630.01</b>	<b>8.98</b>	<b>793.15</b>	<b>5,630.01</b>	<b>5,812.86</b>
Previous year	8,443.03	9,307.05	-	9,307.05	2,882.93	-	864.01	611.25	3,494.18	5,812.87	-	-	5,812.87	5,560.11

i) Title deeds of Freehold Land are held in the name of the Holding Company. Title deeds in respect of Buildings on immovable properties which are constructed on company's Freehold/Leasehold Land is based on documents constituting evidence of legal ownership of the Buildings.

ii) Total borrowing costs capitalised during the year is Rs. 2.90 Lakhs (previous year: Rs. 18.66 Lakhs).

iii) The Holding Company had leased out some of its buildings under operating leases till 31 March 2021, which has been reclassified from Investment property. The gross carrying amount of such buildings given on operating leases as at 31 March 2021 is Rs. 39.18 Lakhs and accumulated depreciation is Rs.8.98 Lakhs

iv) The Holding Company has capitalised depreciation of Rs. 24.56 Lakhs (previous year: Rs. 27.85 Lakhs) and transferred to capital work-in-progress, hence net depreciation of Rs. 624.55 Lakhs is treated as a charge in Statement of Profit and Loss.



# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued) for the year ended 31 March 2023

(Currency : Indian Rupees)

	(Amt in Lakhs)	
	31 March 2023	31 March 2022
<b>12 Investment property</b>		
Cost	39.18	39.18
Less: Reclassification of Investment Property to Property, Plant & Equipment	(39.18)	(39.18)
Less: Depreciation	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>13 Non-current investments</b>		
<i>(Valued at cost unless stated otherwise)</i>		
<b>Investment in Equity Instruments</b>		
Prestige H M Polymers Ltd.	0.05	-
Dhatu Sanskar Ltd	0.06	-
V P Poycon Limited	0.01	-
HMG Industries Limited	0.04	-
<b>Investment in Debentures</b>		
HMG Industries Limited - NCD	0.01	-
	<u>0.17</u>	<u>-</u>
	<u>0.17</u>	<u>-</u>
	<u>0.17</u>	<u>-</u>



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

### 14 Loans and advances

(Amt in Lakhs)

	31 March 2023		31 March 2022	
	Non-current portion	Current portion	Non-current portion	Current portion
<b>To parties other than related parties</b>				
Capital advances (Unsecured and considered good)	62.98	-	44.35	-
	<u>62.98</u>	<u>-</u>	<u>44.35</u>	<u>-</u>
<b>Security deposits (unsecured)</b>				
Considered good	97.77	1.79	61.10	1.80
	<u>97.77</u>	<u>1.79</u>	<u>61.10</u>	<u>1.80</u>
<b>Advances to creditors (unsecured)</b>				
Considered good	-	182.98	-	202.59
Considered doubtful	-	2.00	-	2.00
Less: Provision for doubtful advance to creditors	-	(2.00)	-	(2.00)
	<u>-</u>	<u>182.98</u>	<u>-</u>	<u>202.59</u>
<i>Unsecured and considered good</i>				
Loans to employees	-	62.59	-	29.92
Balances with Statutory Authorities	-	81.58	35.30	192.91
Minimum alternate tax credit receivable	5.91	15.16	218.59	-
Income tax receivable (net of Provision)	108.47	-	-	-
Prepaid Expenses	-	62.80	-	51.89
Export benefits receivable	-	31.68	-	135.17
	<u>114.38</u>	<u>253.81</u>	<u>253.89</u>	<u>409.89</u>
	<u>275.13</u>	<u>438.58</u>	<u>359.34</u>	<u>614.28</u>



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# Gala Precision Engineering Private Limited

Notes to consolidated financial statements (Continued)  
for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

## 15 Inventories

(Valued at the lower of cost and net realisable value)

	31 March 2023	31 March 2022
Raw material	2,585.98	2,532.23
Work-in-progress	1,398.52	1,106.63
Finished goods [including in-transit] *	1,245.96	1,080.44
Stores and spares	345.26	256.01
	<u>5,575.72</u>	<u>4,975.31</u>
Less: Provision for non-moving stock	-	3.00
	<u>5,575.72</u>	<u>4,972.31</u>

\* including goods-in-transit Rs. 571.86 Lacs (previous year: Rs. 408.64)

## 16 Trade receivables

(Unsecured)

	31 March 2023	31 March 2022
Trade Receivables, Unsecured		
- Considered good	2,996.34	2,545.74
- Considered doubtful	-	17.09
	<u>2,996.34</u>	<u>2,562.83</u>
Less : Provision for doubtful debts	-	17.09
	<u>2,996.34</u>	<u>2,545.74</u>

Trade receivables Ageing Schedule  
As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,639.62	1,194.56	57.91	36.09	36.17	31.98	2,996.34
Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
<b>Total.....</b>	<b>1,640</b>	<b>1,195</b>	<b>58</b>	<b>36</b>	<b>36</b>	<b>31.98</b>	<b>2,996.34</b>

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,328.76	1,020.93	90.02	55.77	17.07	33.18	2,545.74
Undisputed Trade receivables - considered doubtful	-	-	-	2.05	6.71	8.33	17.09
<b>Total.....</b>	<b>1,328.76</b>	<b>1,020.93</b>	<b>90.02</b>	<b>57.82</b>	<b>23.78</b>	<b>41.51</b>	<b>2,562.83</b>



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

17 Cash and bank balances	31 March 2023	31 March 2022
Cash and cash equivalents		
- Cash on hand	5.05	6.90
- Balances with scheduled banks in On current accounts	48.32	46.02
	<u>53.37</u>	<u>52.92</u>
Other bank balances		
- Margin Money	1,136.49	214.16
- Current account held at a foreign branch	10.45	-
	<u>1,146.94</u>	<u>214.16</u>
	<u>1,200.31</u>	<u>267.08</u>

Amount in Current account held at a foreign branch is not freely remittable to the company because of Exchange Restrictions.

18 Other current assets	31 March 2023	31 March 2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Interest accrued on margin deposits	6.85	2.22
Forward contracts receivable (net)	-	39.05
Deferred premium on forward contracts	57.88	31.32
	<u>64.73</u>	<u>72.59</u>



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

<b>19 Revenue from operations</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Sale of products</b>		
Springs, Parts and Assemblies	15,422.30	12,911.17
Surface Engineering Solutions	<u>389.50</u>	<u>1,031.08</u>
	<b>15,811.80</b>	<b>13,942.25</b>
<b>Sale of services</b>		
Springs, Parts and Assemblies	7.54	17.53
Surface Engineering Solutions	<u>3.41</u>	<u>2.13</u>
	<b>10.95</b>	<b>19.66</b>
<b>Other operating income</b>		
Sale of Scrap	648.08	530.04
Export Incentive Incomes	<u>111.30</u>	<u>79.60</u>
	<b>759.38</b>	<b>609.64</b>
	<u><b>16,582.13</b></u>	<u><b>14,571.55</b></u>
		(0.00)
<b>20 Other income</b>		
	<b>31 March 2023</b>	<b>31 March 2022</b>
Net gain on foreign currency transactions	-	133.78
Profit on sale of fixed assets (net)	3.15	-
Insurance claim received	-	2.24
Sundry balances written back	0.85	5.40
Discount on Forward Contract	103.26	95.08
Interest on margin money/others	49.77	10.87
Rent received	-	18.90
Miscellaneous income	<u>3.93</u>	<u>0.01</u>
	<b>160.96</b>	<b>266.28</b>



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

### 21 Cost of materials consumed

	31 March 2023	31 March 2022
Opening stock	2,532.23	1,671.16
Add: Purchases during the year	7,190.22	6,869.15
Less : Closing stock	2,585.98	2,532.23
	<u>7,136.47</u>	<u>6,008.08</u>



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## Gala Precision Engineering Private Limited

### Notes to consolidated financial statements (Continued) for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

#### 22 Changes in inventory of finished goods and work-in progress

	31 March 2023			31 March 2022		
	Opening inventory	Closing inventory	Increase / (Decrease) in inventory	Opening inventory	Closing inventory	Increase / (Decrease) in inventory
<b>Manufactured goods</b>						
Disc Springs	1,041.85	1,242.70	(200.85)	1,096.14	1,041.85	54.29
Mass Finishing Solutions	38.59	1.51	37.08	9.31	38.59	(29.28)
	<u>1,080.44</u>	<u>1,244.21</u>	<u>(163.77)</u>	<u>1,105.45</u>	<u>1,080.44</u>	<u>25.01</u>
<b>Work-in-progress</b>						
Disc Springs	1,064.91	1,400.27	(335.36)	927.23	1,064.91	(137.68)
Mass Finishing Solutions	41.72	-	41.72	65.69	41.72	23.97
	<u>1,106.63</u>	<u>1,400.27</u>	<u>(293.64)</u>	<u>992.92</u>	<u>1,106.63</u>	<u>(113.71)</u>
	<u>2,187.07</u>	<u>2,644.48</u>	<u>(457.41)</u>	<u>2,098.37</u>	<u>2,187.07</u>	<u>(88.70)</u>



# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

	31 March 2023	31 March 2022
<b>23 Employee benefit Expenses</b>		
Salaries, wages and bonus	2,050.40	1,919.82
Contribution to provident and other funds	119.12	149.83
Staff welfare	124.70	84.46
	<u>2,294.22</u>	<u>2,154.11</u>
<b>24 Finance costs</b>		
Interest expense		
- on term loans	113.53	104.91
- on working capital	222.37	179.16
- on unsecured loans	157.11	186.77
Finance charges	16.94	15.30
	<u>509.95</u>	<u>486.14</u>
<b>25 Depreciation and amortisation</b>		
Depreciation on property, plant and equipment	404.58	408.45
Amortisation of intangible assets	215.34	242.19
Less: Transferred to Capital Work in Progress (Refer Note 11)	(22.90)	(24.57)
	<u>597.02</u>	<u>626.08</u>



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# Gala Precision Engineering Private Limited

## Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

26 Other expenses	31 March 2023	31 March 2022
Consumption of stores and spare parts	610.38	482.83
Packing material consumed	224.74	198.60
Power and fuel	534.70	460.27
Labour charges	2,026.23	1,833.71
Testing expenses	57.76	71.51
Rent	57.83	38.46
<i>Repairs and maintenance</i>		
- Building	30.22	14.32
- Plant and machinery	40.42	31.68
- Others	66.77	56.98
Insurance	104.88	83.27
Rates and taxes	40.32	24.22
Travelling expenses	109.92	53.51
Legal and professional fees	68.89	93.34
Payment to auditors	7.96	6.20
Commission	5.75	11.17
Business promotion	108.78	86.58
Bank charges	32.40	28.35
Telephone and other communication expenses	9.96	10.48
Printing and stationery	11.98	14.73
Provision for doubtful debts	-	2.28
Loss on sale of property, plant and equipment (net)	-	43.95
Intangible Assets written off	-	190.51
Conveyance and vehicle expenses	164.45	170.03
Sundry balances written off	-	-
Bad debts	27.60	-
Less: Provision for doubtful debts written back	<u>(15.93)</u>	44.32
Recruitment	4.45	0.46
Freight outward	283.11	312.10
Computer expenses	43.89	38.77
Security expenses	37.10	34.61
Interest on Statutory Dues	5.92	6.61
Discounts to customers	35.59	43.87
Donation	0.99	0.72
Foreign Exchange Loss (Net)	94.66	-
CSR Activity Expenses	10.60	-
FPS License expenses	-	26.31
Miscellaneous expenses	17.46	19.78
	<u>4,859.78</u>	<u>4,534.53</u>
Note: Payments to auditors	31 March 2023	31 March 2022
As auditor		
Statutory audit	7.39	5.15
Others services	0.58	1.05
	<u>7.96</u>	<u>6.20</u>
<b>27 Exceptional Items</b>		
Profit on Sale of Property, Plant & Equipment (Refer Note 37)	675.94	-
Income from Sale of Intangible assets of SES business (Refer Note 35)	300.00	-
	<u>975.94</u>	<u>-</u>









Gala Precision Engineering Private Limited

Notes to consolidated financial statements (Continued)  
for the year ended 31 March 2023

(Currency : Indian Rupees)

28 Contingent liabilities and commitments

Contingent Liabilities not provided for:

(a) Disputed Income Tax Demands

(Amt in Lakhs)

	31 March 2023	31 March 2022
(a) Disputed Income Tax Demands	329.68	183.13

Capital commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

(b) Bank guarantees

(c) Letters of credit

	31 March 2023	31 March 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	158.00	119.94
(b) Bank guarantees	84.28	32.27
(c) Letters of credit	62.54	112.83
	<u>304.82</u>	<u>265.04</u>

29 The Notes to these consolidated financial statements are disclosed to the extent necessary for presenting a true and fair view of the consolidated financial statements, as clarified vide circular no. 39/2014 dated 14th October 2014.

30 Earnings Per Share

Earnings

(a) Net profit attributable to equity shareholders

(c) Number of shares outstanding (Face value Rs. 10/-)

(d) Basic EPS

(e) Diluted earnings per share

	31 March 2023	31 March 2022
(a) Net profit attributable to equity shareholders	1,590.33	778.80
(c) Number of shares outstanding (Face value Rs. 10/-)	25,24,396	25,27,896
(d) Basic EPS	63.00	30.81
(e) Diluted earnings per share	61.90	30.27

Particulars

Number of shares considered as basic weighted average shares outstanding

Add: Effect of dilutive issue of shares

Number of shares considered as weighted average shares and potential shares outstanding

	31 March 2023	31 March 2022
Number of shares considered as basic weighted average shares outstanding	25,24,396	25,27,896
Add: Effect of dilutive issue of shares	44,600	44,600
Number of shares considered as weighted average shares and potential shares outstanding	<u>25,68,996</u>	<u>25,72,496</u>



Gala Precision Engineering Private Limited

Notes to consolidated financial statements (Continued)  
for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amit in Lakhs)

**31 Consolidated Employee benefit disclosures are not materially different from the employee benefit disclosures of the standalone financial statements of the Company.**

**32 Related party disclosures**

Consolidated Related Party transactions after elimination of transactions with Subsidiary Companies are as follows:

**List of related parties**

*Other related parties with whom transactions have taken place during the year*

- Entry in which Directors  
Vishanji H. Gala - HUF  
Kirit V. Gala - HUF  
Gala Springs LLP  
Workamp Spaces Pvt. Ltd.  
Balkishan Jalan (HUF)

- Relatives of Key  
Managerial personnel

Mr. Vishanji H Gala - Father of Mr. Kirit V Gala  
Mrs. Tarunati V Gala - Mother of Mr. Kirit V  
Mrs. Rumie K Gala - Wife of Mr. Kirit V Gala  
Mrs. Alpa Chheda - Sister of Mr. Kirit V Gala  
Mrs. Nayna Gala - Sister of Mr. Kirit V Gala  
Mr. Smeeti Kirit Gala - Son of Mr. Kirit V Gala

- Key Managerial Personnel

Mr. Kirit Gala, Managing Director (also holds more than 20% of the substantial interest in the Company)

Mr. Balkishan Jalan, Executive Director

Mr. Satish Kotwani, Business Development Director



Gala Precision Engineering Private Limited

Notes to consolidated financial statements (Continued)  
for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

33 Related party disclosures (Continued)

Particulars	Entity in which Directors having substantial interest		Relatives of Key Managerial personnel		Key Managerial Personnel		Total	
	31 March 2023	31-Mar-22	31 March 2023	31-Mar-22	31 March 2023	31-Mar-22	31 March 2023	31 March 2022
<b>Other Income :</b>								
Slate Workspaces Private	-	22.61	-	-	-	-	-	22.61
<b>Interest Expense:</b>								
Vishanji H Gala	-	-	4.20	6.69	-	-	4.20	6.69
Taranant V Gala	-	-	1.67	1.16	-	-	1.67	1.16
Kirit Y Gala	-	-	-	-	28.12	32.20	28.12	32.20
Rumic K Gala	-	-	3.33	3.05	-	-	3.33	3.05
Kirit Y. Gala (HUF)	0.96	0.62	-	-	-	-	0.90	0.62
Alpa Chhedra	-	-	8.28	8.28	-	-	8.28	8.28
Nayna Gala	-	-	-	2.61	-	-	-	2.61
Satish Kotwani	-	-	-	-	-	0.79	-	0.79
Balkishan Jalan (HUF)	-	1.14	-	-	-	-	-	1.14
Vishanji H Gala (HUF)	-	0.60	-	-	-	-	-	0.60
<b>Remuneration:</b>								
Kirit Gala - Managing Director	-	-	-	-	64.78	50.21	64.78	50.21
manojan janan - Executive Director	-	-	-	-	86.21	73.58	86.21	73.58
Satish Kotwani - Business Development Director	-	-	-	-	67.47	58.08	67.47	58.08
Smeet Gala - AVP - Business Development	22.06	15.35	-	-	-	-	22.06	15.35
<b>Other Advance</b>								
Gala Springs LLP	-	2.79	-	-	-	-	-	2.79
<b>Trade receivables:</b>								
Workamp Spaces Pvt Ltd	37.59	37.59	-	-	-	-	37.59	37.59
Slate Workspaces Pvt Ltd	8.71	11.35	-	-	-	-	8.71	11.35
<b>Other Expenses :</b>								
Workamp Spaces Pvt. Ltd	3.54	0.60	-	-	-	-	3.54	0.60

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Gala Precision Engineering Private Limited

Notes to consolidated financial statements (Continued)  
for the year ended 31 March 2023

(Currency: Indian Rupees)

(Amt in Lakhs)

33 Related party disclosures (Co.

Particulars	Entity in which Directors having substantial interest		Relatives of Key Managerial personnel		Key Managerial Personnel		Total	
	31 March	0.45	31 March	31-Mar-22	31 March	31-Mar-22	31 March 2023	31 March 2022
<b>Loan repaid:</b>								
Vishanji H Gala	-	-	76.00	73.00	-	-	76.00	73.00
Taramati V Gala	-	-	30.00	10.50	-	-	30.00	10.50
Kirit V Gala	-	-	-	-	703.50	709.00	703.50	709.00
Rumie K Gala	-	-	52.50	45.50	-	-	52.50	45.50
Kirit V. Gala (HUF)	11.50	5.00	-	-	-	-	11.50	5.00
Nayna Gala	-	-	-	50.00	-	-	-	50.00
Balkishan Jalan (HUF)	-	-	-	27.50	-	-	-	27.50
Satish Kotwani	-	-	-	19.00	-	-	-	19.00
Vishanji Gala (HUF)	-	9.00	-	-	-	-	-	9.00
<b>Loan received:</b>								
Vishanji H Gala	-	-	76.00	25.00	-	-	76.00	25.00
Taramati V Gala	-	-	30.00	3.50	-	-	30.00	3.50
Kirit V Gala	-	-	-	-	703.50	597.50	703.50	597.50
Rumie K Gala	-	-	52.50	23.00	-	-	52.50	23.00
Kirit V. Gala (HUF)	11.50	9.50	-	-	-	-	11.50	9.50
Alpa Chheda	-	-	-	92.00	-	-	-	92.00
Vishanji Gala (HUF)	-	5.00	-	-	-	-	-	5.00
<b>Balance:</b>								
Vishanji Gala	-	-	-	52.00	-	-	-	52.00
Taramati Gala	-	-	-	10.00	-	-	-	10.00
Kirit V. Gala (HUF)	-	11.50	-	-	-	-	-	11.50
Alpa Chheda	-	-	92.00	92.00	-	-	92.00	92.00
Vishanji Gala (HUF)	3.25	3.25	-	-	-	-	3.25	3.25

\* Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

a) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



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## Gala Precision Engineering Private Limited

### Notes to consolidated financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amit in Lakhs)

#### 34 Disclosure of additional information pertaining to the Parent Company and its Subsidiary

Name of Entity in the Group	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	Year	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss
<b>Parent Company</b>				
Gala Precision Engineering Private Limited	31 March 2023	100.61%	8,445.54	108.24%
	31 March 2022	111.11%	6,724.33	104.97%
<b>Indian Subsidiary</b>				
Gala Springs LLP	31 March 2023	0.31%	25.90	-0.01%
<b>Foreign Subsidiary</b>				
Gala Precision Components (Shanghai) Private Limited	31 March 2023	-0.91%	(76.72)	-8.23%
	31 March 2022	-1.11%	(672.62)	-4.97%
	31 March 2023	100.00%	8,394.72	100.00%
	31 March 2022	100.00%	6,051.71	100.00%
			1,590.13	
			778.80	

35 The Holding company did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the financial year.

#### 36 Discontinuing Operations:

On 22nd June, 2022, the Board of Directors ratified the decision of the management to dispose of Holding Company's Surface Engineering Solutions division, which is also a separate segment as per AS 17, Segment Reporting. The disposal is consistent with the Holding company's long-term strategy to focus its activities in the areas of Springs, Parts, Fasteners and Assemblies, and to divest uncore activities. On 31st May, 2022, the Holding Company signed a contract to sell the SES Division to S M Systems Pvt Ltd for Rs 300 Lakhs.

The Holding Company sold the Intangible assets of SES business relating to Deburring & Polishing Systems & related Media Chemicals and remaining Property, Plant & Equipment has been put to use for other business units during the year ended 31st Mar. 2023. The amounts of other assets comprising of "Assets and Liabilities" are regular business transactions which in view of the management are likely to be settled or disposed in due course of time.

"The amount of revenue and expenses in respect of the ordinary activities attributable to the discontinuing operation during the current half year are as under"

**Particulars**  
Revenue from operations  
Profit Before Tax

**31 March 2023**  
164.91  
164.91

As per Management, only those income & expenses directly attributable to the discontinuing operations are considered for disclosure



## Gala Precision Engineering Private Limited

Notes to consolidated financial statements (Continued)  
for the year ended 31 March 2023

(Currency : Indian Rupees)

(Amt in Lakhs)

### 37 Dues from Gala Precision Components (Shanghai) Private Limited, China, ('Gala China' or ' Step down subsidiary')

The Holding Company has undergone a strategic transfer of its investments in subsidiary Gala Precision Components (Shanghai) Private Limited (Gala China) to its group company Gala Springs LLP at a nominal value of Rs. 10 laes. The holding company has invested in Gala Springs LLP for 92% stake at Rs. 24 Laes. Simultaneously, the company has taken proactive steps to transfer its China business to its distributor. Going forward, the company will sell products to the local distributor who will then sell to Chinese customers. Given the circumstances of the investment transfer, cessation of losses, and the shift to a distributor model, the Holding Company expects to collect outstanding receivables as of March 2023 amounting to Rs 893 Lakhs due from Gala China hence, no provision is considered necessary at this stage by management.

38 During the current financial year, the Holding company has successfully completed the sale of the land and building located at Thane. The decision to sell the property was based on Holding company's strategic objectives, including optimizing its asset portfolio and reallocating resources to support its core business activities. Considering the significance of this transaction, the gain from the sale has been classified as an exceptional item and separately disclosed.

39 Ministry of Corporate Affairs (MCA) vide notification dated 24th March 2021, has amended Schedule III to the Companies Act, 2013 to enhance the disclosure requirements in financial statements. The financial statements have been prepared after incorporating the amendments to the extent they are applicable

40 Previous year's figures have been re-grouped/re-classified wherever necessary


For M M Nissim & Co LLP

Chartered Accountants

Firm's Registration No. 107122W/W100672

For and on behalf of the Board of Directors of

Gala Precision Engineering Private Limited

  
N. Kashinath  
Partner

Membership No. 036490

Mumbai, 12th Jun, 2023

UDIN:- 23036490B6X5A18356

  
Kirti Gala  
Managing Director

Balkishan Jalan  
Executive Director

Mumbai, 12th Jun, 2023

Mumbai, 12th Jun, 2023

