

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Rotomotive Powerdrives India Limited

1. Qualified Opinion

We have audited the accompanying Special purpose Ind AS Consolidated financial statements of Rotomotive Powerdrives India Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its Subsidiary together referred to as "the Group"), which comprise the Special Purpose Consolidated Balance Sheet as at March 31, 2024, Special Purpose Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Consolidated Statement of Changes in Equity and Special Purpose Consolidated Statement of Cash Flows for the year ended March 31, 2024, and notes to the Special purpose Ind AS Consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as 'Special purpose Ind AS Consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us by the management, the aforesaid Special purpose Ind AS Consolidated financial statements is prepared, in all material respects, in accordance with the basis set out in Note 2.1 to the Special purpose Ind AS Consolidated financial statements.

2. Basis for Qualified Opinion

We draw your attention to Note 38a and 38b of the Special purpose Ind AS Consolidated financial statements which describes that there is non-appointment of independent directors in the Audit Committee and Board of Directors of the Company resulting into non-compliance of Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

We conducted our audit of the Special purpose Ind AS Consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Ind AS 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 Special purpose Ind AS Consolidated financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Special purpose Ind AS Consolidated financial statements.

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3. Emphasis of Matter

We draw your attention to Note 12(a) of the Special purpose Ind AS Consolidated financial statements in respect of fixed deposit with Banks jointly held by the Subsidiary Company and erstwhile Promoters which have been incorporated in books of accounts as formalities relating to transfer of rights from joint holder to the name of Subsidiary Company is completed in the current year.

Our opinion is not modified in respect of this matter.

4. Management responsibility for the Special purpose Ind AS Consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Special purpose Ind AS consolidated financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, changes in equity and cash flows of the Group in accordance with the basis and purpose stated in Note 2.1 to the Special purpose Ind AS consolidated financial statements.

The respective Board of Directors 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of material 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 Special purpose Ind AS consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special purpose Ind AS consolidated financial statements, Board of Directors of the companies included in the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors 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 also responsible for overseeing the financial reporting process of the Group.

5. Auditor's Responsibilities for the Audit of the Special purpose Ind AS Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Special purpose Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing 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 Special purpose Ind AS Consolidated financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the Special purpose Ind AS consolidated 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.
- ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- iii) Evaluate the appropriateness of material accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Companies included in the Group.
- iv) 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 ability of the Group 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 Special purpose Ind AS consolidated 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; and
- v) Evaluate the overall presentation, structure and content of the Special purpose Ind AS consolidated financial statements, including the disclosures, and whether the Special purpose Ind AS consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) 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.

We communicate with those charged with governance of the Holding Company 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.

6. Restriction on use

Our report is intended solely for use of the Board of Directors for purpose of preparation of Restated Consolidated Financial Information of the Ultimate Holding Company i.e. Rotomag Enertec Limited (formerly known as Rotomag Motors and Controls Private Limited) to be included in the Draft Red Herring Prospectus to be filed with Securities and Exchange Board of India, National Stock Exchange of India, Bombay Stock Exchange Limited (collectively the "Stock Exchanges") and the Registrar of Companies in connection with the proposed Initial Public offer of equity shares of the Ultimate Holding Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Regn. No. 106655W



(S. M. Chitale)

Partner

M. No. 111383

UDIN: 25111383BMKWUZ4017

Place: Mumbai

Date: August 08, 2025

Rotomotive Powerdrive India Limited

Special Purpose Consolidated Balance sheet as at 31st March, 2024
(Amounts in INR Millions, unless otherwise stated)

Particulars	Note No.	As at 31st March 2024
ASSETS		
Non-current assets		
Property, Plant and Equipment	3(a)	322.91
Right-of-use assets	3(b)	8.29
Capital Work In Progress	4	225.86
Investment Property		
Goodwill on Merger	5	0.89
Goodwill on Consolidation		73.93
Other Intangible assets	6(a)	5.03
Intangible assets under development	6(b)	0.96
Financial Assets		
(i) Investments	7	0.50
(ii) Trade receivables		-
(iii) Loans	8	7.40
(iv) Other financial assets		-
Deferred tax assets (net)	9	45.53
Other non-current assets	16	2.62
Income Tax Assets (Net)		
Current assets		
Inventories	10	579.48
Financial Assets		
(i) Investments	11	348.97
(ii) Trade receivables	12(a)	2.38
(iii) Cash and cash equivalents	12(b)	204.67
(iv) Bank balances other than Cash and cash equivalents	13	0.36
(v) Loans	8	0.96
(vi) Other financial assets	9	50.02
Other current assets		
Total Assets		1,880.76
EQUITY AND LIABILITIES		
EQUITY		
Equity Share capital	14(A)	62.61
Other Equity	14(B)	1,205.41
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
(i) Borrowings	17	106.92
(ii) Lease Liabilities	3(c)	2.71
(iii) Trade payable		-
- Total outstanding dues of micro enterprises and small enterprises		-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	19	5.32
(iv) Other financial liabilities	15	12.03
Provisions	16	4.85
Deferred tax liabilities (Net)		-
Other non-current liabilities		
Current liabilities		
Financial Liabilities		
(i) Borrowings	17	186.65
(ii) Lease Liabilities	3(c)	5.55
(iii) Trade Payable		-
- Total outstanding dues of micro enterprises and small enterprises	18	72.90
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	172.72
(iv) Other financial liabilities	19	9.89
Other current liabilities	20	31.71
Provisions	15	1.49
Current Tax Liabilities (Net)		-
Total Equity and Liabilities		1,880.76

Basis of preparation, measurement and material accounting policies
The accompanying notes are an integral part of the Ind AS financial statements.

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As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

Chitale

S. M. Chitale
Partner
Membership No : 111383
Place : Mumbai
Date : August 08, 2025



For and on behalf of the Board of Directors of:
Rotomotive Powerdrives India Limited
CIN : U31103GJ2006PLC048638

Umesh Bahani

Mr. Umesh Bahani
Director
DIN: 00273387
Place: Anand
Date : August 08, 2025

Neelam Umesh Bahani

Mrs. Neelam Umesh Bahani
Director
DIN: 00273387
Place: Anand
Date : August 08, 2025



Rotomotive Powerdrive India Limited

Special Purpose Consolidated Statement of profit and loss for the year ended 31st March 2024

(Amounts in INR Millions, unless otherwise stated)

	Particulars	Note No.	Year Ended 31st March 2024
	INCOME		
I	Revenue From Operations	21	1,795.37
II	Other Income	22	39.13
III	Total Income (I+II)		1,834.51
	EXPENSES		
IV	Cost of materials consumed	23	1,161.82
	Changes in inventories of finished goods and semi-finished goods	24	6.34
	Employee benefits expense	25	125.83
	Finance costs	26	12.50
	Depreciation and amortization expense	27	50.61
	Other expenses	28	236.11
	Total expenses (IV)		1,593.21
V	Profit before exceptional items and tax (III- IV)		241.30
VI	Exceptional Items		
VII	Profit before tax (V-VI)		241.30
VIII	Tax expense:		
	Current Tax	16A	65.13
	Short/(Excess) provision for earlier year	16A	0.23
	Deferred tax charge / (credit)	16C	0.53
	Total tax expense		65.89
IX	Profit for the period / year (VII-VIII)		175.41
X	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit or loss	29	(0.01)
	(ii) Income tax relating to items Items that will not be reclassified to profit or loss		0.00
	B (i) Items that will be reclassified to profit or loss	29	-
	(ii) Income tax relating to items Items that will be reclassified to profit or loss		-
	Total Other Comprehensive Income		(0.01)
XI	Total Comprehensive Income for the period / year (IX+X)(Comprising Profit and Other Comprehensive		175.40
XII	Earnings per equity share (face value of Rs. 10 each):		
	(1) Basic (in Rs)	32	28.02
	(2) Diluted (in Rs)	32	28.02

Basis of preparation, measurement and material accounting policies

The accompanying notes are an integral part of the Ind AS financial statements.

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As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

Glitale

S. M. Chitale
Partner
Membership No : 111383
Place : Mumbai
Date : August 08, 2025



For and on behalf of the Board of Directors of:
Rotomotive Powerdrives India Limited
CIN : U31103GJ2006PLC048638

Umesh Balani

Mr. Umesh Balani
Director
DIN: 00273387
Place: Anand
Date : August 08, 2025

Neelam Umesh Balani

Mrs. Neelam Umesh Balani
Director
DIN: 00273387
Place: Anand
Date : August 08, 2025



Rotomotive Powerdrive India Limited

Special Purpose Statement of cash flow for the year ended 31 March 2024
(Amounts in INR Millions, unless otherwise stated)

Particulars	As at 31st March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax	241.30
Adjustments for:	
Depreciation and Amortisation Expenses	50.61
Interest and other finance expenses	10.29
Interest and dividend income	(13.86)
Loss on Sale of items of Property Plant and Equipments	(0.32)
Allowance for expected credit loss (net)	0.05
Warranty provision (net)	0.02
Sundry Balances written off	0.91
Liabilities / Provision no longer required written back	(5.30)
Operating Profit Before Working Capital changes	283.69
Changes in working capital	
Increase/(Decrease) in Current and Non Current Assets	
(Increase)/Decrease in Inventories	(46.60)
(Increase)/Decrease in Trade Receivables	(7.53)
(Increase)/Decrease in Loans	(0.12)
(Increase)/Decrease in Financials Assets & Non Financials Assets	11.50
(Increase)/Decrease in Other Current Assets	(27.96)
(Increase)/Decrease in Other Non Current Assets	(18.92)
Increase/(Decrease) in Current and Non Current Liabilities	
Increase/(Decrease) in Other Current Liabilities	(10.96)
Increase/(Decrease) in Other Financial Liabilities & Non Financial Liabilities	12.25
Increase/(Decrease) in Trade Payables	(98.31)
Increase/(Decrease) in provisions	0.02
Cash generated from operations	97.05
Income tax (paid)/ refund	(67.97)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (TOTAL A)	29.09
B. CASH FLOW FROM INVESTMENT ACTIVITIES:	
Purchase of items of Property Plant and Equipments	(48.69)
Purchase of Intangibles Assets	(0.26)
Proceeds from Sale of items of Property Plant and Equipments	0.78
Movement in CWIP	(196.67)
Movement in Intangible assets under development	(0.96)
Sale of Investments	0.25
Interest and dividend income	13.86
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES (TOTAL B)	(231.68)
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Proceeds from Long Term Borrowings (net)	66.43
Short term loan taken (net)	156.58
Interest and other finance expenses	(10.29)
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES: (TOTAL C)	212.73
Net Decrease of Cash & Cash Equivalents (A+B+C)	10.13
Add: Cash & Cash Equivalents at the beginning of the period / year (including other bank balances)	196.92
Less: Other Bank Balances not forming part of Cash & Cash Equivalents	204.67
Cash & Cash Equivalents at the end of the period / year	2.38
Reconciliation of cash and cash equivalents as per the cash flow statement	
Components of cash and cash equivalents	As at 31st March 2024
i) Cash in hand	0.15
ii) Balances with bank- Current Account:	2.23
Cash and cash equivalents in cash flow statement	2.38

Notes:

- All figures in bracket are outflow.
- The statement of cash flow has been prepared as per Ind AS 7 "Statement of Cash Flows."
- Debt reconciliation statement in accordance with Ind AS 7.

Particulars	Opening balance 1 April 2023	Cash flows	Non-cash / interest accrued movement	Closing balance 31 March 2024
Current borrowings	30.07	156.58	-	186.65
Non-current borrowings	40.49	66.43	-	106.92
Total	70.56	223.01	-	293.57

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

S. M. Chitale
Partner
Membership No : 111383
Place : Mumbai
Date : August 08, 2025



For and on behalf of the Board of Directors of:
Rotomotive Powerdrives India Limited
CIN : U31103GJ2006PLC048638

Mr. Umesh Balani
Director
DIN: 00273387
Place: Anand
Date: August 08, 2025

Mrs. Neelam Umesh Balani
Director
DIN: 00273387
Place: Anand
Date: August 08, 2025



Rotomotive Powerdrive India Limited

Special Purpose Consolidated Statement of changes in equity for the year ended 31 March 2024 (Amounts in INR Millions, unless otherwise stated)

A. Equity share capital

Particulars	No. of Shares	Amount
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity Shares of ₹ 10/- each fully paid up		
Balance as on 1 April 2023	62,60,827	62.61
Changes in equity share capital during the year		-
Balance as on 31 March 2024	62,60,827	62.61
Balance as on 1 April 2024	62,60,827	62.61
Changes in equity share capital during the period		-
Balance as on 31 December 2024	62,60,827	62.61

B. Other equity

Particulars	Capital Reserve	Securities Premium	Retained Earnings	Total Other Equity
Balance at the 1 April 2023 (as previously reported)	40.00	72.82	924.94	1,037.76
Add: Impact of Ind AS adjustments on transition (Refer note 43)	-	-	-	-
Restated Balance as at 1 April 2023	40.00	72.82	924.94	1,037.76
Profit for the year	-	-	175.41	175.41
Other comprehensive income (net of tax)	-	-	(0.01)	(0.01)
Deemed Equity	-	-	(7.74)	(7.74)
Balance as on 31 March 2024	40.00	72.82	1,092.59	1,205.41

Refer note 14(B) for nature and purpose of reserves.

Basis of preparation, measurement and material accounting policies
The accompanying notes are an integral part of the Ind AS financial statements.

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As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

S. M. Chitale

S. M. Chitale
Partner
Membership No : 111383
Place : Mumbai
Date : August 08, 2025



For and on behalf of the Board of Directors of:
Rotomotive Powerdrives India Limited
CIN : U31103GJ2006PLC048638

Umesh Balani

Mr. Umesh Balani
Director
DIN: 00273387
Place: Anand
Date : August 08, 2025

Neelam Umesh Balani

Mrs. Neelam Umesh Balani
Director
DIN: 00273387
Place: Anand
Date : August 08, 2025



ROTOMOTIVE POWERDRIVES INDIA LIMITED

Notes to the special purpose Ind AS consolidated financial statements for the year ended 31 March 2024

1. Company Overview and Material Accounting Policies and Information

1.1 Company Overview

Rotomotive Powerdrives India Limited ('the Holding Company') is engaged in the business of manufacturing and assembling of Electric Motors and Gear Boxes.

2. Material Accounting Policies

2.1 Basis of preparation

The special purpose Ind AS consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under sections 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Companies Act.

The special purpose Ind AS consolidated financial statements of the Company for the year ended 31st March 2024 were approved for issue in accordance with the resolution of the Board of Directors on August 08, 2025.

The Special purpose Ind AS consolidated financial statements have been prepared by the Company's management solely for the purpose of preparation of Restated Consolidated Financial Information of the Holding Company, to be included in the Draft Red Herring Prospectus which is to be filed by the Holding Company with Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited (NSE) and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ('SEBI ICDR Regulations') in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company. Therefore, these Special purpose Ind AS consolidated financial statements may not be suitable for any other purpose.

2.2 Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests.

The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the Consolidated Financial Statements. On disposal of the subsidiary, attributable amount on goodwill is included in the determination of the profit or loss and recognised in the Statement of Profit and Loss. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or a group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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.



ROTOMOTIVE POWERDRIVES INDIA LIMITED

Notes to the special purpose Ind AS consolidated financial statements for the year ended 31 March 2024

List of Subsidiaries

Sr. No.	Name of the Investee Companies	Principal Place of Business	Proportion of Ownership Interest 31 March 2024
	Subsidiary companies		
1	Cyclo Transmissions Limited	India	100.00%

2.3 Basis of measurement

The special purpose Ind AS consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies, except for financial assets and liabilities are measured at fair value or at amortised cost depending on classification; Defined benefit plans – plan assets measured at fair value; and Lease liability and Right of use of assets – measured at amortised cost and other investments at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

2.4 Presentation of Special purpose Ind AS consolidated financial statements

The Balance Sheet, Statement of Profit and Loss (including other Comprehensive Income) and Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III – Division II to the Companies Act, 2013 (“the Act”). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III – Division II to the Act, are presented by way of notes forming part of the special purpose Ind AS consolidated financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.5 Current / Non-Current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Assets

An asset is treated as current when it is

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

All other assets are classified as non-current.

Liabilities

A liability is treated as current when

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

All other liabilities are classified as non-current.

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



ROTOMOTIVE POWERDRIVES INDIA LIMITED

Notes to the special purpose Ind AS consolidated financial statements for the year ended 31 March 2024

Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained the operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

2.6 Functional and presentation currency

These special purpose Ind AS consolidated financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information is presented in INR rounded to the nearest million, except share and per share data, unless otherwise stated.

2.7 Use of judgements, estimates and assumptions

The preparation of special purpose Ind AS consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. The estimates are based on management's best knowledge of current events and actions, however, due to uncertainty about these assumptions and estimates, actual results may differ from the estimates.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

A. Judgements in applying material accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its material accounting policies and that have a significant effect on the amounts recognised in these special purpose Ind AS consolidated financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Property, Plant and Equipment (PPE)

Determination of the estimated useful lives of items of PPE and the assessment as to which components of the cost may be capitalized. Useful lives of items of PPE are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.



ROTOMOTIVE POWERDRIVES INDIA LIMITED

Notes to the special purpose Ind AS consolidated financial statements for the year ended 31 March 2024

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations.

c) Recognition of deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

e) Discounting of long-term financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories comprise raw materials, packing materials, work-in-progress, finished goods and stores and spares and are carried at the lower of cost and net realizable value.

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

In determining the cost of raw materials, packing materials, stock-in-trade and stores and spares, First-in-First-Out (FIFO) method is used. Valuation of Finished Goods and Work-in-progress is based on Absorption Cost method. In the case of finished goods and work in progress, cost includes the appropriate share of overheads based on normal operating capacity.

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 the basis of category of inventory.

2.10 Property, plant and equipment and Depreciation

Property, Plant and Equipment is recognized when it is probable that future economic benefits associated



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with the item will flow to the Company and the cost can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised eligible 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.

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.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Advance given towards acquisition of Property, Plant and Equipment outstanding at the reporting date are disclosed as capital advances under Non-Current Assets. Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions/disposals is provided on a pro-rata basis i.e. from/up to the date on which asset is ready for use/disposed of.

2.11 Capital Work in Progress

The Company capitalizes the total cost incurred for construction of the road till the date of Commercial Operation Date (COD) to be issued by the authority. The government assistance received during the construction period is adjusted from the cost of the Capital Work in Progress.

2.12 Intangible assets and amortisation

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition at cost comprising the purchase price and directly attributable costs to prepare the assets for its intended use.

Intangible Assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Intangible assets that have finite lives are amortised over their useful lives by the straight-line method. Intangible assets with indefinite useful life are not amortised but are tested for impairment.

2.13 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value

