NITIRAJ ENGINEERS LIMITED

(CIN: - L31909MH1999PLC119231)

Electronic Weighing Scales & Systems
Currency Counting Machines
Digital Fare Meters
Home & Hotel Automation Products
Health Measurement Products

ANNUAL REPORT 2021-22

23rd ANNUAL GENERAL MEETING

On Thursday, the 29th day of September 2022 AT 12.30 PM

Through Video Conferencing ("VC") /
Other Audio-Visual Means ("OAVM")

Registered Office:
306 A, BABHA BUILDING MARG
NEAR POLICE STATION, MUMBAI – 400011 (MH) INDIA
Contact No: - +91-2562-239331
======================================
Factory Address
Plot No J- 25, J- 26, Behind Toyota, Showroom, MIDC A Dhan, Awadhan (CT), Dhule- 424006, MH IN.
Website :- www.nitiraj.net **E-Mail Id :- investor@nitiraj.net**

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COMPANY INFORMATION

AS ON 31ST MARCH 2022

• Chairman & Managing Director	:	MR. RAJESH RAGHUNATH BHATWAL
• Whole Time Director & Women Director	:	MRS. SHAKUNTALA RAJESH BHATWAL
• Whole Time Director	:	MR. YI HUNG SIN
• Independent Director	:	MR. PRANIT ANIL BANGAD
• Independent Director	:	MR. DEEPAM PRADEEP SHAH
• Independent Director	:	MR. AVINASH RAJARAM CHANDSARKAR
• Chief Financial Officer	:	MR. KAILAS MADANLAL AGRAWAL E-mail: expenses@nitiraj.net
• Company Secretary & Compliance Officer	:	CS DEEPIKA AMIT DALMIYA E-mail: investor@nitiraj.net
• Registered Office	:	306 A Babha Building,N. M. Joshi Marg, Near Police Station, Mumbai-400011, MH IN Website: www.nitiraj.net E-mail: investor@nitiraj.net
• Corporate Office/ Factory Location	:	Plot NO J25, J26,MIDC Awadhan, Dhule-424006 MH IN E-mail:- investor@nitiraj.net
• Statutory Auditor	:	**P. D. DALAL & CO.,** Chartered Accountants, 102, B Wing, Lake Florence, Phasel, Adishankaracharya Marg, Powai, Mumbai – 400076. MH IN, E-mail Id: auditpdd@gmail.com
• Secretarial Auditors	:	**D. SAGAR & ASSOCIATES** Office No.10, 2nd Floor,Malan Plaza, Besides Durga Mata Temple, Javahar colony road, Vishnu nagar, Aurangabad-431001, MH IN E-mail Id:-deo.sagar@rediffmail.com
• Shares listed with	:	National Stock Exchange of India Limited, Main Board NSE
• Registrar & Share Transfer Agents	:	**BIGSHARE SERVICES PRIVATE LIMITED** Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India.
• Bankers	:	**HDFC Bank Limited**

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BOARD COMMITTEES

- **Audit Committee**

Mr. Pranit Anil Bangad	: Chairperson
Mr. Rajesh RaghunathBhatwal	: Member
Mr. Deepam Pradeep Shah	: Member

- **Nomination and Remuneration Committee**

Mr. Deepam Pradeep Shah	: Chairperson
Mr. Pranit Anil Bangad	: Member
Mr. Avinash Rajaram Chandsarkar	: Member

- **Stakeholders Relationship Committee**

Mr. Pranit Anil Bangad	: Chairperson
Mr. Rajesh RaghunathBhatwal	: Member
Mr. Avinash Rajaram Chandsarkar	: Member

- **Corporate Social Responsibility Committee**

Mr. Pranit Anil Bangad	: Chairperson
Mr. Rajesh Raghunath Bhatwal	: Member
Mr. Avinash Rajaram Chandsarkar	: Member

- **Internal Complaints Committee**

Mr. Pranit Anil Bangad	: Chairperson
Mr. Avinash Rajaram Chandsarkar	: Member
Mr. Rajesh Raghunath Bhatwal	: Member
Mrs. Shakuntala Rajesh Bhatwal	: Member

- **Sexual Harassment Committee**

Mr. Deepam Pradeep Shah	: Chairperson
Mr. Rajesh Raghunath Bhatwal	: Member
Mrs. Shakuntala Rajesh Bhatwal	: Member
Mr. Avinash Rajaram Chandsarkar	: Member

NOTICE OF THE 23rd ANNUAL GENERAL MEETING

To,
The Members,
NITIRAJ ENGINEERS LIMITED,
(CIN- L31909MH1999PLC119231),
306 A BABHA BLD., N M MARG,
NEAR POLICE STATION,
MUMBAI – 400011.

NOTICE is hereby given that the 23rd Annual General Meeting of **NITIRAJ ENGINEERS LIMITED** will be held on Thursday, 29th September 2022 at 12.30 PM through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business: -

ORDINARY BUSINESS:

1. **To receive, consider and adopt Standalone and Consolidated Audited Financial statements including Profit and Loss Account Balance Sheet, for the year ended on 31st March, 2022 along with Directors Report and Audited Report of the Company.**

   a) **"RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the year 2021-22 together with the Reports of the Board of Directors' and Auditors' thereon of the Company for the year 2021-22 as presented to the meeting, be and hereby, adopted."

   b) **"RESOLVED THAT** the Consolidated Financial Statements of the Company for the year 2021-22 together with the Reports of the Auditors' thereon of the Company for the year 2021-22 as presented to the meeting, be and hereby, approved and adopted."

   RESOLVED FURTHER THAT, any one director of the company be and is here by authorized to sign the Audited Financial Statements of the company and to do all acts, things deed which are necessary to give effect the above resolution."

2. **To Re-Appoint M/s. SHARP AARTH & CO, Chartered Accountants Statutory Auditors And Fix Their Remuneration And This Regards Pass With Or Without Modification(S), The Following Resolution As An Ordinary Resolution.**

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force), **M/s. SHARP AARTH & CO**, **LLP** Chartered Accountants, Jalgaon (FRN: 132748W), appointed through postal ballot dated 16th August, 2022 be and is hereby re-appointed as the Statutory Auditor of the Company for a period of 5 years –to conduct the Statutory Audit from Financial

Year 2022-2023 to Financial year 2026-2027 and to hold office from the conclusion of 23rd Annual General Meeting till the conclusion of Annual General Meeting to be held for the financial year 2026-2027, on such remuneration & terms of engagement, as may be mutually agreed between the Board/ Audit Committee and the Auditors of the Company from time to time."

SPECIAL BUSINESS

3. TO RE-APPOINT ROTATIONAL DIRECTOR –

To consider re-appointment of Mrs. SHAKUNTALA RAJESH BHATWAL , Whole Time Women Director holding (DIN : 01953906), who retires by rotation in terms of Section 152(6) of the Companies Act,2013 and being eligible offers herself for re- appointment. For details of Director seeking re-appointment at the Annual General meeting please refer Annexure I.

By order of the Board of Directors,
NITIRAJ ENGINEERS LIMITED

Sd/-
(Deepika Amit Dalmiya)
Company Secretary &
Compliance Officer

Place : Dhule, Maharashtra
Date : 06/09/2022

NOTES:

1. GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE AGM THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING.

   a. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.

   b. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

   c. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

   d. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

   e. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of

   remote e-Voting to its Members in respect of the business to be transacted at the

EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.

f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.nitiraj.net. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

g. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

h. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

i. Attendance of the Members participating in the 23rd AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. NSDL Limited will be providing facility for voting through remote e-Voting, for participation in the 23rd AGM through VC/OAVM Facility and e-Voting during the 233d AGM. Members may note that the VC/OAVM Facility, provided by NSDL limited, allows participation on a on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 23rd AGM without any restriction on account of first-come first-served principle.

2. All the documents referred to in the accompanying notice and the annexure to it are open for inspection at the Registered Office of the Company during from 3.00 PM to 5.00 PM from Monday to Friday up to the date of this Annual General Meeting of the Company.

3. In-terms of Section 101 and 136 of the Companies Act, read together with Rules made there under electronic copy of the Annual Report and the notice of the Annual General Meeting of the Company along with attendance slip are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes,

unless any member has requested for a hard copy of the same on our e-mail ID investor@nitiraj.net For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.

4. Members desiring any information relating to the Accounts are requested to write to the Company well in advance so as to enable management to keep the information ready.

5. Members are requested to notify any change in their addresses to the Company immediately. Members holding shares in electronic form are requested to advise change of addresses to their Depository Participants.

6. Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website for their download **(www.nitiraj.net)**. The physical copies of the aforesaid documents will also be available at the Company's Registered Office Plot NO J25, J26, MIDC Awadhan, Dhule-424006 MH IN during office hours on working days except Saturdays between 11.00 a.m. to 1.00 p.m. for inspection. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

7. Pursuant to provision of Section 91 of the Companies Act, 2013 and Listing Agreement, the Register of Members and Share Transfer Book will remain closed from 23th September 2022 to 29th September 2022 (Both days inclusive).

8. Notice of AGM along with Annual Report 2021-22 is being sent by electronic mode to those members who is registered as a members as on 2nd September, 2022 as per list provided by Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited.

9. SEBI & the Ministry of Corporate Affairs encourage paperless communication as a Contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with the Bigshare Services Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in de-mat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.
   If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

10. The Board of Directors has appointed CA Piyush Agrawal, Chartered Accountants (Membership No. 135041) as scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair transparent manner.

11. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with

whom they have de-mat accounts.

12. Members are requested to bring their copy of Annual report of the meeting as the same shall not be circulated thereat.

13. Members are requested to intimate their email id at investor@nitiraj.net in order to meet the requirement of green initiatives.

14. Electronic copy of Notice of the AGM along with Annual Report 2021-22 including remote E Voting Instruction, attendance slip is being sent by electronic mode to those members who is registered as a member as on 2nd September, 2022 on their registered E mail ID. For those shareholders whose name stands registered in the register of member as on Friday 2nd September, 2022 and who want a physical copy of the same kindly request to the company on investor@nitiraj.net.

15. Shareholders are also informed that voting shall be by E-voting.

16. The company has set Friday, 2nd September, 2022 as the Cutoff date for taking record of the shareholders of the company who will be eligible for casting their vote on the resolution to be passed in the ensuring AGM for both E–Voting and Physical mode through Polling Paper.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 26th September, 2022 at 9:00 A.M. and ends on 28th September, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you

log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to piyushragrawal@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Veena Suvarna at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@nitiraj.net.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@nitiraj.net. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login

method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@nitiraj.net. The same will be replied by the company suitably.

ANNEXTURE 1

Details of the Directors seeking re-appointment at the AGM of the Company Pursuant to Regulation 36(3) of the (Listing Obligation and Disclosure Requirement) Regulation, 2015

Name of the Director	Mrs Shakuntala Rajesh Bhatwal
DIN	01953906
Date of Birth	18/12/1966
Date of Appointment of the Board	27/04/1999
Brief Resume, Qualification and nature of expertise in functional areas	Mrs Shakuntala Rajesh Bhatwal is the woman Director of our Company. Having 25 years of experience in the area of manufacturing Electronic Weighing Scales. Actively working with NItiraj Since 1990. Her job responsibilities include overseeing manufacturing activities, sourcing of components, administrative work etc. She is well conversant with Electronic Industry and latest emerging trends in Electronics.
Directorship in other Public Companies	NIL
Membership/Chairmanship of Committee of other Public Companies	NIL
No. of Shares held in the Company	23,95,500

1. **Factory Entrance**

2. **Hi-tech Manchinery**

3. **Workspace**

4. **Huge Storage**

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Chairman's Letter

Dear valued Shareholders,

We are pleased to present the annual review of your Company for the financial year 2021-22. As we all are aware, the last two years have witnessed severe impacts from the COVID-19 pandemic globally. It hampered every economy and nation as well as individual lives across the world. However, as we look beyond the pandemic, the markets are showing good signs of recovery post-COVID. Especially over the second half of FY2022, there is a strong recovery in demand and overall consumer sentiment.

We, at Nitiraj, have been taking utmost precautions and following strict protocols to keep our workforce safe. As our performance would reflect, the Company has shown great resilience in sustaining through these turbulent times and coming out stronger.

For the year ended 31st March 2022, we reported Rs. 39.63 crores in revenue and EBITDA at Rs. 1.79 crores. Lack of new orders from Government offset the rise in sales from branch and dealerships, leading to lower sales. Exceptional loss in Q4 FY22 due to complete shutdown of Parwanoo unit had major impact on profit.

In line with our strategy, we continue to focus on R&D and new product development. With a strong R&D facility in place, we continually innovate to develop new products. Currently, we produce more than one lakh scales per year and have a customer base of over 10 lakhs. We continue to market our brand "Phoenix" through our large network of dealers to customers in India as well as abroad.

The diverse end applications of our products, such as in Jewellery, Banks, NBFCs, Kirana Stores, Commercial establishments, Healthcare centres, Hospitals, Governments, and Transportation, enables us to mitigate risks from reduced demand from any one sector.

We already have an established and wide-spread offline network of distribution with 20 branches and over 400 dealers. Over the past year, we have also entered online channels to penetrate the wider market-base and reach customers who prefer buying online. Our digital marketing team does a great job of spreading awareness and promoting our products online, and we are seeing a good uptick in online sales.

In FY22, we received orders for 20,322 mother and child weighing scales. Besides these, your Company has received orders for 12,600 Infantometer & Stadiometer machines from Jharkhand. We have also received orders for 1067 weighing scales from the Agriculture Marketing Department (PDS) in Andhra Pradesh and 312 weighing scales from the Agriculture Marketing Department in Orrisa State

As part of our expansion strategy, we are setting up a new commercial unit at Dadra and Nagar Haveli at an industrial unit with an area of about 5,000 square feet. This would complement our new plant at Dhule, Maharashtra. With the markets opening up and demand gaining momentum, the Company is well positioned to capture new opportunities and expand its market share.

I would like to take this opportunity to thank every member of the Nitiraj family for their untiring efforts during such turbulent times, as well as all our stakeholders, whose support facilitates the company to grow and prosper.

With warm regards,
Yours sincerely,

Sd/-
Rajesh Bhatwal
Managing Director

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DIRECTOR'S REPORT

To,
The Members,
NITIRAJ ENGINEERS LIMITED,
306, Babha Building, N M. Joshi Marg,
Near Police Station, Mumbai – 400011 INDIA

Your Directors have a pleasure in presenting the **23rd Annual Report** on the business and operation of the Company together with the Audited Financial Accounts for the year ended **31st March, 2022.**

1. FINANCIAL HIGHLIGHTS

Financial results of your Company for the year ended 31st March 2022 are summarized below. (Standalone)

(Amount in Lac's)

Particulars	**Financial Statement**	
	2021-22	2020-21
Income from Operations	3962.63	5339.79
Other Income	58.22	23.36
Total revenue	**4020.85**	**5363.15**
Operating Costs	3833.65	4556.88
Profit before depreciation	**187.20**	**806.27**
Depreciation	**313.26**	309.31
Profit before exceptional item and Tax	**(126.06)**	**496.96**
Exceptional Item	319.42	0.00
Profit before Tax (PBT)	**(445.48)**	**496.96**
Tax expense	(109.74)	133.74
Profit for the year (PAT)	**(335.74)**	**363.22**
Basic EPS	(3.28)	3.54

2. HIGHLIGHTS OF PERFORMANCE:-

Total Revenue for the year 2021-22 is Rs. 3962.63 lacs as compared to Rs. 5339.79 lacs in the previous year. Loss before Tax for the year was Rs. (445.48) lacs as compared to profit of Rs. 496.96 lacs in the previous year. Loss after Tax for the year was Rs. (335.74) Lacs as compared to profit of Rs.363.22 lacs in the previous year.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business carried out by the Company in the Year 2021-22.

4. SHARE CAPITAL

There is no change in Share Capital of the company during financial year 2021-22.

5. DIVIDEND

In order to plough back the profits for the activities of the company and strategy of growth in the business through enhancing manufacturing capacity, your directors do not recommend any dividend for the financial year.

6. CHANGE IN NAME

The company has not changed its name during financial year 2021-22.

7. TRANSFER TO RESERVES

The Board of the Company has decided to transfer loss of Rs.335.74 Lacs to the Reserves of the Company as on 31st March 2022.

8. THE BOARD AND KMP :

(a) Composition of the Board of Directors :

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. As on the date of this report, the Board comprises of 6(Six) Directors, out of which 3 are Executive Directors, 3 is Independent Non-Executive Director and is that includes one Woman Director.

The Company has following composition of the Board:-

1	Mr. Rajesh Bhatwal	Managing Director and Executive Director
2	Mrs. Shakuntala Bhatwal	Whole Time and Women Director
3	Mr. Hung Sin Chung Huanyi	Whole Time Director
4	Mr. Pranit Anil Bangad	Independent Director Non-Executive Director
5	Mr. Deepam Pradeep Shah	Independent Director Non-Executive Director
6	Mr. Avinash Rajaram Chandsarkar	Independent Director Non-Executive Director

(b) Director Retiring by Rotation

Pursuant to Section 152 of the Companies Act, 2013 and in accordance with the Article of Association of the Company, Mrs. SHAKUNTALA RAJESH BHATWAL (DIN No- 01953906), Whole Time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors recommends her re-appointment.

(c) Company Secretary & Compliance Officer.

There was no change in the post of company secretory and compliance officer.

9. MEETINGS OF BOARD OF DIRECTOR AND SHAREHOLDERS

Eleven board meetings were held during the year 2021-22 and Five audit committee meetings and Four nomination and remuneration committee meetings and Four stakeholders' relationship committee meetings and the intervening gap between meetings was within the period prescribed under Secretarial Standards applicable to the company.

10. BOARD EVALUATION

Pursuant to the provision of the companies Act, 2013, Listing regulation along with other rules and regulation applicable, if any, the company has carried out the annual performance evaluation of its own performance, the director individually as well as the evaluation of the working of its committees, A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspect of the board functioning such as adequacy of the composition of the board and its committees, board culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of the individual director including the Chairman of the Board, who were evaluated on parameter such as level of engagement and contribution, independence of judgment, Safeguarding interest of the company and its minority shareholders, etc. The performance evolution of Independent Director was carried out by entire board. The performance evolution of the chairman and non-Independent Director was carried out by the Independent Director who also reviewed the performance of the secretarial Department. The Director expresses their satisfaction with the evaluation process.

11. COMPANY POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The policy of the company on Director's appointment and remuneration including criteria for determining qualification, positive attributes, independence of Director and other matters provided under Sub – section (3) 178, is explained in the corporate governance report.

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12. DETAILS OF REMUNERATION TO DIRECTORS : -

The remuneration paid to the Directors is in accordance with the recommendations of Nomination and Remuneration Committee formulated in accordance with Section 178 of the Companies Act, 2013 and any other re-enactment(s) for the time being in force.
The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure.**

13. DECLARATION BY INDEPENDENT DIRECTORS:-

All the Independent Directors have given their declaration of Independence stating that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act 2013. Further that the Board is of the opinion that all the independent directors fulfil the criteria as laid down under the Companies Act 2013 and the SEBI (LODR) Regulations 2015 during the year 2021-22, same is enclosed herewith as **Annexure.**

14. BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 16 of SEBI (LODR) Regulations 2015 and Section 149(6) of the Companies Act 2013. The Company is having following independent directors:

(i) Pranit Bangad
(ii) Avinash Chandsarkar
(iii) Deepam Shah

As per provisions of the Companies Act 2013 Independent Directors were appointed for a term of 5 (five) consecutive years and shall not be liable to retire by rotation.

15. COMMITTEES OF THE BOARD

Currently, the Board has Six Committees:-The Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Internal Complaints Committee, Sexual Harassment Committee. All Committees, except the Corporate Social Responsibility Committee, Internal Complaints Committee and, Sexual Harassment Committee consist of Independent Directors.

(a) Audit Committee

The Board has constituted Audit Committee as required under Companies Act, 2013. The Composition of the Committee is as under:

Name of the Member	Designation
MR. PRANIT ANIL BANGAD (ID)	Chairperson
MR. DEEPAM PRADEEP SHAH (ID)	Member
MR. RAJESH RAGHUNATH BHATWAL (ED)	Member

(b) Nomination and Remuneration Committee

The Board has constituted Nomination and Remuneration Committee as required under Companies Act, 2013. The Composition of the Committee is as under:

Name of the Member	Designation
MR. DEEPAM PRADEEP SHAH (ID)	Chairperson
MR. PRANIT ANIL BANGAD (ID)	Member
MR. AVINASH RAJARAM CHANDSARKAR (ID)	Member

In terms of the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining the qualifications, attributes and Independence of a Director. The Nomination and Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management. In line with the requirement, the Board has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management which is as follows.

(c) Stakeholder Relationship Committee:-

The Board has constituted Stakeholder Relationship Committee as required under Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

Name of the Member	Designation
MR. PRANIT ANIL BANGAD (ID)	Chairperson
MR. AVINASH RAJARAM CHANDSARKAR (ID)	Member
MR RAJESH RAGHUNATH BHATWAL (ED)	Member

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is constituted in compliance with the requirements of Section 135 of the Companies Act, 2013, to undertake the below mentioned tasks:

A. To recommend, the policy on Corporate Social Responsibility (CSR) and Implementation of the CSR Projects or program to be undertaken by the company, as per the CSR Policy for consideration and approval by the Board of Directors.
B. Recommend, the amount of expenditure to be incurred on the corporate social responsibility activities; and
C. Monitor the implementation of the Company's corporate social responsibility policy.

During the financial year ended 31st March, 2022, provision for CSR Expenses is Rs. 8.87 Lakhs However Company spent only 5.64 Lakhs to CSR expenses. Balance amount of Rs. 3.23 lakhs is to be transferred to the fund included in schedule VII of the Act.

The Corporate Social Responsibility Committee comprises the following:

The Composition of the Committee is as under:

Name of the Member	Designation
MR. PRANIT ANIL BANGAD (ID)	Chairman
MR. AVINASH RAJARAM CHANDSARKAR (ID)	Member
MR. RAJESH RAGHUNATH BHATWAL (ED)	Member

Four meetings were held during the year 2021-22 on 04/05/2021, 07/08/2021, 29/11/2021 and 19/02/2022.

The Company's CSR Policy statement and Annual Report on the CSR activities undertaken during the financial year ended 31st March, 2022, in accordance with section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in "Annexure B" to this Report.

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(e) Investor Grievance Redressal Policy

The Company has adopted an internal policy for Investor Grievance handling, reporting and solving.

Name of the Member	Designation
MR. PRANIT ANIL BANGAD (ID)	Chairman
MR. AVINASH RAJARAM CHANDSARKAR (ID)	Member
MR. RAJESH RAGHUNATH BHATWAL (ED)	Member
MRS. SHAKUNTALA RAJESH BHATWAL (ED)	Member

(f) Prevention of Sexual Harassment Committee

The company has adopted policy on Prevention of Sexual Harassment Committee.

Name of the Member	Designation
MR. DEEPAM SHAH (ID)	Chairman
MR. AVINASH RAJARAM CHANDSARKAR (ID)	Member
MR. RAJESH RAGHUNATH BHATWAL (ED)	Member
MRS. SHAKUNTALA RAJESH BHATWAL (ED)	Member

The company has always believed in providing a safe and harassment free workplace for every individual working in premises and always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year ended 31st March, 2022, the company has not received any complaint pertaining to sexual harassment.

In order to prevent Sexual Harassment of Women at Workplace a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified on 9th December, 2013. Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted "Anti-Sexual Harassment Policy" constituted "Redressed Committee" as required under section 4 (1) of Sexual harassment of women at work place (prevention, prohibition and redressal) Act, 2013. During the year under review, no complaint of harassment at the workplace was received by the Committee.

16. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES :

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. Any incidents that are reported are investigated and suitable action taken in line with the Whistle Blower Policy.

17. RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board.

The Company has adequate internal control systems and procedures to combat the risk.

The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis.

18. POLICY ON PRESERVATION OF THE DOCUMENTS

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

19. POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

https://www.nitiraj.net/Policies/Policy%20on%20determination%20of%20Materiality%20of%20Events.pdf

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

20. AUDITORS :

a. Statutory Auditors:-

The Board of Director of the Company had appointed **M/s. SHARP AARTH & CO**, **LLP** Chartered Accountants, Jalgaon (FRN: 132748W), Statutory Auditors due to casual vacancy occurred on resignation of P D Dalal & Associates after issue of board report for the period FY 2021-22. New auditor appointed through Postal ballot dated on 16th August 2022.

In this regard, the Company has received certificate from the Auditors to the effect that, if they are appointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

Accordingly, proposal for their re-appointment as Statutory Auditors is being placed before the shareholders for approval at the 23rd Annual General Meeting to hold office from Financial Year 2022-23 to 2026-27.

b. Secretarial Auditors:

M/s. D. Sagar & Associates, Aurangabad, Firm of Practicing Company Secretaries, having Membership No. F9518 and Certificate Practice No. 11547 was appointed as Secretarial Auditors of the Company as per provisions of Section 204 of the Companies Act, 2013 and Rules made there under for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year 2021-22 form part of the Annual Report, as Annexure to the Board Report. As the Board is satisfied with the performance of these Secretarial Auditors, the Board proposes to re-appoint them as secretarial Auditors for the Financial Year 2022-23 also.

21. AUDITORS' REPORT

Statutory Audit Report:-

M/s. P. D. Dalal and Co., Chartered Accountants, Mumbai, Firm Registration Number 102047W have issued their Report for the Financial Year ended 31st March 2022.

Statutory Auditors mentioned Qualification, reservation, adverse remark or disclaimer in their report.

Disclosure about Cost Audit

The Central Government has not prescribed the maintenance of Cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company.

22. RELATED PARTY TRANSACTIONS:

All transactions entered into with the related parties, as defined under the Companies Act, 2013, during the financial year, were in the ordinary course of business and on arm's length pricing basis, as per the management representation certificate provided to auditor of the company and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of form AOC- 2 is required, Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.

A policy on the related party transactions was framed & approved by the Board and posted on the Company's website at below link:
https://www.nitiraj.net/Policies/Related%20Party%20Transactions%20Policy.pdf

However you may refer to Related Party Transactions as per the Accounting Standards in the Notes forming part of financial statements.

23. PREVENTION OF INSIDER TRADING :

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prevention of insider trading and the Code for Corporate Disclosures ("Code"), as approved by the Board from time to time, are in force by the Company.

https://www.nitiraj.net/document/Policy-of-prevention-of-Insider-Trading.pdf

The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of NITIRAJ ENGINEERS LIMITED at the time when there is unpublished price sensitive information.

24. MANAGEMENT DISCUSSION ANALYSIS: -

Forward looking statement -

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the IND-AS Accounting Standards. The management of Nitiraj Engineers Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

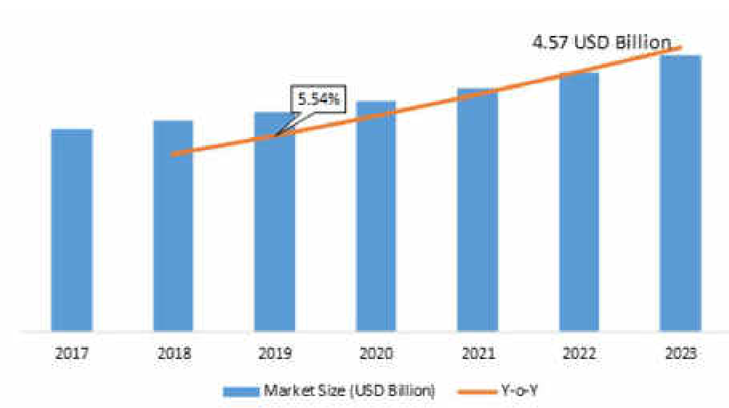
The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Nitiraj" are to Nitiraj Engineers Ltd.

ECONOMIC OVERVIEW

Global Industry

The Electronic weighing scale market share valuation is expected to grow from USD 3.35 Billion in 2017 to USD 4.57 Billion in 2023, with a compound annual growth rate of 5.54% during the period of assessment. Electronic weighing scale market share is anticipated to witness significant growth owing to the performance of different electronic weighing scale market segments. Among these, the tabletop scales segment will be the fastest-growing and also contribute towards this market growth more than any other segment. The reason attribute to this is that they are lightweight, cost-effective, and easy to operate.

An electronic weighing scale is a machine or device which is used to measure the weight of any kind of object ranging from a feather to a loaded truck. This device measures the weight and after converting presents it in electronic form. These measurements, which are present in the electric form are displayed on the LCD screen after being processed properly. The application of electronic weighing machines can be found in various sectors such as retail, jewelry, laboratory, health care, and other industrial applications. The advantages attached to these electronic weighing scales are that there is compact, can measure multiple loads, accuracy, and online processing delivery. These weighing scales are much better and continent than iron weights or spring balances.



Electronic Weighing Scale Market Dynamics

Drivers-

Firstly, the rising industrial automation is one of the major factors which is responsible for the growth of electronic weighing scale market. Secondly, the increasing use of these electronic weighing scales in retail and jewelry outlets is another factor that is propelling the growth of this market. Also with the increasing economic activities and rising need for retaining precision in the different weighing processes is another element that will boost the growth of electronic weighing scale market during the forecast period. There are many benefits offered while using electronic weighing machines such as precision, reliability, portability, and durability due to which the sales of this market will be enhanced which in turn will boost the growth of this industry. Lastly, there are many technological advancements which are taking place in this sector and the consumer can buys such machines after comparing features and prices, according to his/ her requirement. And this is another crucial factor that will be responsible for the growth of electronic weighing scale market.

Restraints-

These electronic weighing machines have a lot of advantages in comparison to traditional weight machines such as TOLAS, or spring balances and due to it, these scales are very expensive that is one of the major factors that may hamper the growth of electronic weighing scale market. Also, these machines work only when connected to a power source otherwise these machines don’t have any backup power source such as batteries and cells. So this is another factor that will restrict the growth of electronic weighing scale market to a large extent. To ensure the proper working of these weighing scales they are required to be maintained and serviced at regular intervals of times and the cost associated with this servicing is too high which is one more factor that will hinder the growth of electronic weighing scale market.

Technology Analysis-

Many new inventions are taking place in this sector. The prime players of this market are coming up with new machines that can convert the reading present on the LCD screen into any measurement unit of the users' choice. Secondly, the weighing scales used for industrial purposes are required to be connected to an electricity source all the time so, a lot of manufacturers are attempting to come up with machines that have in-built batteries and can work during office hours properly if once charged like mobile phones. Also, there is scope for making those big weight scales into light and compatible ones.

The Electronic weighing scale industry movement is remarkably working in 6 major regions of the world that is North America, South America, Asia Pacific, Europe, and the Middle East & Africa. Among all these regions, the North American region will dominate this market, and the reason attributed to it is the rising demand for the use of automated electronic measuring devices for testing and measurement purposes across various industries. In addition to its availability of proficient technical experts will boost the growth of electronic weighing scale market in this region. Europe will also witness significant growth during the assessment period as most of the prime players of this market are present in this region. Asia Pacific region will also experience tremendous growth as the raw material is easily available at a very low cost that will promote the mass production of low-cost electronic scales. This region's growth will be led by its developing economies such as India, China, and Japan.

Source: https://www.marketresearchfuture.com/reports/electronic-weighing-scale-market-7604

Indian Industry

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. The manufacturing GVA at current prices was estimated at US$ 97.41 billion in the first quarter of FY22.
India has potential to become a global manufacturing hub and by 2030, it can add more than US$ 500 billion annually to the global economy.

As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY22, indicating significant recovery in the sector.
The overall index stood at 134.0, as of July 2021. This rise in the index was supported by growth in production of natural gas, steel, cement, fertilisers, coal, refinery products and electricity.

Paediatric malnutrition has always been a matter of national concern. The various vertical health programmes initiated by the Government of India (GOI) from time to time did not reach out to the target community adequately. In 1974, India adopted a well-defined national policy for children. In pursuance of this policy, it was decided to start a holistic multicentric programme with a compact package of services. The decision led to the formulation of Integrated Child Development Services (ICDS) scheme – one of the most prestigious and premier national human resource development programmes of the GOI.
The scheme was launched on 2 October 1975 in 33 (4 rural, 18 urban, 11 tribal) blocks. Over the last 25 years, it was expanded progressively and at present it has 5614 (central 5103, state 511) projects covering over 5300 community development blocks and 300 urban slums; over 60 million children below the age of 6 years and over 10 million women between 16 and 44 years of age and 2 million lactating mothers [1]. The total population under ICDS coverage is 70 million, which is approximately 7 percent of the total population of one billion. The main thrust of the scheme is on the villages where over 75 percent of the population lives. Urban slums are also a priority area of the programme.

Source: https://www.ibef.org/industry/manufacturing-sector-india.aspx
https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4925843/#:~:text=Over%20the%20last%2025%20years,age%20and%202%20million%20lactating

About Nitiraj Engineers Ltd

Established in 1989, Nitiraj Engineers Ltd. is one of the leading manufacturers of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters catering to both industrial and domestic consumption. These products are classified according to their applications and utilities in the categories of Industrial, Commercial, Jewellery, Healthcare, Household and Automobile. The Company supplies machines to various state governments under Child Growth Monitoring Systems (CGMS) program. These machines have advanced technology support in form of data collection, plotting, MIS and dissemination.

The new manufacturing facility is a sophisticated, state-of-the-art facility located at Dhule, Maharashtra for continuous research, stringent quality control and consistent production with a capacity to produce around six lakh scales per annum. The products are supplied under brand name 'PHOENIX', through a well-connected sales and service network of 20 branches in the states of Chhattisgarh, Maharashtra and Odisha and about 400 dealers across India as well as abroad. The Company is an ISO 9001:2015 certified company and has more than one million customers. The Company caters to customers 'evolving needs effectively with a team of qualified and experienced engineers equipped with modern facilities are engaged in designing and developing electronic hardware and software. The Company has a well-equipped Research & Development Department and Corporate Office situated at Dhule, Maharashtra.

FINANCIAL OVERVIEW –

The consolidated performance of the Company for the financial year ended March 31st, 2022, is as follows:

Total revenue from operations at Rs. 39.63 crore for the year ended March 31, 2022, as against Rs 53.40 crore for the corresponding previous period, decrease of 25.79%, lack of new orders from Government offset the rise in sales from branch and dealerships, leading to lower sales

The EBIDTA (earnings before interest, depreciation and tax, excluding other income) was Rs. 1.79 crore for the year ended March 31, 2021, as against Rs. 8.11 crore for the corresponding previous period, decrease of 77.99% mainly due to lower sales volume coupled with continued fixed expenses

EBITDA margins stood at 4.51% in FY22

Net Profit was at negative Rs. 3.59 crore in FY22 as against Rs. 3.60 crore in FY21, YoY decrease of 199.69% mainly on account of exceptional loss in Q4 FY22 due to complete shutdown of Parwanoo unit had major impact on profit

Net Profit margin was at negative 9.06% in FY22

EPS was at negative Rs. 3.44

RESOURCES AND LIQUIDITY

As on March 31, 2022, the consolidated net worth stood at Rs. 67.70 crore
The cash and cash equivalents at the end of March 31, 2022 were Rs. 0.27 crore

Segment wise Business Performance

The Company is operating in five broad segments i.e., Electronic Weighing Scales and Systems, Electronic Currency Counting Machines and Digital Fare Meters, Home & Hotel Automation and Mechanical Scales. The diverse product portfolio caters to various sectors - industrial range, commercial range, jewellery range, healthcare range, household range, automobile range and home and hotel.

Revenue share of five broad segments are stated below:

Name and Description of main products / services	% to total turnover of the Company
Electronic Weighing Scales & Systems	89.57%
Electronic Currency Counting Machines	5.49%
Home & Hotel Automation	0.30%
Mechanical Scales	3.49%
EMFR Balances	1.16%

RISKS AND CONCERNS – review and approve this section

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

Credit Risk

To manage its credit exposure, Nitiraj has determined a credit policy with credit limit requests and approval procedures. Company does its own research of client's financial health and project prospects before bidding for a project. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

Interest Rate Risk

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to reduce the overall interest cost.

Competition Risk

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. The Company has created strong differentiators in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to remain ahead of the curve. A strong, stable client base consisting of large and mid-sized corporations further helps to insulate the Company from this risk. We counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

Input Cost Risk

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of the risks that are potentially significant in nature and need careful monitoring are Raw Materials prices, availability of Power etc.

Liability Risk

This risk refers to our liability arising from any damage to equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

OPPORTUNITIES

Huge potential in marketing of specialised weighing scales for Infant and Childcare run by Aanganwadis and other Government establishments.
Demand of weighing scale systems spurred by high growth in retail and logistics sector.
Growth in financial sector and preference for automated currency counting and detection machines

THREATS

Competition from local and multinational players
Execution risk
Regulatory changes
Input Cost risk
Attraction and retention of human capital
Technological Advancements

INTERNAL CONTROL SYSTEMS AND ADEQUACY The Company implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The Company also implemented effective systems for achieving highest level of efficiency in operations, to achieve optimum and effective utilization of resources, monitoring thereof and the compliance with provisions all laws including the Companies Act, 2013, Listing Agreement, directions issued by the Securities and Exchange Board of India, labour laws, tax laws etc. It also aimed at improvement in financial

management, and investment policy. The System ensures appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, information security, project appraisal, and corporate governance. A qualified and independent Audit Committee of the Board of Directors also reviews the internal control system and its impacts on improvement of overall performance of the Company.

HUMAN RESOURCES

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and

achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. As on March 31, 2022, Company is giving direct employment to 277 employees and 128 contractual employees. Industrial relations are cordial and satisfactory.

OUTLOOK

The electronic weighing scale industry is seeing growth mainly due to automation happening in most of the industries. Even for measuring, companies would now prefer electronic weighing scales than the ones used before - also providing accuracy in measurements.

We are very pleased that the Company received several subsidies from the Government which will be beneficial to us allowing us to generate higher profitability. Along with this, during the year there has been another positive development for the Company – set up a new manufacturing unit at Dadra and Nagar Haveli at an industrial unit with an area of about 5,000 square feet.

The Company is highly focused on its new NLB weighing scales – to spread awareness and increase sales through widespread dealer network. This will as a result help us reach our pre-determined targets.

Like everyone, our Company was also affected by Covid, but we took all necessary precautions and our dedicated employees made every effort to make sure their work was uninterrupted and all orders were delivered in time.

25. CREDIT & GUARANTEE FACILITIES :-

The Company has been availing secured loans, overdraft facilities and bank guarantee facilities from HDFC Bank Limited, from time to time for the business requirements.

26. INTERNAL AUDIT CONTROLS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls, commensurate with the size scale and complexity of its operations. This ensures that, all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the audit committee of the Board and to the Chairman and Managing Director.

The internal Audit department monitors and evaluate the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit functions, process owner undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the audit committee of the Board.

Adequacy of internal financial controls with reference to the financial statements

The Company has internal Auditors and the Audit Committee constituted are in place to take care of the same. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

27. CORPORATE GOVERNANCE

Your Company has been complying with the principles of good Corporate Governance over the years. In compliance with Regulation 34 of the SEBI (LODR) Regulations 2015, a separate report on Corporate Governance forms an integral part of this report as Annexures.

Board diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

28. DETAILS OF ASSOCIATES

The Company has following associated Company as per accounting standard 23 of ICAI. **HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED** (CIN U72200KA2005PTC036535) as the holding of the company directly exceeding 25% of the Share Holding and also the same is disclosed in Part B of Annexure and also in related party as per AS 18 of the ICAI Act.

29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS ORCOURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

30.DEPOSITS FROM PUBLIC

The Company has not accepted any Deposits within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

31.PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The company has not given any loans or provided guarantees or made investments to third parties in which directors are interested as specified in section 185 of the Companies Act, 2013 during the year under review.

32.CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with Accounting Standard AS-21, the Consolidated Financial Statements are furnished herewith and form part of this Report and Accounts. The same is separately attached with Audit Report.

33.INSURANCE:

All the assets of the Company wherever necessary and to the extent required have been adequately insured.

34.EMPLOYEE RELATIONS:

The relationship with the staff and workers continued to be cordial during the entire year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

35. STATUS OF UTILIZATION OF PROCEEDS RAISED FROM IPO :

The Company has raised an amount of Rs.2,200.80 Lacs through Initial Public Offer by getting itself listed on the main board Platform of National Stock Exchange of India Limited. The table below depicts the status of the utilization of the proceeds raised by the Company from IPO:

Pursuant to the provisions of clause 43 of the listing agreement with the exchange, the disclosure is as follows:

The utilization of the issue proceeds as on 31st March 2022 is as under:

Utilization of money raised through Initial Public Offer. The utilization of the issue proceeds as on 31st March 2022 is as under: Utilization planned as per prospectus [Amt. Rs. Lac's]

Particulars	Utilization planned as per prospectus	Balance Amount to be utilized as on 31st March, 2020	Utilization of IPO proceeds as during the FY 2020-21	Balance Amount to be utilized as on 31st March, 2021	Utilization of IPO proceeds as during the FY 2021-22	Balance Amount to be utilized as on 31st March, 2022
Development of new products	525.00	223.09	147.12	75.97	127.36	-
Setting up manufacturing Unit for the existing and new range of products	575.00	0	0	0	0	0
Expansion of Marketing Network and Brand building	500.00	426.44	66.43	360.01	153.15	206.86
General Corporate Purposes	500.00	0	0	0	0	0
Issue Expenses	100.80	22.92	0	22.92		22.92
Total	**2200.80**	**672.45**	**213.55**	**458.90**	**280.52**	**229.78**

36. CERTIFICATION

Company has obtained ISO 9001:2015.

37. PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexures** to the Directors' Report.

38. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

There are no material changes and commitments affecting the financial position of the Company from the financial year ended 31st March, 2022 to the date of signing of the Director's Report.

39. CORPORATE SOCIAL RESPONSIBILITY

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. Your Company's CSR Policy Statement and Annual Report on the CSR Activities undertaken during the Financial Year ended 31st March, 2022, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexures.

40. REGISTRAR AND SHARE TRANSFER AGENT:

The Company has appointed Link Bigshare Services Private Limited as its Registrar and Share Transfer Agent. The Corporate Office of Bigshare Services Private Limited situated at Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India.

41. ENHANCING SHAREHOLDERS VALUE :

Your Company believes that, its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building or growth, enhancing the productive asset and resource base and nurturing overall corporate reputation.

Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socioeconomic and environmental dimensions and contribute to sustainable growth and development.

42. OUR VISION

To be a most adorable global partner to all the stake holders in every aspect of weighing manufacturing.

43. OUR MISSION :

By offering quality bales & premium weighing machines and timely service embedded with value driven culture resulting in finding new avenues to surpass global standards in every activity that needs to nurture the society to the better tomorrow.

44. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return as per Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies(Management and Administration) Rules, 2014 in the prescribed Format MGT-9 is appended as Annexure to the Board's Report.

45. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, Board of Directors of the Company,

(a) In preparation of the Annual Accounts for the financial year ended 31st March 2022, the applicable Accounting Standards have been followed along with proper explanation to material departures

(b) The Directors have selected Accounting Policies, consulted the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at end of the financial year and of the profit or loss of the Company, for that period.

(c) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and

(d) The Directors have prepared the Annual Accounts of the company on a going concern basis;

(e) The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

46. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :-

The particulars as prescribed under Sub Section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

A. Conservation of Energy:

The Company's core activity is Production of Weighing Scales and related which is core consuming sector. The Company is making every effort to conserve the usage of electricity. Also in the year April 2016 Company has installed solar Electricity Plant in its Corporate Office Dhule, by which Company is trying to save electricity.

B. Technology Absorption (R&D, Adaptation and Innovation):

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

(i) Continuous research to upgrade existing products and to develop new products and services.

(ii) To enhance its capability and customer service the Company continues to carry out R & D activities in house.

2. Benefits derived as a result of the above efforts :

(i) Introduction of new and qualitative products.

(ii) Upgrade of existing products.

3. **Future plan of action:**

Nitiraj will continue to invest in and adopt the best processes and methodologies suited to its line of business and long-term strategy. Training employees in the latest appropriate technologies will remain a focus area. The Company will continue to leverage new technologies and also on the expertise available.

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual Outflows

(Amount In Rs)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	34,31,398	31,61,313
Foreign Exchange Outgo	4,33,20,188	4,09,02,310

47. DEMATERIALISATION OF SECURITIES:

The Company equity shares are admitted in the system of Dematerialisation by both the Depositories namely NSDL and CDSL. As on 31st March, 2022, all 1,02,51,000 equity share dematerialized viz. National Securities Depository Limited and Central Depository Services (India) Limited which represents whole 100% of the total issued subscribed and paid up capital of the company as on that date. The ISIN allotted to your Company is INE439T01012. Status of the securities as on 31st March, 2022 hereunder:

	CDSL	NSDL	TOTAL
Share in DEMAT	1266452	8984548	10251000
Physical Shares	NIL	NIL	NIL

48. COMPLIANCES OF SECRETARIAL STANDARDS:

The Board of Directors confirm that the Company has duly complied and is in compliance, with the applicable secretarial Standard/s, namely Secretarial Standard-1 (SS-1) on Meeting of the Board of Directors and Secretarial Standard-2 (SS-2) on General Meetings, during the financial year 2021-2022 ended 31st March 2022.

49. SUSPENSION OF TRADING:

The equity shares of the company have been listed and actively traded on the SME Platform of National Stock Exchange of India Limited namely NSE EMERGE till 22nd April, 2021 and w.e.f. 22nd April, 2021 equity shares of the Company have been listed and actively traded on Main

Board of National Stock Exchange of India Limited. There was no occasion wherein the equity shares of the Company have been suspended for trading during the FY 2021-2022.

50. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE IBC 2016:

During the year under review no application was made further no any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against of the company.

51. DETAILS OF PENALTY PAID IF ANY:

A non-compliance of Regulation 23 (9) of SEBI (LODR) Regulations, 2015 (Listing Regulations) has been observed during the reporting period for the quarter ended on 30th September, 2021 and therefore a monetary penalty of Rs. 150,000 (Rupees One Lakh Fifty Thousand only) (additional GST @18% amounting to Rs. 27,000) has been imposed on the company vide letter NSE/LIST-SOP/COMB/FINES/0830 dated 14th January, 2022.

A non-compliance of Regulation 17(2A) of SEBI (LODR) Regulations, 2015 (Listing Regulations) has been observed during the reporting period for the quarter ended on 31st December, 2021 and therefore a monetary penalty of Rs.10, 000 (Rupees Ten thousand Only) (additional GST @18% amounting to Rs.1,800) has been imposed on the company vide letter NSE/LIST-SOP/COMB/FINES/0832 dated 21st February, 2022

52. ACKNOWLEDGMENTS

Your Directors express their sincere gratitude for the assistance and co-operation extended by Banks, Government Authorities, Shareholders, Suppliers and Customers. Your Directors also wish to place on record their appreciation of the contribution made by the employees at their levels towards achievements of the Company's goals.

For and on behalf of Board of Directors,
NITIRAJ ENGINEERS LIMITED

Sd/-
Deepika Dalmiya
Company Secretary &
Compliance Officer

Date : 06/09/2022
Place: Dhule

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PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Sr. No.	Name	Ratio
1.	Mr. Rajesh Bhatwal (Managing Director)	17.78
2.	Mrs. ShakuntalaBhatwal (Whole time Director)	3.59
3.	Mr. Hung Sin (Whole Time Director)	5.14

II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	% in Increase
1.	Mr. Rajesh Bhatwal	Managing Director	-29.0 %
2.	Mrs. ShakuntalaBhatwal	Whole time Director	0.4 %
3.	Mr. Hung Sin	Whole time Director	12.4 %
3.	Mr. Kailas Agrawal	Chief Finance Officer	7.6%
4.	Mrs. Deepika Dalmiya	Company Secretary	2.1%

III. The number of permanent employees on the rolls of company: 277

IV. If remuneration is as per the remuneration policy of the company: Yes

CEO AND CFO CERTIFICATION

To,
NITIRAJ ENGINEERS LIMITED,
306 A BabhaBuilding, N M Marg,
Near Police Station,
Mumbai – 400011.

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Nitiraj Engineers Limited for the year ended 31st March, 2022 and to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls. We have indicated to the Auditors and the Audit Committee:

(a) that there are no significant changes in internal control over financial reporting during the year;

(b) that there are no significant changes in accounting policies during the year; and

(c) that there are no instances of significant fraud of which we have become aware

FOR NITIRAJ ENGINEERS LIMITED

Place :-Dhule	Sd/-	Sd/-
Date :-06/09/2022	Mr. Rajesh Bhatwal	Mr. Kailas Agrawal
	Managing Director	Chief Financial Officer

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DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

Dear Members of the Nitiraj Engineers Limited,

I, hereby declare that, all the Members of the Board and Senior Management Personnel of the Company are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

FOR NITIRAJ ENGINEERS LIMITED

Sd/-
MR. RAJESH BHATWAL
Managing Director
DIN- 00547575

Place :- Dhule
Date :- 06/09/2022

ANNEXURES

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of

Subsidiaries/ Associate Companies/ Joint Ventures

ASSOCIATE

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Sr. No.	**Name of Associate**	**HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED - Associate Company**
1.	Latest Audited Balance Sheet date	31.03.2022
2.	Shares of Associate/ Joint Ventures held by the company on the year end	3,334 Equity Shares face value of Rs. 10/ - each
	Amount of Investment in Associates/ Joint Venture (3,334 Equity Shares of Rs. 10/ - each at premium of Rs. 5,990/ - each unquoted investment. It includes goodwill paid on acquisition Rs. 3,12,557)	Rs. 2,00,04,000/ -
	Extent of Holding%	25 %
3.	Description of how there is significant influence	Common Promoters and Directors.
4.	Reason why the associate/ joint venture is not consolidated	NA
5.	Net worth attributable to our (25%) shareholding as per latest audited Balance Sheet as on 31st March 2022.	Rs. 1,42,40,147
6.	Profit/ Loss for the year	
	i. Considered in Consolidation	Rs. **(16,99,658)/-**
	ii. Not Considered in Consolidation	NA

In terms of our report attached

For P.D. DALAL & Co.

Chartered Accountants

FOR NITIRAJ ENGINEERS LIMITED

Aashish S. Kakaria	**Rajesh Bhatwal**	**ShakuntalaBhatwal**	**Kailas Agrawal**
Partner	*Managing*	*Whole Time and*	*Chief Financial*
Membership No.102915	*Director*	*Women Director*	*Officer*

ANNEXURES

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	HYPER DRIVE INFORMATION TECHNOLOGIES PRIVATE LIMITED
2.	Nature of contracts/ arrangements/ transaction	Development of ERP Software for operation of Company.
3.	Duration of the contracts/ arrangements/ transaction	1 year or extended as maybe applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	RAJESH BHATWAL Managing Director
2.	Nature of contracts/ arrangements/ transaction	Remuneration
3.	Duration of the contracts/ arrangements/ transaction	1 year or extended as maybe applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA

7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

3. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Shakuntala Bhatwal Director
2.	Nature of contracts/ arrangements/ transaction	Remuneration
3.	Duration of the contracts/ arrangements/ transaction	1 year or extended as maybe applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

4. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Hung Sin Chung Huan YI Director
2.	Nature of contracts/ arrangements/ transaction	Remuneration
3.	Duration of the contracts/ arrangements/ transaction	1 year or extended as maybe applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

5. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Prachi Bhatwal Relative of Director
2.	Nature of contracts/ arrangements/ transaction	Salary
3.	Duration of the contracts/ arrangements/ transaction	1 year or extended as maybe applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

6. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Dipika Dalmiya Company Secretary & Compliance Officer
2.	Nature of contracts/ arrangements/ transaction	Salary
3.	Duration of the contracts/ arrangements/ transaction	1 year or extended as maybe applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

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7. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Kailas Agrawal Chief Finance Officer
2.	Nature of contracts/ arrangements/ transaction	Salary
3.	Duration of the contracts/ arrangements/ transaction	1 year or extended as maybe applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

For P.D. DALAL & Co.
Chartered Accountants
Firm Registration 102047W

SD/-
(Aashish S. Kakaria)
Partner
Membership No.102915

FOR NITIRAJ ENGINEERS LIMITED

SD/-
Rajesh Bhatwal
Managing Director

SD/-
Shakuntala Bhatwal
Whole Time and Women Director

SD/-
Kailas Agrawal
Chief Financial Officer

ANNEXURES

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to Section 135 of the Companies Act, 2013]

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of the communities around us. Our Corporate Social Responsibility (CSR), thus, is not limited to philanthropy, but also includes large initiatives that lead to social development.

REPORTING:-

The period for which CSR is been reported is from 01/04/2021 to 31/03/2022. It does not include any information about the associate company. During the year, CSR provisions were applicable to the company. During the financial year ended 31st March, 2022, provision for CSR Expenses is Rs. 8.87 Lakhs However Company spent only 5.64 Lakhs to CSR expenses. Balance amount of Rs. 3.23 lakhs is to be transferred to the fund included in schedule VII of the Act.

The Company has a Board Committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. CSR committee comprises:

Name of the Member	Designation
MR. PRANIT ANIL BANGAD	**Chairman**
MR. AVINASH RAJARAM CHANDSARKAR	**Member**
MR. RAJESH RAGHUNATH BHATWAL	**Member**

Sr. No	Name of the party	Particulars	Amount
1	ROTARY CLUB OF DHULE CROSS ROAD, DHULE	Donation for events for training & pramotion of table tennis	1,00,000
2	NAVKAR SPORTS,DHULE	Donation for sponsorship events for training & pramotion of table tennis	25,000
3	SHRI ARIHANT GAUSEVA-SEVABHAVI SANSTHA NANDURBAR	Gaushala donation	3,30,000
4	POLICE TRAINING CENTRE, DHULE / RUSHIKESH ENTERPRISES, DHULE	Water Filter plant 1000 ltrs.phr.fully automatic system	1,09,000

Company spent 5.64 lakhs on above projects under Corporate Social Responsibility. There is unspent amount of Rs. 3.23 using in ongoing projects and company transfer the unspent amount to PPM fund of government.

DECLARATION OF INDEPENDENCE

To,
The Board of Directors,
NITIRAJENGINEERSLIMITED,
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, **DEEPAM PRADEEP SHAH** (DIN: 09448356), hereby certify that I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

I certify that:

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/ was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/ had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lac's or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
    - holds or has held the position of a key managerial personnel or is or has been employee/ executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
    - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

- holds together with my relatives 2% or more of the total voting power of the company; or
- Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

Declaration

I undertake that, I shall seek prior approval of the Board, if and when, I have any such relationship/ transactions, whether material or non-material. If I fail to do so, I shall cease to be an independent director from the date of entering in to such relationship / transactions.
Further, I do hereby declare and confirm that, the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any, imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking You,
Yours faithfully,

Sd/-
DEEPAM PRADEEP SHAH
(DIN: 09448356)
Non-Executive and Independent Director

Date: 06/09/2022
Place: Dhule

DECLARATION OF INDEPENDENCE

To,
The Board of Directors,
NITIRAJ ENGINEERS LIMITED,
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, **PRANIT ANIL BANGAD** (DIN: 09448410), hereby certify that I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

I certify that:

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
    - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
    - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

- holds together with my relatives 2% or more of the total voting power of the company; or
- Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

Declaration

I undertake that, I shall seek prior approval of the Board, if and when, I have any such relationship/ transactions, whether material or non-material. If I fail to do so, I shall cease to be an independent director from the date of entering in to such relationship / transactions.
Further, I do hereby declare and confirm that, the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking You,
Yours faithfully,

Sd/-
PRANIT ANIL BANGAD
(DIN: 09448410)
Non-Executive and Independent Director

Date: 06/09/2022
Place: Dhule

DECLARATION OF INDEPENDENCE

To,
The Board of Directors,
NITIRAJENGINEERSLIMITED,
Mumbai.

Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015

I, AVINASH RAJARAM CHANDSARKAR (DIN: 09448464), hereby certify that, I am a Non-Executive Independent Director of Nitiraj Engineers Limited, Mumbai and I comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

I certify that:

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/ was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/ had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
    - holds or has held the position of a key managerial personnel or is or has been employee/ executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
    - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
    - holds together with my relatives 2% or more of the total voting power of the company; or

- Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.
Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking You,
Yours faithfully,

Sd/-
AVINASH RAJARAM CHANDSARKAR
(DIN: 09448464)
Non-Executive and Independent Director

Date: 06/09/2022
Place: Dhule

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Annexure

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2022
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company) (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHERDETAILS:

CIN	L31909MH1999PLC119231
Registration Date	01/04/1999
Name of the Company	NITIRAJENGINEERSLIMITED
Category/Sub-category of the Company	Company Limited by Shares/Public Company
Address of the Registered office & contact details	306-A, BABHA BLDG., N M JOSHI MARG, NEAR POLICE STATION, MUMBAI-400011
Whether Listed Company	Yes listed on Main Board of NSE
Name, Address & contact details of the Registrar & Transfer Agent, if any.	**BIGSHARE SERVICES PRIVATE LIMITED,** SEBI Registration No: INR000001385 S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India.Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	WEIGHING MACHINERY	C	100 %
2.	OTHER OFFICE MACHINES	C	

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATECOMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	**Hyper Drive Information Technologies Private Limited,** Bangalore, Karnataka	**U72200KA2005PTC 036535**	Associate	25%	Section 2(6) of Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share-Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2021]				No. of Shares held at the end of the year[As on 31/03/2022]				% Change during the year
	De-mat	Physical	Total	% of total shares	De-mat	Physical	Total	% of Tot. Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7080000	0	7080000	69.07	7080000	0	7080000	69.07	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	7080000	0	7080000	69.07	7080000	0	7080000	69.07	**1.0 1**
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0

Sub-total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	7080000	0	7080000	69.07	7080000	0	7080000	69.07	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Clearing Members)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	0	0	0	0	0	0	0	0	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	714000	0	714000	6.97	380777	0	380777	3.71	
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual sh. holders holding ominal sh. capital up to Rs. 1 lakh For FY 2021-22 Upto	805125	0	805125	7.85	918530	0	918530	8.96	

Rs 2 lakhs									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh for FY 2021-22 upto Rs 2 lakhs	1543500	0	1543500	15.06	1767286	0	1767286	17.24	
c) Others (specify)	0	0	0	0		0			
Hindu Undivided Family	84375	0	84375	0.82	80313	0	80313	0.78	
Non Resident Indians	22500	0	22500	0.22	21666	0	21666	0.21	
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	1500	0	1500	0.01	2428	0	2428	0.02	
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies- D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1) + (B)(2)	**3171000**	**0**	**3171000**	**30.93**	**3171000**	**0**	**3171000**	**30.93**	**0**
C. Shares held by Custodian for GDRs &ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**10251000**	**0**	**10251000**	**100.00**	**10251000**	**0**	**10251000**	**100.00**	

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(ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total sh.	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total sh.	
1	Mr. Rajesh Bhatwal	4303875	41.9849	0	4303875	41.9849	0	0
2	Mrs.Shakuntala Bhatwal.	2395500	23.3685	0	2395500	23.3685	0	0
3	Mrs. Meerabai Bhatwal	62375	0.6085	0	62375	0.6085	0	0
4	Mr. Aalok Bhatwal	300000	2.9265	0	300000	2.9265	0	0
5	Mrs. Deepa Bhatwal (Khatri)	3125	0.0305	0	3125	0.0305	0	0
6	Ms. Prachi Bhatwal	15125	0.2136	0	15125	0.2136	0	0
	TOTAL	7080000	69.0652		7080000	69.0652		

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares ofthe Company
At the beginning of the year	7080000	69.0652	7080000	69.0652

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) : Purchase from Open Market.	0	0	0	0
At the end of the year	7080000	69.0652	7080000	69.0652

(iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2021		Cumulative Shareholding at end of the year 31.03.2022	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ARIHANT CAPITAL MKT. LTD	432000	4.21	248307	2.42
2	DHRUV AJAY BHATWAL	-	-	124266	1.21
3	ALACRITY SECURITIES LIMITED	252000	2.46	114410	1.21
4	VISHNUBHAI CHHAGANLAL PATEL	-	-	100000	0.97
5	PANKAJ JAJU	97500	0.95	97500	0.95
6	PRASHANT PRITHVIRAJ JAIN	54000	0.53	94394	0.92
7	S P VENUGOPAL	-	-	85320	0.83
8	SURESH JUGRAJ MUTHA	49500	0.48	49500	0.48
9	SHANTA BHERULAL PASARI	60000	0.58	47234	0.46
10	VASUKI VENUGOPAL	-	-	45274	0.44

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(v) Shareholding of Directors and Key Managerial Personnel:

SN	Name of Directors/ Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2021		Increase / Decrease in shareholding		Cumulative Shareholding at end of the year 31.03.2022	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1	Mr. Rajesh Bhatwal	43,03,875	41.98	-	-	43,03,875	41.98
2	Mrs. Shakuntala Bhatwal	23,95,500	23.37	-	-	23,95,500	23.37
3	Mr. Yi Hung Sin	8,32,500	8.12	-	-	8,32,500	8.12

(VI) Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial Year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

- **As per Audited Balance Sheet there was no indebt-ness in the Books of Accounts.**

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V. REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rupees)

Sr No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Rajesh Bhatwal	Mrs. Shakuntala Bhatwal	Mr. Yi Hung Sin	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,04,998	4,84,998	6,94,998	35,84,994
	(b) Value of perquisites u/ s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify – Sales Incentive	-	- -	- -	-
5	Others, please specify (Professional Fees)	19,00,000	19,00,000	4,80,000	42,80,000
	Total (A)	**4304998**	**23,84,998**	**1174998**	**78,64,994**

The remuneration is within the limits as per section 197 of the Companies Act, 2013 read along with Schedule V and is approved by the Shareholders by way of a Special Resolution.

B. Remuneration to other Directors.

(Amount in Rupees)

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration (A+B)	-	-	-	-

The remuneration is within the limits as per section 197 of the Companies Act, 2013 read along with Schedule V and is approved by the Shareholders by way of a Special Resolution.

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C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS*	CFO*	Total (in Rs)
		Mrs. Deepika A Dalmiya	Mr. Kailas Agrawal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	**3,08,406**	**5,46,998**	**8,55,404**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**3,08,406**	**5,46,998**	**8,55,404**

VI. Penalties/Punishment/Compounding of Offences:

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act as against the Company or its Directors or other officers in default, if any during the year.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment /Compounding fees imposed	Authority(RD / NCLT/Court)	Appeal made if any (give details)
A. COMPANY / DIRECTORS / OTHER OFFICER IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE ON 2021-22

❖ **INTRODUCTION**

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that Corporate Governance signifies ethical business behavior in every sphere and with all constituents. This ethical business behavior can being-rained in the character of the organization through tradition, value, systems and commitment to the later as much as the spirit of laws and regulations. Corporate Governance emerges as the cornerstone of the Company's governance philosophy of the trusteeship, transparency, accountability and ethical corporate citizenship.

2. BOARD COMPOSITION AND PARTICULARS OF DIRECTORS:

i. Composition & Category of Directors [as on 31st March, 2022].

The Board comprises of Six Directors, one of them is The Managing Director, 3 directors are Non – Executive Independent Directors and 1 Executive director, 1 is Women Director.

Sr. No	Name of Director	Position
1	RAJESH RAGHUNATH BHATWAL	Managing Director & CEO
2	SHAKUNTALA RAJESH BHATWAL	Whole Time Director & Woman Director
3	YI HING SIN	Whole Time Director
4	DEEPAM PRADEEP SHAH	Non – Executive Independent Directors
5	PRANIT ANIL BANGAD	Non – Executive Independent Directors
6	AVINASH RAJARAM CHANDSARKAR	Non – Executive Independent Directors

The Company does not have a Nominee Director on the Board.
The Company held **Eleven** Board Meetings during the year.

Sr no	Date
1	05/04/2021
2	20/05/2021
3	22/06/2021
4	20/07/2021
5	14/08/2021
6	02/09/2021
7	13/11/2021
8	15/12/2021
9	06/01/2022
10	17/01/2022
11	14/02/2022

Every board meeting, the matters specified under Section 17 read with Schedule II (Part A) of Listing Regulations were placed and discussed.

The notice of each Board meeting is given in writing to each Director. The Agenda along with relevant notes and others material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decision by the Board. The Board reviews the performance of the Company vis a vis the budget/targets. The previous Annual General Meeting (AGM) of the Company was held on Saturday, 28th September, 2021 at 12.30 P.M.

The attendance of directors at the Board meeting, their Directorships in other Companies and Membership / Chairmanship in the Committees constituted by other Companies are given below:

Name	Number of Board meeting attended	Directorship in other companies as on 31st March 2022	Member/Chairman of committees of other company(s) 31st March 2022
RAJESH RAGHUNATH BHATWAL	10	0	0
SHAKUNTALA RAJESH BHATWAL	6	0	0
HUNG SIN CHUNG HUANYI	6	0	0
DEEPAM PRADEEP SHAH	2	0	0
PRANIT ANIL BANGAD	2	0	0
AVINASH RAJARAM CHANDSARKAR	2	0	0

ii. None of the directors on the Board is a Member of more than 10 board or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as of March 31, 2022 have been made by the Directors.

iii. None of the Independent Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
Among other important information, minutes of all the Committee meetings, are regularly placed before the Board in their meetings.

iv. Separate Meeting of Independent Directors As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

3. Committees of Board

During the year in accordance with the companies Act, 2013, there is change in constitution of Nomination and Remuneration committees of the Board as Follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee
4. Corporate Social Responsibility Committee
5. Internal Complaints Committee

6. Sexual Harassment Committee

a. Audit Committee:

The constitution, role and the powers of the Audit Committee of the Company are as per the guidelines set out in the Listing Agreement with Stock Exchange read with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. The Committee also acts as a link between the Statutory and Internal Auditors and the Board of Directors. It reviews the various reports placed before it by the Management and addresses itself to the larger issues and examines and considers those facts that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements and other management information, adequacy of provisions of liabilities and adequacy of disclosures and compliance with all relevant statutes. All the members of the committee have requisite financials. The Committee meets periodically and reviews Audited and un-audited financial results;

- Internal audit reports and report on internal control systems of the Company;
- Discusses the larger issues that could be of vital concern to the Company;
- Auditors' report on financial statements and their findings and suggestions and seeks clarification thereon;
- All other important matters within the scope and purview of the committee.

As on 31st March 2022, the Audit Committee comprised of the following: (Audit Committee)

S. R.	Name	Designation	No. Of meetings Attended
1.	Pranit Bangad (ID)	Chairman	2
2.	Deepam Shah (ID)	Member	2
3.	Rajesh Bhatwal (C&ED)	Member	5

Details of Audit Committee meeting held during the year under review

Sr. No	**Date**
1	17/06/2021
2	31/08/2021
3	08/11/2021
4	15/02/2022
5	07/03/2022

Note:
The company secretary of the company act as the secretary to the committee.

Nomination and Remuneration Committee

Company has formed the Nomination and Remuneration Committee as per Section 178 another applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Nomination and Remuneration.

Committee includes the following:

1. Appointment, re-appointment, determination, fixation of the remuneration (including salaries and salary adjustments, incentives/benefits bonuses, stock options) and revision in the remuneration payable to the Managing Director of our Company from time to time.
2. Compensation and performance targets.
3. Other key issues / matters as may be referred by the Board or as may be necessary in view of the provisions of the Listing Agreement or any statutory provisions.

As on 31st March, 2022, the Committee Comprises of the following Members:

S. R.	Name	Designation	No. Of meetings Attended
1.	DEEPAM PRADEEP SHAH (ID)	Chairman	1
2.	AVINASH RAJARAM CHANDSARKAR (ID)	Member	1
3.	PRANIT ANIL BANGAD (ID)	Member	1

Committee meeting held during the year under review

Sr. No	Date
1	10/04/2021
2	22/09/2021
3	6/12/2021
4	15/03/2022

Directors' Appointment Criteria / Policy

The Board of Directors is collectively responsible for selection of a Member on the Board The Compensation / Nomination and Remuneration Committee of the Company follows a defined criteria for identification, screening, recruiting and recommending candidates for election as a Director on the Board.

<u>The criteria for Appointment to the Board includes:</u>

1. Composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;

2. Desired age and diversity on the Board;

3. Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
4. Professional qualifications, expertise and experience in specific area of business;

5. Balance of skills and expertise in view of the objectives and activities of the Company;

6. Avoidance of any present or potential conflict of interest;

7. Availability of time and other commitments for proper performance of duties; and

8. Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.

Remuneration Policy

1. The reward policy of the Company shall be to pay market competitive reward with a strong linkage to performance, which ensures the effective recognition of performance and encourages a focus on achieving the operational results.

2. The appointment and remuneration of the Executive Directors, Key Managerial

Personnel and Senior Management are by virtue of their employment with the Company as management employees and therefore their terms of employment viz. salary, variable pay, service contract, notice period and severance fee, if any, shall be governed by the applicable HR policies at the relevant period. The total reward package for Executive Directors, Key Managerial Personnel and Senior Management are intended to be market competitive with a strong linkage to the performance.

The Company does not have any Employee Stock Option Scheme.

a. Details of Remuneration paid to Managing Director for the period

from 1st April, 2021 to 31st March, 2022.

(Amount in Rs.)

S. R.	Name	Salary	Professional Fees
1	Rajesh Raghunath Bhatwal	Rs. 24,04,998	Rs. 19,00,000

The aforesaid remuneration was paid to the Managing Director in compliance with the Provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

b. Non-Executive Directors' Compensation

The Non-Executive Directors do not draw any remuneration from the Company. The company secretary of the company act as the secretary to the committee.

b. Stakeholders Relationship Committee

The Company had constituted Stakeholders Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares todemat accounts, non-receipt of dividend/ notices/ annual reports etc.

The Stakeholders Relationship Committee comprised of

S. R.	Name	Designation	No. Of meetings Attended
1.	PARNIT ANIL BANGAD (ID)	Chairman	1
2.	AVINASH RAJARAM CHANDSARKAR (ID)	Member	1
3.	RAJESH BHATWAL (C& ED)	Member	4

Also the same committee will be act for resolving shareholder grievances. If any shareholder have query, compliant on any matter including Annual report, this committee is responsible to resolve the same. Members can lodge their query/ complaint on investor@nitiraj.net.

Committee meeting held during the year under review

Sr. No	Date
1	05/05/2021
2	13/09/2021
3	01/12/2021
4	15/02/2022

i. Investor Grievance Redressal:

During the Financial Year 2021-22, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31st March, 2022.

c. Corporate Social Responsibility Committee

The Company constituted the Corporate Social Responsibility of Directors to look into the following:

- Matters specified in section 135 of the Companies Act 2013 which inter-alia includes:
  (a) Formulate and recommend to the Board, a Corporate social responsibility policy which shall indicate the activities to be undertaken by company as specified in schedule VII;
  (b) recommend the amount of expenditure to be incurred on activities referred to in clause (a)
  (c) Monitor the Corporate Social Responsibility policy of the company from time to time.

As on 31st March, 2022, the Committee Comprises of the following Members:

S. R.	Name	Designation	No. of meetings Attended
1.	PRANIT ANIL BANGAD	Chairman	2
2.	AVINASH RAJARAM CHANDSARKAR	Member	2
3.	RAJESH RAGHUNATH BHATWAL	Member	4

Committee meeting held during the year under review

Sr. No	Date
1	04/05/2021
2	07/08/2021
3	29/11/2021
4	19/02/2022

Name and Designation of Compliance Officer

Mrs. Deepika Dalmiya, Company Secretary.

Note:

1. The company secretary of the company act as the secretary to the committee.
2. There was no compliant received from the shareholder during the year under review as per reports provided by Registrar and Transfer Agent, hence no there is no pending complaint

i. MEANS OF COMMUNICATION:

Shareholding Pattern, Corporate governance report and Financial Results are electronically transmitted to the National Stock Exchange. And documents which are require being upload on the website of the company as per SEBI (LODR) Regulation, 2015 and other applicable regulation.

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GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting:

AGM : Date , Time and Venue	29th September 2022, at 12.30 P.M.
Financial Year	2021-22
Date of Book Closure	23rd September 2022 to 29th September 2022
Dividend Payment Date	NA
Listing on Stock Exchange	**NATIONAL STOCK EXCHANGE- Main Board NSE**
Stock Code	NITIRAJ
Registrar and Transfer Agent	BIGSHARE SERVICES PVT LTD
Outstanding GDR/ADR /warrants or any convertible instruments conversion date and likely impact on equity	NOT ISSUED
Address for Correspondence	306A BABHA BLDG N M MARG NEAR POLICE STATION MUMBAI 400011

Non mandatory Requirements

a. Shareholders Right – Re; Quarterly Result

A Quarterly declaration of financial performance including summary of the significant events in last year is uploaded on the website of the company.

b. Audit Qualification –

The financial statements of the company are unqualified.

c. Evaluation of the board performance

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulation 2015, the Board has carried out an annual performance evaluation of its own, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. The result of the evaluation done by Independent Directors was reported to the Chairman of the Board.

It was reported that the performance evaluation of the Board & Committee's was satisfactory. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. The Directors expressed their satisfaction with the evaluation process.

For and on Behalf of the Board of Directors
NITIRAJ ENGINEERS LIMITED

Sd/-
Rajesh Bhatwal
Managing Director
DIN: 00547575

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ANNEXURES

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to Section 135 of the Companies Act, 2013]

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of the communities around us. Our Corporate Social Responsibility (CSR), thus, is not limited to philanthropy, but also includes large initiatives that lead to social development.

REPORTING:-

The period for which CSR is been reported is from 01/04/2021 to 31/03/2022. It does not include any information about associate company. The Company has its own CSR policy. During the year, CSR provisions were applicable to the company. During the financial year ended 31st March, 2022, provision for CSR Expenses is Rs. 8.87 Lakhs However Company spent only 5.64 Lakhs to CSR expenses. Balance amount of Rs. 3.23 lakhs is to be transferred to the fund included in schedule VII of the Act.

The Company has a Board Committee (CSR committee) that provides oversight of CSR policy execution to ensure that, the CSR objectives of the Company are met. CSR committee comprises:

Name of the Member	Designation
MR. PRADEEP CHANDRAKANT SHAH	**Chairman**
MR. ANIL NANDKISHOR BANGAD	**Member**
MR. RAJESH RAGHUNATH BHATWAL	**Member**

ANNEXURE- C TO THE DIRECTORS' REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31st, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
NITIRAJ ENGINEERS LIMITED
306 A BABHA BLDGN M MARG
NEAR POLICE STATION MUMBAI
MH 400011 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NITIRAJ ENGINEERS LIMITED** (hereinafter called **"The Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, registers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-law framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment; (No specific transactions was found during the reporting period, to which the above guideline shall applicable.)

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(No specific transactions were found during the reporting period, to which the above guideline shall applicable.)*

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(No specific transactions were found during the reporting period, to which the above guidelines shall be applicable.)*

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(No specific transactions were found during the reporting period, to which the above guidelines shall be applicable.)*

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. *(Specific compliances with respect to the regulations were adhered to by the company during the reporting period.)*

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(No specific transactions were found during the reporting period, to which the above guidelines shall be applicable.)*

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. *(No specific transactions were found during the reporting period, to which the above guidelines shall be applicable.)*

i) Other laws applicable to the Company as per the representations made by the Management.

   (1) The Secretarial Standards issued by the Institute of Company Secretaries of India.

   (2) Listing agreement as entered into by the company with the National Stock Exchange to the extent of the listing of the equity securities of the company.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. The company during the reporting period has filed a few forms including Form MGT-14 and Form DPT-3 and others with additional fees. Therefore, it has to be treated as compliance after the due date along with payment of additional fees.

2. As informed by the management that there are no outstanding dues of MSME vendors more than 45 days. Accordingly, Company has not filed Form MSME-1 in regarding to outstanding payments to MSME vendors. *The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Group.*

3. The company is appointing every year the statutory auditor for a term of one year, which is not accordance with the provisions of section 139 of the Companies Act, 2013. Therefore, I report that the provisions of section 139 with respect to appointment of auditors were not followed with true spirit.

4. A non-compliance of Regulation 23 (9) of SEBI (LODR) Regulations, 2015 (Listing Regulations) has been observed during the reporting period for the quarter ended on 30th September, 2021 and therefore a monetary penalty of Rs. 150,000 (Rupees One Lakh Fifty Thousand only) (additional GST @18% amounting to Rs. 27,000) has been imposed on the company vide letter NSE/LIST-SOP/COMB/FINES/0830 dated 14th January, 2022.

5. A non-compliance of Regulation 17(2A) of SEBI (LODR) Regulations, 2015 (Listing Regulations) has been observed during the reporting period for the quarter ended on 31st December, 2021 and therefore a monetary penalty of Rs.10, 000 (Rupees Ten thousand Only) (additional GST @18% amounting to Rs.1,800) has been imposed on the company vide letter NSE/LIST-SOP/COMB/FINES/0832 dated 21st February, 2022.

6. It has been observed that the company has an unspent amount of Rs.16,37,595 towards the CSR expenditure pertaining to previous reporting period. Being the amount was for an on-going project, the same amount was supposed to be transferred to a special account to be opened by the company in that behalf for that financial year in a scheduled bank to be called the Unspent Corporate Social Responsibility Account within the period of Thirty days from the end of the financial year. The company has failed to transfer the unspent amount to the separate bank account as per Section 135 (6). Therefore, I report that to that extent, there is a non-compliance of the provisions of Section 135 of the Companies Act, 2013.

7. During the period under review, the company has migrated to the main board on 22nd April, 2021 from SME platform of the National Stock Exchange. Regulation 47(3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is applicable to the company with the same effective date. It has been observed that, the company has failed to publish the newspaper advertisement with respect to the approval of Annual financial statements for 31st March, 2021, approved in the Board meeting held on 22nd June, 2021. The Management informed us the financial statements were for the SME listed company. Hence Regulation 47(3) is not applicable to the company. In my view, being the company shifted to the main board, hence Regulation 47(3) is applicable to the company. Therefore, I report that there is a non-compliance of Regulation 47(3) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

8. We also adhere the *"remarks or observations"* as pointed out by the statutory Auditor in his report and the company in financial statements as on date 31.03.2022.

9. The Company has complied few stock exchange compliances as per as per SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 after due date.

I further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There are no changes in the composition of the Board of Directors that took place during the period under review.

b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or shorter notice with the consent of all the director or members as the case may be and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

c) All the decisions of the Board as well as committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of directors or the committees of the Board, as the case may be.

d) I further report that there is scope to improve the systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

FOR D. SAGAR & ASSOCIATES

Sd/-

CS SAGAR R.DEO
(Practicing Company Secretary)
FCS No.: 9518
CP No: 11547
Peer Review NO.: 1192/2021
UDIN: F009518D000915489

Place: Aurangabad

Date: 05/09/2022

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE-I" & "ANNEXURE-I" forms as an integral part of this report.

ANNEXURE-I

To,
The Members,
NITIRAJ ENGINEERS LIMITED
306 A BABHA BLDGN M MARG
NEAR POLICE STATION MUMBAI
MH 400011 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company and non-compliances reported shall not be conclude as complete & final.

FOR D. SAGAR & ASSOCIATES

Sd/-

CS SAGAR R.DEO
(Practicing Company Secretary)
FCS No.: 9518
CP No: 11547
Peer Review NO.: 1192/2021
UDIN: F009518D000915489

Place: Aurangabad

Date: 05/09/2022

Independent Auditor's Report

To
The Members,
Nitiraj Engineers Limited,
Mumbai

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **Nitiraj Engineers Limited** *("the Company")* which comprises the standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone statement of changes in equity and Standalone statement of cash flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with 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 Standalone 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon.

1) Testing, recognition & measurement of impairment on intangible asset:

Key audit matter	How the matter was addressed in our audit
As disclosed in notes to the standalone financial statements, the company has tested and charged for impairment of Intangible assets under development. We identified the annual impairment assessment of Intangible assets under development as a key audit matter because the assessment process is complex and judgmental by nature and is based on assumptions on: - projected future cash inflows - expected growth rate and profitability - perpetuity value based on long term growth rate - sensitivity analysis - discount rate Recognition & measurement of impairment loss: - determination of recoverable amount - ascertaining of carrying amount of intangible asset - computing impairment loss - accounting treatment of impairment loss	Our audit procedures in respect of impairment testing of Intangible assets under development included the following: • Testing operating effectiveness of controls over determination of the recoverable amounts of cash generating units. Cash generating units for this purpose are those to which the Intangible asset under development is allocated; • Challenging the significant assumptions and judgements used in impairment analysis, such as forecast revenue, margins, long term growth and discount rates in comparison to economic and industry forecasts; • Performing sensitivity analysis of the key assumptions, such as future revenue growth rates, future gross margins, and the discount rate used in determining the recoverable value; • Evaluating the accounting treatment used to give effect of impairment loss on an individual asset; • Evaluating the adequacy of disclosures, including disclosures of judgements and sensitivities.

2) **Capitalisation of intangible assets under development:**

Key audit matter	How the matter was addressed in our audit
As disclosed in notes to the standalone financial statements, the company has capitalised intangible assets under development during the year. We identified capitalisation of intangible assets under development as a key audit matter because it is difficult to assess whether an internally generated intangible asset qualifies for recognition, due to problems in: - Identifying whether there is an identifiable asset that will generate expected future economic benefit, - Determining the cost of asset reliably, and - Measurement after recognition	Our audit procedures in respect of recognition of Intangible assets under development included the following: • Evaluating the model for measurement, • Evaluating the useful life as determined for amortisation of intangible asset, • Assessing the reasonableness of useful life of intangible asset. • Evaluating stability of the industry in which it operates, • Performing sensitivity analysis • Evaluating the adequacy of disclosures, including disclosures of judgements and sensitivities.

3) **Recognition and measurement of Deferred tax assets**

Key audit matter	How the matter was addressed in our audit
As disclosed in notes to the standalone financial statements, the company has recognised deferred tax asset during the year. Recognition and measurement of such deferred tax assets has been identified as a key audit matter because the assessment process involves significant judgement regarding the forecasts of future income tax. The assessment process is based	In respect of deferred tax assets, we assessed recognition and measurement by performing the following procedures: • Evaluating the design, implementation and operating effectiveness of the relevant internal controls over recognition and measurement of deferred tax assets and underlying data; • Obtaining the approved business plans, projected profitability statements; • Challenging the assumptions used regarding future business plans and taxable profit in light of fiscal developments, current economic environment and prior performance in determining the recoverability of business losses recognized within the period available under applicable Income tax laws;

on assumptions affected by expected future market or economic conditions.	• Performing sensitivity analysis • Testing the computation of amounts recognized as deferred tax assets on business losses; • Focusing on the disclosures on deferred tax asset and assumptions used.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexures to the Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information. We are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.

- 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 an adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give (in the Annexure A) a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by Section 143(3) of the Act, based on our Audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other comprehensive income, Standalone statement of changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule v of the Act.

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

i. As explained to us, company does not have any pending litigations which would impact its financial position;

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

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the 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.

For and on behalf of
P.D.Dalal & Co.
Chartered Accountants
Firm Registration No.102047W

(Aashish S. Kakaria)
Partner
Membership No.102915
UDIN: 22102915AIZVIC2409

Mumbai
12th May, 2022

Annexure A to the Independent Auditors Report

The Annexure referred to in our Independent Auditors' Report to the members of Nitiraj Engineers Limited on the standalone financial statements for the year ended 31st March, 2022, we report that:

(i) (a) (A) In our opinion the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right to-us- assets.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us the title deeds of the Immovable properties are held in the name of the company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) As explained to us the inventory has been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of such verification is reasonable. No material discrepancies noticed on physical verification of inventories as compared to the book record that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company after reconciliation with such banks are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in, granted unsecured loan other parties in respect of which the requisite information is provided in clause (a) to (f) as below to the extent applicable.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted unsecured loan as below:

Particulars	**Amount (in lacs)**
Aggregate amount during the year	
- Loans to Employees	97.12
Balance outstanding as at balance sheet date	
- Loans to Employees	98.91

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans, as specified under Section 185 of the Act during the year. The Company has complied with the provisions of Section 186 of the Act, in respect of loans granted to the parties covered under Section 186 of the Act. The Company has not provided any guarantees or security to the parties covered under Section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Income-tax, Goods and Services tax, Duty of Custom, Duty of Excise, and Other Statutory Dues applicable to it. And no undisputed amounts payable in respect of Provident fund, Income-tax, Goods and Service tax, Duty of custom, Duty of excise, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Income-tax, Duty of Customs, Cess or other statutory dues which have not been deposited by the Company on account of disputes.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects the company has not transferred unspent amount to fund specified in schedule VII to the companies act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said act.

Financial Year	Amount unspent on corporate social responsibility activities “other than ongoing projects”	Amount transferred to fund specified n schedule VII within 6 months from the end of the financial year	Amount transferred after the due date
2021-2022	3.23 lacs	Nil	N.A.

The company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

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(b) In our opinion and according to the information and explanations given to us, there is ongoing project in compliance with provision of sub-section (6) of section 135 of the said act.

Financial Year	Amount unspent on Corporate Social Responsibility activities for "Ongoing Projects"	Amount Transferred to Special Account within 30 days from the end of the Financial Year	Amount Transferred after the due date
2020-2021	16.38 lacs	Nil	Nil

The amendments to section 135 of the Act, by inclusion of sub-section (6), through the introduction of the Companies (Amendment) Act, 2019 is yet to be notified and as such provisions of this clause are not yet applicable to the company.

For and on behalf of
P.D.Dalal & Co.
Chartered Accountants
Firm Registration No.102047W

(Aashish S. Kakaria)
Partner
Membership No.102915
UDIN: 22102915AIZVIC2409

Mumbai
12th May, 2022

Annexure "B" to the Independent Auditors Report

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of Nitiraj Engineers Limited as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For and on behalf of
P.D.Dalal & Co.
Chartered Accountants
Firm Registration No.102047W

(Aashish S. Kakaria)
Partner
Membership No.102915
UDIN: 22102915AIZVIC2409

Mumbai
12th May, 2022

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NITIRAJ ENGINEERS LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(Amount in INR Lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021	April 1, 2020
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	3,235.97	2,742.21	2,868.35
(b) Capital Work-in-Progress	4	-	514.18	407.71
(c) Investment Property	5	12.32	8.71	8.86
(d) Right-of-use assets	4	25.15	58.97	69.50
(e) Intangible Assets	6	357.41	-	-
(f) Intangible Assets Under Development	6	160.16	601.02	468.01
(g) Financial Assets				
(i) Investments	7	201.15	201.15	201.10
(ii) Trade Receivables	9	-	-	-
(ii) Other Financial Assets	7	29.42	44.12	64.62
(h) Deferred Tax Asset (Net)	13	85.37	-	-
(i) Other Non-Current Assets	12	428.49	412.15	217.95
		4,535.44	**4,582.51**	**4,306.10**
Current assets				
(a) Inventories	8	1,546.19	1,368.21	1,422.64
(b) Financial Assets				
(i) Investments	7	44.74	38.21	37.60
(ii) Trade Receivables	9	824.75	882.91	942.52
(iii) Cash and Cash Equivalents	10	27.02	155.30	448.05
(iv) Bank Balances Other than (iii) above	11	54.20	41.53	18.44
(v) Loans	7	98.91	14.16	24.69
(vi) Other Financial Assets	7	95.52	99.59	26.39
(c) Current Tax Assets (Net)	22	39.11	-	-
(d) Other Current Assets	12	508.96	769.03	829.51
		3,239.41	3,368.94	3,749.84
TOTAL		**7,774.85**	**7,951.45**	**8,055.94**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	14	1,025.10	1,025.10	1,025.10
(b) Other Equity	15	5,797.05	6,139.01	5,769.45
		6,822.15	**7,164.11**	**6,794.55**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Lease Liabilities	17	9.37	38.37	41.31
(b) Provisions	21	62.46	78.78	78.66
(c) Deferred Tax liabilities (Net)	13	-	26.63	28.00
(d) Other Non-Current Liabilities	20	4.51	5.51	6.70
		76.34	**149.29**	**154.66**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	371.47	-	-
(i) Lease Liabilities	17	17.00	23.34	28.19
(ii) Trade Payables	19			
Due to micro and small enterprises		-	-	-
Due to others		98.97	230.84	219.00
(iii) Other Financial Liabilities	18	169.65	165.65	700.52
(b) Provisions	21	32.23	4.09	5.36
(c) Other Current Liabilities	20	187.05	129.25	153.65
(d) Current Tax Liabilities (Net)	22	-	84.89	-
		876.37	**638.04**	**1,106.73**
TOTAL		**7,774.85**	**7,951.45**	**8,055.94**

Significant Accounting Policies and Notes forming part of the Financial Statements — 1 to 50

As per our report of even date
For P.D.Dalal & Co.
Chartered Accountants
F.R.No. 102047W

For and on behalf of the board of directors of Nitiraj Engineers Limited

Aashish S. Kakaria
Partner
Membership No.102915
UDIN : 22102915AIZVIC2409

Rajesh R. Bhatwal
Managing Director
Din No.00547575

Shakuntala R. Bhatwal
Director
Din No.01953906

Kailas M. Agrawal
CFO

Deepika A. Dalmiya
Company Secretary
Membership No. A58029

Mumbai
Date: May 12, 2022

PHOENIX

NITIRAJ ENGINEERS LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in INR Lakhs)

Particulars	Notes	2021-22	2020-21
REVENUE			
Revenue from operations (net)	24	3,962.63	5,339.79
Other income	25	58.22	23.36
Total Revenue (I)		**4,020.85**	**5,363.15**
EXPENSES			
Cost of materials consumed		2,087.86	2,809.95
Changes in inventories of work-in-process and finished goods	26	80.97	42.46
Employee benefits expense	27	544.56	529.84
Finance costs	28	49.53	28.28
Depreciation and amortization expense	29	313.26	309.31
Other expenses	30	1,070.72	1,146.36
Total Expenses (II)		**4,146.91**	**4,866.19**
Profit before tax and Exceptional Items(I-II)		**(126.06)**	**496.96**
Exceptional Items	31	319.42	-
Profit/(loss) before tax		**(445.48)**	**496.96**
Tax expense:			
Current tax		-	**137.24**
Adjustment of tax relating to earlier periods		0.16	-
Deferred tax		(109.90)	(3.50)
Profit/(loss) for the period		**(335.74)**	**363.22**

OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		(8.32)	**8.47**
Income tax effect		2.09	(2.13)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-
Other Comprehensive income for the year, net of tax		(6.22)	6.34
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(341.97)**	**369.56**
Earnings per share for profit attributable to equity shareholders	31		
Basic and Diluted EPS		(3.28)	3.54

Significant Accounting Policies and Notes forming part of the Financial Statements — 1 to 50

As per our report of even date
For P.D.Dalal & Co.
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Mumbai
Date: May 12, 2022

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NITIRAJ ENGINEERS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit Before Tax as per Statement of Profit and Loss:	(445.48)	496.96
Adjustments for:		
Depreciation and amortisation expense	313.26	309.31
Net (gain)/loss on disposal of property, plant and equipment	109.60	(0.35)
Impairment of intangible assets under development	196.27	-
Finance costs	49.53	28.28
Interest Income	(22.46)	(13.09)
Net gain on financial instruments	(6.54)	(0.61)
Reversal of allowance on doubtful debts	(2.04)	(1.84)
Sundry balances written off	30.95	39.24
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	60.20	61.46
(Increase)/Decrease in inventories	(177.98)	54.42
Increase/(decrease) in trade payables	(131.87)	11.84
(Increase) in other financial assets	18.77	(52.71)
(Increase)/decrease in other assets	198.28	(174.70)
Increase/(decrease) in provisions	3.51	7.31
Increase in other liabilities	60.80	(560.46)
Cash generated from operations	254.80	205.06
Less: Income taxes paid	(109.49)	(50.63)
Net cash inflow from operating activities	145.31	154.43
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(418.37)	(271.15)
Payments for investment property	(3.62)	-
Payments for Purchase of Investments	-	(0.05)
Intangible asset under development	(112.83)	(133.01)
Loans paid to employees recovered	(84.75)	10.54
Proceeds from sale of property, plant and equipment	40.65	**2.93**
Movement in other bank balances	(12.67)	(23.09)
Interest received	22.46	13.09
Net cash outflow from investing activities	(569.12)	(400.74)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	371.47	-
Principal elements of lease payments	(26.41)	(18.16)
Interest paid	(49.53)	(28.28)
Net cash inflow (outflow) from financing activities	295.53	(46.44)
Net increase (decrease) in cash and cash equivalents	(128.28)	(292.76)
Cash and Cash Equivalents at the beginning of the financial year	155.30	448.05
Cash and Cash Equivalents at end of the year	**27.02**	155.30
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks on current accounts	0.10	125.60
Cash on hand	26.92	29.69
Balances per statement of cash flows	**27.02**	155.30

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NITIRAJ ENGINEERS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Note :

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow

(b) Changes in liability arising from financing activities **(Amount in INR Lakhs)**

	Liabilities from financing activities	
	lease liabilities	Borrowings
Net Debt as at April 1, 2020	**69.50**	**531.41**
Cash outflows	(24.30)	(531.41)
Cash inflows	-	-
Interest expense	6.13	22.14
Interest paid		(22.14)
Additions	10.37	-
Net Debt as at March 31, 2021	**61.71**	-
Cash outflows	(30.12)	-
Cash inflows	-	371.47
Interest expense	5.25	49.53
Interest paid	-	(49.53)
Additions	15.75	-
Other adjustments	(26.21)	-
Net Debt as at March 31, 2022	**26.37**	**371.47**

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 50

As per our report of even date
For P.D.Dalal & Co.

Chartered Accountants
F.R.No. 102047W

Aashish S. Kakaria
Partner
Membership No.102915
UDIN : 22102915AIZVIC2409

For and on behalf of the board of directors of Nitiraj Engineers Limited

Rajesh R. Bhatwal
Managing Director
Din No.00547575

Shakuntala R. Bhatwal
Director
Din No.01953906

Kailas M. Agrawal
CFO

Deepika A. Dalmiya
Company Secretary
Membership No. A58029

Mumbai
Date: May 12, 2022

PHOENIX

NITIRAJ ENGINEERS LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2022

A Equity Share Capital

(Amount in INR Lakhs)

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2021			
Numbers	1,02,51,000	-	**1,02,51,000**
Amount	1,025.10	-	**1,025.10**
March 31, 2022			
Numbers	1,02,51,000	-	**1,02,51,000**
Amount	1,025.10	-	**1,025.10**

B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus		
	Securities Premium Reserve	Retained Earnings	Total
As at April 1, 2020	**1,775.70**	**3,993.75**	**5,769.45**
Profit for the period	-	363.22	363.22
Other comprehensive income	-	6.34	6.34
Total comprehensive income for the year	**1,775.70**	**4,363.31**	**6,139.01**
As at March 31, 2021	**1,775.70**	**4,363.31**	**6,139.01**
Profit for the period		(335.74)	**(335.74)**
Other comprehensive income		(6.22)	**(6.22)**
Total comprehensive income for the year	**1,775.70**	**4,021.35**	**5,797.05**
As at March 31, 2022	**1,775.70**	**4,021.35**	**5,797.05**

Note:

(i) Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Retained Earnings: The amount that can be distributed by the Company as dividends to its equity shareholders out of accumulated reserves is determined considering the requirements of the Companies Act, 2013. Thus, the closing balance amounts reported above are not distributable in entirety.

Significant Accounting Policies and Notes forming part of the Financial Statements — 1 to 50

As per our report of even date
For P.D.Dalal & Co.
Chartered Accountants
F.R.No. 102047W

For and on behalf of the board of directors of Nitiraj Engineers Limited

Aashish S. Kakaria
Partner
Membership No.102915
UDIN : 22102915AIZVIC2409

Rajesh R. Bhatwal
Managing Director
Din No.00547575

Shakuntala R. Bhatwal
Director
Din No.01953906

Kailas M. Agrawal
CFO

Deepika A. Dalmiya
Company Secretary
Membership No. A58029

Mumbai
Date: May 12, 2022

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate Information

The financial statements comprise financial statements of Nitiraj Engineers Limited for the year ended March 31, 2022. The company is a public company domiciled in India and is incorporated on April 1, 1999 under the provisions of the Companies Act applicable in India. Its shares are listed on NSE in India. The registered office of the company is located at 306 A Babha Building, M Marg, near police station, Mumbai 400011.

The company is engaged in manufacturing and selling of a variety of Electronic Weighing Scales, Currency Counting Machines, Taxi Fare Meters etc.

The company launched it's Initial Public Offer of equity shares during the FY 2016-17 and got listed on the NSE Emerge [SME] Exchange. Company migrated from SME Platform (EMERGE) and admitted to dealings on the National Stock Exchange (Capital Market Segment - Main Board) with effect from April 22, 2021.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 12, 2022.

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015(as amended).

For all periods up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2022 are the first the Company has prepared in accordance with Ind AS. Refer to note 48 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the certain financial assets, investments etc whichhave been measured at fair value.

The Balance Sheet, Statement of Profit and Loss, Statement of Changes in equity and Cash Flow Statement are prepared and presented in the format prescribed in the Schedule III 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 to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company’s presentation and functional currency is Indian Rupees (INR) and all values are rounded off to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is entity’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company’s activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Recognising revenue from major business activities

(i) Revenue from contracts with customers:

Revenue from contract with customers is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. Performance obligations are satisfied at the point of time when the customer obtains the controls of the goods. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract. Revenue excludes taxes collected from customers.

(ii) Sale of services

Revenue from sale of services is in nature of job work on customer product which normally takes 1–10 days for completion and accordingly revenue is recognised when products are sent to customer on which job work is completed.

(iii) Dividend income

Revenue is recognised when the company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

(iv) Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(c) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(d) Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-ofuse asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense over the lease term.

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

(f) Impairment of non financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(g) Cash and cash equivalents

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

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

(h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work in progress and Finished goods: Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of work-in-progress and finished goods are determined on a weighted average basis.

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

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(i) Financial instruments

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

(i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(1) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

(2) Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(3) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(4) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Interest in associate is carried at cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(ii) Financial liabilties

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

(2) Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(iv) Offsetting of financial instruments

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

(j) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised atcost, including GST for which credit is not available, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Freehold buildings	25-40 years
Machinery	10-15 years
Furniture, fittings and equipment	03-08 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(k) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

(l) Intangible assets

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Research and development
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:
- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Revenue expenditure is charged to the Statement of Profit and Loss and Capital Expenditure is added to the cost of Property, Plant and Equipment in the year in which it is incurred. The company is pursuing development of new technologies and has capitalised the expenditure incurred on the Research and Development. Research expenditure and development expenditure that do not meet the criteria specified above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation methods and periods
The Company amortises intangible assets with a finite useful life using the written down value method over the following periods:

Computer software	10 years
Capitalised development expenditure	30 years

Transition to Ind AS
On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(m) Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 - 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Borrowing costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(o) Provisions

General

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

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

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity, pension, post-employment medical plans; and

(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Post-employment medical obligations

Company provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(vi) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Current/non current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

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

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Nitiraj Engineers Limited has appointed a strategic steering committee which assesses the financial performance and position of the company, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

(u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

3 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in Note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

(ii) Impairment of non financial assets

Determining whether the asset is impaired requires an estimation of the value in use of the cash-generating units to which asset/goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(iii) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

(iv) Provisions and Contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Land	Buildings (Refer (i) below)	Plant and Equipments (Refer (i) below)	Furniture and Fixtures	Vehicles	Office Equipments	Computer	Solar System	Electric Installations	Capital Work in Progress	Total
GROSS CARRYING VALUE											
As at April 1, 2020 (Deemed cost)	419.52	1,414.74	760.88	104.35	51.57	32.11	34.02	3.46	117.21	407.71	3,345.57
Additions		12.47	66.19	37.89		3.02	12.62		42.08	106.47	280.74
Disposals			(1.67)		(1.60)						(3.27)
As at March 31, 2021	**419.52**	**1,427.21**	**825.41**	**142.24**	**49.97**	**35.13**	**46.64**	**3.46**	**159.29**	**514.18**	**3,623.04**
Additions	4.41	656.95	133.17	43.83	0.99	14.03	16.12	27.51	49.92		946.94
Disposals	-	(49.88)	(122.06)	(44.91)	(2.94)	(8.58)	(1.89)		(19.06)	(514.18)	(763.50)
As at March 31, 2022	**423.93**	**2,034.28**	**836.52**	**141.16**	**48.02**	**40.57**	**60.86**	**30.97**	**190.16**	**-**	**3,806.48**
ACCUMULATED DEPRECIATION/IMPAIRMENT											
As at April 1, 2020											
Depreciation for the year	-	146.28	114.94	7.79	6.78	4.31	14.57	1.38	12.31	-	308.38
Deductions/adjustments during the period			(0.40)		(0.29)						(0.69)
As at March 31, 2021	-	**146.28**	**114.54**	7.79	**6.49**	**4.31**	**14.57**	**1.38**	**12.31**	-	307.69
Depreciation for the year	-	146.94	114.13	10.89	6.06	4.53	14.67	1.56	13.13	-	**311.91**
Deductions/adjustments during the period		(0.38)	(61.60)	(6.24)	(0.81)	(2.24)	(1.24)		(2.11)		**(74.23)**
As at March 31, 2022	-	292.84	167.07	12.64	11.74	6.81	28.00	2.94	23.33	-	545.36
Net Carrying value as at March 31, 2022	423.93	1,741.44	669.45	128.52	36.29	33.77	32.86	28.03	166.83	-	3,261.12
Net Carrying value as at March 31, 2021	419.52	1,280.93	710.87	134.45	43.49	30.81	32.06	2.07	146.99	514.18	3,315.36
Net Carrying value as at April 1, 2020	419.52	1,414.74	760.88	104.35	51.57	32.11	34.02	3.46	117.21	407.71	3,345.57

* Refer Note 34

(i) The above includes the right of use asset recognised under Ind AS 116 Leases as under:

(₹ in Lacs)

Particulars	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount	
	Balance As on 1-Apr-2021	Additions/ Adjustments during the year	Deduction / Adjustment during the year	Balance As on 31-Mar-2022	Balance As on 01-04-2021	Additions/ Adjustments during the year	Deduction / Adjustment during the year	Balance As on 31-Mar-2022	Balance As on 31-Mar-2022	Balance As on 31-Mar-2021
ROU - Building	79.87	11.81	(47.69)	44.00	20.90	24.35	(22.85)	22.41	21.59	58.97
ROU - Plant & Equipment		3.93		3.93		0.38		0.38	3.56	
Total	79.87	15.75	(47.69)	47.93	20.90	24.73	(22.85)	22.79	25.15	58.97

Particulars	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount	
	Balance As on 1-Apr-2020	Additions/ Adjustments during the year	Deduction / Adjustment during the year	Balance As on 31-Mar-2021	Balance As on 01-Apr-2020	Additions/ Adjustments during the year	Deduction / Adjustment during the year	Balance As on 31-Mar-2021	Balance As on 31-Mar-2021	Balance As on 1-Apr-2021
ROU - Building	69.50	10.37	-	79.87	-	20.90	-	20.90	58.97	69.50
ROU - Plant & Equipment										
Total	69.50	10.37	-	79.87	-	20.90	-	20.90	58.97	69.50

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii. Contractual Obligations

Refer to Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iii. Capital Work in Progress Ageing Schedule

As on 31 March 2021

(₹ in Lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	106.47	8.83	398.88		514.18
Projects temporarily suspended					-
Total	106.47	8.83	398.88	-	514.18

As on 1 April 2020

(₹ in Lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	8.83	398.88	-	-	407.71
Projects temporarily suspended	-	-	-	-	-
Total	8.83	398.88	-	-	407.71

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5. INVESTMENT PROPERTY

(Amount in INR Lakhs)

Particulars	Buildings
GROSS CARRYING VALUE	
As at April 1, 2020	8.86
Additions	0.78
As at March 31, 2021	9.64
Additions	4.93
As at March 31, 2022	**14.57**
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
As at April 1, 2020	-
Depreciation	0.93
As at March 31, 2021	0.93
Depreciation	1.31
As at March 31, 2022	**2.25**
Net Carrying value as at March 31, 2022	**12.32**
Net Carrying value as at March 31, 2021	**8.71**
Net Carrying value as at April 1, 2020	**8.86**

Notes :

i. Amount recognised in the statement of profit and loss for investment properties

Particulars	March 31, 2022	March 31, 2021
Rental Income	10.10	8.03
Direct Operating expenses from property that generated rental income	(1.87)	(0.58)
Direct Operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	8.23	7.45
Depreciation	1.31	0.93
Profit from investment properties	6.92	6.52

ii. Leasing Arrangements

Investment properties are leased to tenants under long term operating leases with rentals payable monthly.

(Amount in INR Lakhs)

Particulars	March 31, 2021	March 31, 2020
Within one year	7.86	5.99
Later than one year but not later than 5 years	15.00	19.86
Later than 5 years	5.00	8.00
	27.86	**33.85**

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

iii. Fair Value
Reconciliation of Fair Value:

Particulars	(Amount in INR Lakhs)
Opening Balance as at April 1, 2020	290.23
Fair Value Difference	0.84
Purchases	
Balance as at March 31, 2021	291.08
Fair Value Difference	1.93
Purchases	
Closing balance as at March 31, 2022	293.00

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.
Generally, a change in the assumption made for the estimated rental value is accompanied by:
- A directionally similar change in the rent growth per annum and discount rate (and exit yield)
- An opposite change in the long term vacancy rate

PHOENIX

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

6. INTANGIBLE ASSETS

(Amount in INR Lakhs)

Particulars	Software	Capitalised development expenditure	Intangible assets under development	Total
GROSS CARRYING VALUE				
As at April 1, 2020 (Deemed cost)	-	-	468.01	468.01
Additions	-	-	133.01	133.01
Deletions	-	-	-	-
As at March 31, 2021	**-**	**-**	**601.02**	**601.02**
Additions	49.96	307.50	112.87	470.33
Deletions	-	-	(553.73)	(553.73)
As at March 31, 2022	**49.96**	**307.50**	**160.16**	**517.62**
ACCUMULATED AMORTISATION				
As at April 1, 2020				-
Amortisation for the year	-	-	-	-
Deductions\Adjustments during the period	-	-	-	-
As at March 31, 2021	**-**	**-**	**-**	**-**
Amortisation for the year	0.01	0.03	-	0.04
Deductions\Adjustments during the period	-	-	-	-
As at March 31, 2022	**0.01**	**0.03**	**-**	**0.04**
Net Carrying value as at March 31, 2022	**49.94**	**307.47**	**160.16**	**517.57**
Net Carrying value as at March 31, 2021	**-**	**-**	**601.02**	**601.02**
Net Carrying value as at April 1, 2020	**-**	**-**	**468.01**	**468.01**

Intangible assets under development ageing schedule

March 31, 2022

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	146.73	13.43	-	-	160.16
Projects temporarily suspended					-
Total	146.73	13.43	-	-	160.16

March 31, 2021

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	133.01	141.95	125.96	200.10	601.02
Projects temporarily suspended					-
Total	133.01	141.95	125.96	200.10	601.02

April 1, 2020

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	141.95	125.96	117.34	82.76	468.01
Projects temporarily suspended					-
Total	141.95	125.96	117.34	82.76	468.01

The company does not have any intangible asset under development whose completion is overdue or whose costs have exceeded its original plan.

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NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7. FINANCIAL ASSETS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
(A) INVESTMENTS			
(1) Non Current			
Investments carried at cost			
Unquoted			
Investments in Associates			
3,334 Equity Shares of INR 10 each at a premium of INR 5,990 per share in Hyper Drive Information Technologies Private Limited	200.04	200.04	200.04
(Number of shares; March 31, 2021 : 3.334 ; April 1, 2020 : 3,334)			
Investments carried at fair value through profit and loss			
Unquoted			
Investments in Equity Instruments			
690 Equity Shares of INR 10 each in Merchant Co-op. Bank Limited	0.07	0.07	0.07
(Number of shares; March 31, 2021 : 690 ; April 1, 2020 : 690)			
Investment carried at amortised cost			
Unquoted			
Investments in Government securities			
National Savings Certificate	1.04	1.04	0.99
Total	**201.15**	**201.15**	**201.10**
Aggregate amount of quoted investments	-	-	-
Market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	201.15	201.15	201.10
Investments carried at amortised cost	1.04	1.04	0.99
Investments carried at fair value through profit and loss	0.07	0.07	0.07
Investments carried at cost	200.04	200.04	200.04
(2) Current			
Investments carried at fair value through Profit and Loss			
Unquoted			
Investment in Gold	44.74	38.21	37.60
Total	**44.74**	**38.21**	**37.60**
(B) LOANS			
Current			
Unsecured, considered good unless otherwise stated			
Loans to Employees	98.91	14.16	24.69
Total	**98.91**	**14.16**	**24.69**
(C) OTHER FINANCIAL ASSETS			
Non Current			
Financial assets carried at amortised cost			
Bank Deposits with more than 12 months maturity *	24.44	33.84	55.80
Lease Deposits	4.98	10.28	8.82
Total	**29.42**	**44.12**	**64.62**
Current			
Financial assets carried at amortised cost			
Lease Deposits	10.34	7.32	7.14
Tender Deposits	84.77	91.82	15.29
Interest Accrued but not due	0.42	0.45	3.96
Total	**95.52**	**99.59**	**26.39**

*Lien marked with banks

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NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

8. INVENTORIES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
(Valued at lower of Cost and Net Realisable value)			
Raw materials	1,321.37	1,062.42	1,074.38
Work-in-process	123.99	121.37	95.66
Finished goods	100.84	184.42	252.60
Total	**1,546.19**	**1,368.21**	**1,422.64**

9. TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Current			
Trade Receivables from customers	824.75	882.91	942.52
	824.75	**882.91**	**942.52**
Breakup of Security details			
Secured, considered good			
Unsecured, considered good	824.75	882.91	942.52
Significant increase in credit risk	17.31	19.35	21.20
	842.06	**902.26**	**963.72**
Less: Allowance for bad and doubtful debts			
Significant increase in credit risk	17.31	19.35	21.20
	17.31	**19.35**	**21.20**
	824.75	**882.91**	**942.52**

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to INR Nil (Previous year INR Nil)

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to INR Nil (Previous year INR Nil)

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NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

TRADE RECEIVABLES AGEING SCHEDULE

As at March 31, 2022 **(Amount in INR Lakhs)**

Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables								
(i) Considered good	-	-	757.43	5.60	44.51	4.92	9.69	822.15
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit Impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	19.91	19.91
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit Impaired	-	-	-	-	-	-	-	-
	-	**-**	**757.43**	**5.60**	**44.51**	**4.92**	**29.60**	**842.06**
Less: Allowance for bad and doubtful debts	-	-	-	-	-	-	-	17.31
	-	**-**	**757.43**	**5.60**	**44.51**	**4.92**	**29.60**	**824.75**

As at March 31, 2021 **(Amount in INR Lakhs)**

Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables								
(i) Considered good	-	-	470.45	302.37	76.01	3.65	37.82	890.31
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit Impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	19.91	19.91
(ii) Which have significant increase in credit risk								-
(iii) Credit Impaired								-
	-	**-**	**470.45**	**302.37**	**76.01**	**3.65**	**57.72**	**910.22**
Less: Allowance for bad and doubtful debts							27.31	27.31
	-	**-**	**470.45**	**302.37**	**76.01**	**3.65**	**85.03**	**882.91**

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NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

10. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Balances with banks on current accounts	0.10	125.60	421.31
Cash on hand	26.92	29.69	26.75
	27.02	**155.30**	**448.05**

11. OTHER BANK BALANCES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Deposits with banks to the extent held as margin money	50.43	37.76	14.67
Other deposits with banks	3.77	3.77	3.77
	54.20	**41.53**	**18.44**

Bank deposits earns interest at fixed rates. Short term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Company, and earn interest at the respective deposit rates

12. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current			
Capital Advances	1.23	21.71	-
Advances other than Capital advances			
Security Deposits	8.61	8.62	10.48
Prepaid expenses	0.87	3.23	4.16
Payment of Taxes (Net of Provisions)	32.42	32.42	31.13
Balances with Statutory, Government Authorities	163.83	163.83	163.83
Other non current assets	221.52	182.35	8.34
Total	**428.49**	**412.15**	**217.95**
Current			
Advances other than Capital advances			
- Security Deposits	1.51	-	-
- Advances to Suppliers	197.02	328.22	280.78
- Advances to employees	3.58	3.58	3.58
Others			
Prepaid expenses	-	0.09	0.09
Balances with Statutory, Government Authorities	84.45	3.80	133.54
Other current assets	222.42	433.34	411.51
Total	**508.96**	**769.03**	**829.51**

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

13. INCOME TAX

Deferred Tax **(Amount in INR Lakhs)**

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Deferred tax relates to the following:			
Accelerated depreciation for tax purposes	(36.79)	(49.69)	(51.23)
Financial instruments at fair value through profit or loss	(7.10)	(5.41)	(5.26)
Provision for gratuity	18.28	20.86	21.15
Provision for leave encashment	1.55	-	-
Allowance for credit loss on financial assets	6.36	6.87	7.34
Losses available for offsetting against future taxable income	100.68	-	-
Other temporary differences	2.39	0.75	0.01
Net Deferred Tax Assets / (Liabilities)	**85.37**	**(26.63)**	**(28.00)**

Movement in deferred tax liabilities/assets

Particulars	March 31, 2022	March 31, 2021
Opening balance as of April 1	(26.63)	(28.00)
Tax income/(expense) during the period recognised in profit or loss	109.90	3.50
Tax income/(expense) during the period recognised in OCI	2.09	(2.13)
Closing balance as at March 31	**85.37**	**(26.63)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liablities relate to income taxes levied by the same tax authority

Major Components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are as follows:

i. Income tax recognised in profit or loss **(Amount in INR Lakhs)**

	2021-22	2020-21
Current income tax charge	-	137.24
Adjustment in respect of current income tax of previous year	0.16	-
Deferred tax	(109.90)	(3.50)
Relating to origination and reversal of temporary differences	-	-
Income tax expense recognised in profit or loss	**(109.74)**	**133.74**

ii. Income tax recognised in OCI

	2021-22	2020-21
Net loss/(gain) on remeasurements of defined benefit plans	2.09	(2.13)
Income tax expense recognised in OCI	**2.09**	**(2.13)**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2022 and March 31, 2021

	2021-22	2020-21
Accounting profit before income tax	**(445.48)**	**496.96**
Enacted tax rate in India	25.17%	25.17%
Income tax on accounting profits	**(112.12)**	**125.07**
Effect of		
Expenses not deductible for tax purposes	2.31	4.61
Other	0.07	4.05
Tax at effective income tax rate	**(109.74)**	**133.74**

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

14. SHARE CAPITAL

i. Authorised Share Capital (Amount in INR Lakhs)

Particulars	Equity Share of INR 10 each	
	Number	Amount
At April 1, 2020	1,10,00,000	1,100.00
Increase/(decrease) during the year	-	-
At March 31, 2021	1,10,00,000	1,100.00
Increase/(decrease) during the year	-	-
At March 31, 2022	1,10,00,000	1,100.00

Terms/rights attached to equity shares

The Company has one class of Equity shares having a par value of INR 10 each. Each holder of Equity shares is entitled to one vote per share and are subject to the preferential rights as prescribed under law or those of preference shareholders,if any. The Equity share holders are also subject to restrictions as presribed under the Companies Act, 2013. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. Issued Capital

(Amount in INR Lakhs)

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2020	1,02,51,000	**1,025.10**
Issued during the period	-	-
At March 31, 2021	1,02,51,000	**1,025.10**
Issued during the period	-	-
At March 31, 2022	**1,02,51,000**	**1,025.10**

iii. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
Equity shares of INR 10 each issued, subscribed and fully paid				
Mr. Rajesh Bhatwal	42,60,375	41.56%	42,60,375	41.56%
Mrs. Shakuntala Bhatwal	23,50,500	22.93%	23,50,500	22.93%
Mr. Yi Hung Sing	8,20,500	8.00%	8,20,500	8.00%

iv. Shares held by Promoters at the end of the year

Sr. No.	Promoter's Name	As at 31 March 2022		As at 31 March 2021		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Mr. Rajesh Bhatwal	42,60,375	41.56	42,60,375	41.56	-
2	Mrs. Shakuntala Bhatwal	23,50,500	22.93	23,50,500	22.93	-
3	Mr. Yi Hung Sing	8,20,500	8.00	8,20,500	8.00	-

v. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Year	Bonus Shares
March 31, 2022	-
March 31, 2021	-
March 31, 2020	20,50,200
March 31, 2019	-
March 31, 2018	-

v. None of the above shares are reserved for issue under options/ contract/ commitments for sale of shares or disinvestment.

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NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

15. OTHER EQUITY

i. Reserves and Surplus (Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Securities Premium Reserve	1,775.70	1,775.70	1,775.70
Retained Earnings	4,021.35	4,363.31	3,993.75
	5,797.05	**6,139.01**	**5,769.45**

(a) Securities Premium Reserve (Amount in INR Lakhs)

	March 31, 2022	March 31, 2021
Opening balance	1,775.70	1,775.70
Add/(Less): Changes during the period	-	-
Closing balance	**1,775.70**	**1,775.70**

(b) Retained Earnings (Amount in INR Lakhs)

	March 31, 2022	March 31, 2021
Opening balance	4,363.31	3,993.75
Net Profit/(Loss) for the period	(335.74)	363.22
Add/(Less):		
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	(6.22)	6.34
Closing balance	**4,021.35**	**4,363.31**

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NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

16. BORROWINGS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current Borrowings			
Secured			
Term Loans from a bank	-	-	527.78
Less: Current maturities	-	-	(527.78)
Total	-	-	-
Current Borrowings			
Secured			
Loans repayable on demand from Banks	371.47	-	-
Total	**371.47**	-	-

17. LEASE LIABILITIES

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current			
Lease Liabilities (Refer Note 34)	9.37	38.37	41.31
	9.37	**38.37**	**41.31**
Current			
Lease Liabilities (Refer Note 34)	17.00	23.34	28.19
	17.00	**23.34**	**28.19**

18. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Current			
Financial Liabilities at amortised cost			
Current maturities of long term debts	-	-	531.41
Dues to employees	122.56	137.56	115.25
Deposits Payable	7.62	7.12	46.73
Others	39.47	20.96	7.13
Total	**169.65**	**165.65**	**700.52**

19. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Current			
Trade Payables to Micro, Small and Medium Enterprises	-	-	-
Trade Payables to Others	98.97	230.84	219.00
Total	**98.97**	**230.84**	**219.00**

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NITIRAJ ENGINEERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

TRADE PAYABLES AGEING SCHEDULE

As at March 31, 2022 (Amount in INR Lakhs)

Particulars	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME							-
(ii) Others			89.96	1.20	1.16	6.65	98.97
(iii) Disputed dues - MSME							-
(iv) Disputed dues -Others							-
	-	**-**	**89.96**	**1.20**	**1.16**	**6.65**	**98.97**

As at March 31, 2021 (Amount in INR Lakhs)

Particulars	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME							-
(ii) Others			218.72	2.78	1.97	7.37	231
(iii) Disputed dues - MSME							-
(iv) Disputed dues -Others							-
	-	**-**	**218.72**	**2.78**	**1.97**	**7.37**	**230.84**

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

20. OTHER LIABILITIES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current			
Government Grants	4.51	5.51	6.70
Total	**4.51**	**5.51**	**6.70**
Current			
Advance received from Customers	135.52	92.87	112.65
Government Grants	1.18	1.18	1.18
Other Payable	31.22	17.78	19.00
Statutory dues payable	19.12	17.42	20.82
Total	**187.05**	**129.25**	**153.65**

21. PROVISIONS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current			
Provision for employee benefits			
Gratuity (Refer Note 32)	57.11	78.78	78.66
Leave encashment	5.35	-	-
Total	**62.46**	**78.78**	**78.66**
Current			
Provision for employee benefits			
Gratuity (Refer Note 32)	31.44	4.09	5.36
Leave encashment	0.79	-	-
Total	**32.23**	**4.09**	**5.36**

22. CURRENT TAX LIABILITY(NET)

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021
Opening balance	84.89	-
Add: Current tax payable for the year	-	137.24
Less: Taxes paid	(123.99)	(52.35)
Closing Balance	**(39.11)**	**84.89**

23. GOVERNMENT GRANT

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Opening balance	5.51	6.70	7.88
Grants received during the year	-	-	-
Released to statement of profit and loss	(1.00)	(1.18)	(1.18)
Closing Balance	**4.51**	**5.51**	**6.70**

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NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

24. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
A. Revenue from contracts with customers		
Sale of products		
Machines	3,801.23	4,558.32
Spares	119.79	747.78
Sale of services	32.47	22.54
Other Operating Revenues	9.14	11.15
	3,962.63	**5,339.79**

B. Disaggregated revenue information

The table below presents disaggregated revenue from contact with customers for the year ended March 2022 and March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

(Amount in INR Lakhs)

	2021-22	2020-21
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	3,928.32	5,308.18
b. Exports	34.31	31.61
Total Revenue from Operation	**3,962.63**	**5,339.79**

C. Reconciliation of Gross Revenue from Contracts With Customers (Amount in INR Lakhs)

	2021-22	2020-21
Gross Revenue	4,001.70	5,382.15
Less : Discount	(39.07)	(42.36)
Net Revenue recognised from Contracts with Customers	**3,962.63**	**5,339.79**

25. OTHER INCOME

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Interest income on Bank fixed deposits	21.30	12.16
Interest income on others	1.16	0.93
Rental income	10.10	8.03
Government grants income	1.00	1.18
Fair value gain on financial instruments at FVTPL	6.54	0.61
Net gain on disposal of property, plant and equipment	13.55	0.35
Miscellaneous Income	4.57	0.09
	58.22	**23.36**

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NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Inventories as at the beginning of the year		
Work - in - process	121.37	95.66
Finished goods	184.42	252.60
Total	**305.80**	**348.25**
Less : Inventories as at the end of the year		
Work - in - process	123.99	121.37
Finished goods	100.84	184.42
Total	**224.82**	**305.80**
Net decrease / (increase) in inventories	**80.97**	**42.46**

27. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Salaries, wages and bonus	510.14	495.64
Contribution to provident and other funds	34.42	34.19
	544.56	**529.84**

28. FINANCE COST

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Interest expense on borrowings and lease liabilties	36.06	21.61
Other borrowing costs	13.47	6.67
	49.53	**28.28**

29. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Depreciation on tangible assets	311.91	308.38
Amortisation on intangible assets	0.04	-
Depreciation on investment properties	1.31	0.93
	313.26	**309.31**

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NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

30. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Manufacturing Expenses		
Power & Fuel	29.00	30.21
Labour and Processing Charges	330.26	434.71
	359.26	**464.92**
Selling, Administration and Other Expenses		
Commission to Selling Agents	44.52	44.66
Stamping fees	162.64	97.49
Other selling expenses	8.26	7.93
Advertisement	34.07	20.14
Transportation & Handling Charges	160.23	226.73
Tender Expenses	3.66	6.63
Rent	4.94	4.18
Repairs and maintenance		
Factory Building	-	0.37
Plant and Machinery	11.74	6.68
Others	10.39	6.00
Rates and taxes	12.99	9.20
Insurance	12.11	11.56
Telephone expenses	9.26	9.41
Corporate social responsibility expenditure (Refer note below)	8.87	16.38
Software & Computer Exp.	9.97	12.16
Legal and professional fees	48.27	28.91
Payments to auditors (Refer note below)	3.50	3.50
Travelling & conveyance expenses	94.92	70.95
Allowance for doubtful debts and advances	-	(1.84)
Sundry balance written off	30.95	39.24
Miscellaneous expenses	40.17	61.15
	711.46	**681.43**
Total	**1,070.72**	**1,146.36**

(a) Details of Payments to auditors (Amount in INR Lakhs)

	2021-22	2020-21
As auditor		
Audit Fee	3.50	3.50
	3.50	**3.50**

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(b) Corporate social responsibility expenditure **(Amount in INR Lakhs)**

Particulars	2021-22	2020-21
Gross amount required to be spent by the company during the year.	8.87	16.38
Amount approved by the Board to be spent during the year	8.87	16.38
Amount spent during the year on*: (i) Construction/acquisition of any asset (ii) On purposes other than (i) above	5.64	16.38
Total amount spent during the year	5.64	16.38
Amount transferred to CSR Unspent A/C	-	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	3.23	-
The total of previous years' shortfall amounts	-	-
The reason for above shortfalls	Balance amount of Rs. 3.23 lacs is to be transferred to the fund included in schedule VII of the Act.	-
Details of related party transactions	NA	NA
Provision for CSR Expenses		
Opening Balance	16.38	-
Add: Provision created during the period	8.87	16.38
Less: Provision utilised during the period	5.64	-
Closing Balance	19.60	16.38

*Unspent amount as on 31st March 2022 is Rs. 19.60 lacs, out of which Rs. 16.38 lacs of F.Y. 2020-21 is to be spent on the ongoing projects identified by the company.

31. EXCEPTIONAL ITEMS

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Disposal of Property, Plant and Equipment	123.15	-
Write off of Intangible Asset under development	196.27	-
	319.42	**-**

During the year company has closed down one of its Manufacturing Unit at Parwanoo, which has resulted in exceptional loss of Rs. 123.15 lacs on Disposal of Property, Plant and Equipment.

Also, the company had been developing its "Electronic Cash Register (Billing Machine)" and now has re assessed its strategy in response to the change in market conditions that the intangible cannot be developed as intended initially and has hence shelved the project resulting in write off of Rs 196.27 lacs. as a exceptional item.

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

31. EARNINGS PER SHARE

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021
(a) Basic earnings per share	(3.28)	3.54
(b) Diluted earnings per share	(3.28)	3.54
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(335.74)	363.22
Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company	(335.74)	363.22
Adjustments for calculation of dilluted earnings per share:	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**(335.74)**	**363.22**
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,02,51,000	1,02,51,000
Adjustments for calculation of dilluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**1,02,51,000**	**1,02,51,000**

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

32. EMPLOYEE BENEFIT OBLIGATIONS

(Amount in INR Lakhs)

	March 31, 2022			March 31, 2021		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	0.79	5.35	**6.14**	-	-	**-**
Gratuity	31.44	57.11	**88.55**	4.09	78.78	**82.87**
Total Employee Benefit Obligation	**32.23**	**62.46**	**94.69**	**4.09**	**78.78**	**82.87**

(i) Leave Obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 0.79 Lakhs (March 31, 2021: INR Nil) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employement obligations

a) Gratuity

The company provides for gratuity for employees in india as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is an **unfunded plan** and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The significant actuarial assumptions were as follows:

	March 31, 2022	March 31, 2021	April 1, 2020
Discount rate	7.25%	7.00%	7.00%
Expected return on plan assets	-	-	-
Salary growth rate	5.00%	5.00%	5.00%
Normal retirement age	58 Years	58 Years	58 Years

A quantitative sensitivity analysis for significant assumption is shown below:

Assumptions	Discount rate		Withdrawal rate		Salary growth rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
March 31, 2022						
Impact on defined benefit obligation	5.56	6.85	6.29	5.97	6.86	5.54
% Impact	10%	11%	2%	3%	12%	10%
March 31, 2021						
Impact on defined benefit obligation	77.10	88.95	83.26	81.86	88.75	77.22
% Impact	7%	8%	1%	1%	7%	1%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined beenfit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in INR Lakhs)

	March 31, 2022	March 31, 2021
Within the next 12 months	31.44	3.84
Between 2 and 5 years	15.56	33.28
Beyond 5 years	41.55	45.49
Total expected payments	88.55	82.61

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

33. COMMITMENTS AND CONTINGENCIES

(Amount in INR Lakhs)

A. Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2022	March 31, 2021	April 1, 2020
Property, plant and equipment	-	-	-
Intangible assets	-	-	-

(Amount in INR Lakhs)

B. Contingent Liabilities	
i. Claim against the company not acknowledged as debt	-
ii. Guarantees excluding financial guarantees	-
ii. Other money for which the company is contingently liable	-

34. Leases

Nature of the lease transaction:

The Company has taken various office buildings on lease with lease term ranging from 11 Months to 6 year.s Some lease contract can be renewed with mutual consent and some lease contract also contains the termination options. Such options are appropriately considered in determination of the lease term based on the management's judgement.

Refer Note 4 for details relating to Right of Use Assets.

The following is the movement in lease liabilities during the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	**61.71**	**69.50**
Add: Additions during the year	15.75	10.37
Add: Interest Expenses	5.25	6.13
Less: Payments	(30.12)	(24.30)
Less: Cancellation	(26.21)	-
Closing Balance	**26.37**	**61.71**
Non-current	9.37	38.37
Current	17.00	23.34

Amounts recognised in profit or loss (₹ in Lacs)

Particulars	31st March, 2022	31st March, 2021
Expenses relating to short-term leases	2.16	1.89

Amounts recognised in statement of cash flows (₹ in Lacs)

Particulars	2021-22	2020-21
Total cash outflow for leases	30.12	24.30

Maturity Analysis of lease liabilities (undiscounted cashflows)): (₹ in Lacs)

Particulars	2021-22	2020-21
Less than 12 Months	17.18	28.25
More than 12 Months	11.46	41.84
Total	**28.64**	**70.09**

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NITIRAJ ENGINEERS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in INR Lakhs)

35. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of Related Party	Country of Incorporation
List of related parties :		
Associate	Hyper Drive Information Technologies Private Limited	India
Key Management Personnel	Rajesh Raghunath Bhatwal (Chairman & Managing Director)	
	Shakuntala Rajesh Bhatwal (Whole Time Director & Women Director)	
	Hung Sin Chung Huanyi (Whole Time Director)	
	Pranit ANIL Bangad (Non Executive Independent Director)	
	Deepam Pradeep Shah (Non Executive Independent Director)	
	Avinash Rajaram Chandsarkar (Non Executive Independent Director)	
	Kailas Madanlal Agrawal (Chief Financial Officer)	
	Preeti Rohit Bhala (Company Secretary & Compliance Officer) (upto Sept 2019)	
	Deepika Amit Dalmiya (Company Secretary & Compliance Officer) (w.e.f. Octo 2019)	
Relatives of Key Management Personnel	Prachi Rajesh Bhatwal	

(ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Transaction	March 31, 2022	March 31, 2021
Rajesh Raghunath Bhatwal	Remuneration	24.00	23.50
	Bonus	0.05	0.05
	Professional fees	19.00	19.00
	Sales Incentives	-	18.10
Shakuntala Rajesh Bhatwal	Remuneration	4.80	4.70
	Bonus	0.05	0.05
	Professional fees	19.00	19.00
Hung Sin Chung Huanyi	Remuneration	6.90	5.60
	Bonus	0.05	0.05
	Professional fees	4.80	4.80
Kailas Madanlal Agrawal	Remuneration	5.42	5.04
	Bonus	0.05	0.05
Deepika Amit Dalmiya	Remuneration	3.03	2.97
	Bonus	0.05	0.02
Preeti Rohit Bhala	Remuneration	-	0.90
	Bonus	-	0.02
Prachi Rajesh Bhatwal	Remuneration	5.16	4.55
	Bonus	0.05	0.05
Hyper Drive Information Technologies Private Limited	Rent income	0.77	0.60

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(iii) Outstanding balances arising from sales/purchases of goods and services

Name	Nature of Transaction	March 31, 2022	March 31, 2021	April 1, 2020
Trade Receivables				
Hyper Drive Information Technologies Private Limited	Rent income	-	0.06	0.06

(iv) Key management personnel compensation

	March 31, 2022	March 31, 2021
Post-employment benefits	3.51	2.46
	3.51	**2.46**

(v) 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. There have been no guarantees provided or received for any related party receivables and payables. For the year ended March 21, 2022, the group has not recorded any impairment of receivables relating to amount owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in INR Lakhs)

36. SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Company is engaged in manufacturing and selling of electronic equipments which constitute a single reportable segment in the context of Ind AS 108 on "Segment reporting".

C. Information about geographical areas

Revenue from external customers

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

	March 31, 2022	March 31, 2021
India	3,928.32	5,308.18
Outside India	34.31	31.61
	3,962.63	**5,339.79**

Revenue from Director Social Welfare Jharkhand amounted to INR 468.71 (March 31, 2021: INR Nil) which exceeded 10% of total revenue .

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

37. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category (Amount in INR Lakhs)

Particulars	Carrying Amount			Fair Value		
	March 31,	March 31,	April 1,	March 31,	March 31,	April 1,
FINANCIAL ASSETS						
Amortised cost						
Trade Receivables	824.75	882.91	942.52	824.75	882.91	942.52
Loans	98.91	14.16	24.69	98.91	14.16	24.69
Cash and Cash Equivalents	27.02	155.30	448.05	27.02	155.30	448.05
Security Deposits	-	-	-	-	-	-
Other Bank Balances	54.20	41.53	18.44	54.20	41.53	18.44
Other Financial Assets	124.94	143.71	91.00	124.94	143.71	91.00
Investment in Government Securities	1.04	1.04	0.99	1.04	1.04	0.99
FVTPL						
Investment in Equity Instruments	0.07	0.07	0.07	0.07	0.07	0.07
Investment in Gold	44.74	38.21	37.60	44.74	38.21	37.60
Total	**1,175.67**	**1,276.92**	**1,563.37**	**1,175.67**	**1,276.92**	**1,563.37**

FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	371.47	-	531.41	371.47	-	531.41
Lease liabilities	26.37	61.71	69.50	26.37	61.71	69.50
Trade Payables	98.97	230.84	219.00	98.97	230.84	219.00
Other financial liabilities	169.65	165.65	700.52	169.65	165.65	700.52
Total	**666.46**	**458.20**	**1,520.43**	**666.46**	**458.20**	**1,520.43**

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, security deposit and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

ii. Fair Value Hierarchy

Assets and liabilities measured at fair value

Particulars	March 31, 2022 Fair value measurement using			Total	March 31, 2021 Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets								
Financial Investments at FVTPL								
Quoted equity shares	0.07	-	-	0.07	0.07	-	-	0.07
Gold	44.74	-	-	44.74	38.21	-	-	38.21
Total Financial Assets	**44.81**	**-**	**-**	**44.81**	**38.28**	**-**	**-**	**38.28**

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	March 31, 2020			
	Fair value measurement using			
Particulars	**Quoted prices in active markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Financial Assets				
Financial Investments at FVTPL				
Quoted equity shares	0.07	-	-	0.07
Gold	37.60	-	-	37.60
Total Financial Assets	**37.66**	**-**	**-**	**37.66**

There have been no transfers among Level 1, Level 2 and Level 3 during the period

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

38. FINANCIAL RISK MANAGEMENT

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:
• Credit risk ;
• Liquidity risk ; and
• Market risk

(i) Credit risk
Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivables
The Company's exposure to credit Risk is the exposure that Company has on account of services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial.

Services are generally subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are not affected. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.
The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Refer note 9 for ageing of trade receivables.

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

Movements in Provision for Doubtful Allowance: **(Amount in INR Lakhs)**

Particulars	As at March 31, 2022	As at 31-Mar-21
Balance at the beginning of the year	19.35	21.20
Movements in allowance:		
Additional provision	(2.04)	(1.84)
Closing balance	**17.31**	**19.35**

Other financial assets

Other financial assets includes loan to employees, security deposits, investments, cash and cash equivalents, other bank balance, derivative asset, advances to employees etc.
• Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.
• Investments are made in credit worthy companies.
• Company has given security deposit to various purposes and management believes that the Company does not have exposure to any credit risk.
• Loan and advances to employees are majorly secured against the salary and hence the Company does not have exposure to any credit risk.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

Further, the Company has also tied-up additional sources of liquidity to meet the liabilities during the respective annual years which has ensured that the Company has a clean track record with no adverse events pertaining to liquidity risk.

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Amount in INR Lakhs)

March 31, 2022	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Current Borrowings	371.47	371.47	371.47	-
Non current lease liabilities	9.37	11.46	-	11.46
Current lease liabilities	17.00	28.64	28.64	-
Current financial liabilities	169.65	169.65	169.65	
Trade payables	98.97	98.97	98.97	
Total	**666.46**	**-**	**-**	**-**

March 31, 2021	Carrying amount	Contractual		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Current Borrowings	-	-	-	-
Non current lease liabilities	38.37	41.84	-	41.84
Current lease liabilities	23.34	28.25	28.25	-
Current financial liabilities	165.65	165.65	165.65	-
Trade payables	230.84	230.84	230.84	-
Total	**458.20**	**466.58**	**424.73**	**41.84**

April 1, 2020	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings - current maturities	531.41	-	531.41	
Current Borrowings	-	-		
Non current lease liabilities	41.31	-	-	58.99
Current lease liabilities	28.19	-	28.19	-
Current financial liabilities	700.52	-	700.52	
Trade payables	219.00	-	219.00	
Total	**1,520.43**	**-**	**1,479.12**	**58.99**

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

Currency risk

The functional currency of the Company is Indian Rupees. The Company do not have derivative financial instruments. The Company is not exposed to foreign currency risk.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The company is not materially exposed to interest rate risk.

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

39. CAPITAL MANAGEMENT

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The primary objective of the Company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total interest-bearing loans and borrowings less cash and bank balances. Total equity comprises all components of equity.

(Amount in INR Lakhs)

	March 31, 2022	March 31, 2021	April 1, 2020
Borrowings	371.47	-	531.41
Less: cash and cash equivalents	(27.02)	(155.30)	(448.05)
Less: Other bank balance	(54.20)	(41.53)	(18.44)
Adjusted net debt	**290.25**	**(196.83)**	**64.92**
Equity	1,025.10	1,025.10	1,025.10
Other Equity	5,797.05	6,139.01	5,769.45
Total Equity	**6,822.15**	**7,164.11**	**6,794.55**
Adjusted net debt to adjusted equity ratio	**0.04**	**(0.03)**	**0.01**

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

40. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Principal amount due to suppliers under MSMED Act, 2006*	-	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-	-

* Amount includes due and unpaid of INR Nil (March 31, 2021: INR Nil)

The information has been given in respect of such vendors to the extent they could be identified as "Mico and Small" enterprises on the basis of information available with the Company.

41. OTHER REGULATORY DISCLOSURES

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (a) 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 (b)provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017
- The Company does not have any Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

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42. IMPACT OF GLOBAL HEALTH PANDEMIC RELATING TO COVID-19

The spread of COVID-19 has severely impacted business in many countries including India and there have been severe disruption to regular business operations due to lockdown and other emergency measures. This may impact the Company's operations in certain geographies. The Company has made assessment of liquidity, recoverable values of its financial and non-financial assets, financial and non-financial liabilities, possible obligations arising from any ongoing negotiations with customers, vendors and regulatory exposures across businesses and geographies and has concluded that there are no material adjustments required in the annual financial statements. The management believes that it has assessed and taken all the possible impacts known from these events wherever possible outcome is known. However, given the effect of these on the overall economic activity and in particular in the industry in which Company operates, the impact assessment of COVID-19 is a continuous process, given the estimation and uncertainties associated with its nature, duration and outcome of any negotiations. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions and its consequential impact on its financial results.

43 . As at the balance sheet date, the Company has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.

44. Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).

45. In the opinion of management, any of the assets other than property, plant and equipment and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

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NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

46. Utilization of money raised through Initial Public Offer

(Amount in INR Lakhs)

Particulars	Utilisation planned as per prospectus	Balance Amount to be utilized as on 31st March, 2020	Utilisation of IPO proceeds During the FY 2020-2021	Balance Amount to be utilized as on 31st March, 2021	Utilisation of IPO proceeds During the FY 2021-2022	Balance Amount to be utilized as on 31st March, 2022
Development of new products	525.00	223.09	147.12	75.97	127.36	-
Setting up manufacturing Unit for the existing and new range of products	575.00	-	-	-		-
Expansion of Marketing Network and Brand building	500.00	426.44	66.43	360.01	153.15	206.86
General Corporate Purposes	500.00	-	-	-		-
Issue Expenses	100.80	22.92	-	22.92		22.92
Total	**2,200.80**	**672.45**	**213.55**	**458.90**	**280.52**	**229.78**

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in INR Lakhs)

47. RATIO ANALYSIS

Particulars	Numerator	Denominator	Current Period	Previous Period	% of variance	Explanation for change in the ratio by more than 25%
Current Ratio (times)	Current Assets	Current Liabilities	3.70	5.28	0.30	
Debt-Equity Ratio (times)	Debt consists of borrowings and lease liabilities	Total Equity	0.06	0.01	(576.99)	Increased orders in the month of March 22 required the company to use its bank limits to meet its working capital requirements, thereby increasing the debt equity
Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest + Lease Payments + Princ	4.50	15.59	71.12	Decrease in Cash Profit and additional borrowing to finance the working capital.
Net Profit Ratio (%)	Profit after tax	Revenue from operations	(8.47)	6.80	15.27	
Return on Equity Ratio (%)	Profit after tax	Average Total Equity	(4.80)	5.20	10.01	
Return on Capital employed (%)	Profit before tax and finance cost	Total Equity + Debt consists of bo	(5.55)	7.24	12.79	
Return on Investment (%) - Deposits	Income generated from deposits	Average invested funds in Intercorporate and other deposits	29.09	17.12	(11.97)	
Trade Receivables turnover ratio (times)	Revenue from operations	Average Trade Receivables	4.64	5.85	20.67	
Inventory turnover ratio (times)	Revenue from operations	Average Inventory	2.72	3.83	28.94	Procured inventory for additional orders in the month of march which was executed in next financial year.
Trade payables turnover ratio (times)	Operating and other expenses	Average Trade Payables	19.65	17.78	(10.50)	
Net capital turnover ratio (times)	Revenue from operations	Working Capital = Current assets -	1.68	1.96	14.24	

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NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

48. FIRST TIME ADOPTION OF IND AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2022, the comparative information presented in these financial statements for the year ended March 31, 2021 and in the preparation of an opening Ind AS balance sheet at April 1, 2020 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. Ind AS optional exemptions

i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for investment property covered by Ind AS 40 Investment Properties since there is no change in the functional currency. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

ii. Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

iii. Estimates

The estimates at April 1, 2020 and at March 31, 2021 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation:
The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2020, the date of transition to Ind AS and as of March 31, 2021.

iv. Investments in associates

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost , may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture. The company elects to carry its investments in a associate at previous GAAP carrying amount as deemed cost.

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NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

48. FIRST TIME ADOPTION OF IND AS

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of equity as at date of transition (April 1, 2020) **(Amount in INR Lakhs)**

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2,877.22	(8.86)	2,868.35
(b) Capital Work-in-Progress	407.71	-	407.71
(c) Investment Property	-	8.86	8.86
(d) Right-of-use assets	-	69.50	69.50
(e) Intangible assets	-	-	-
(f) Intangible assets under development	468.01	-	468.01
(g) Financial Assets			-
(i) Investments	201.10	-	201.10
(ii) Trade Receivables	-	-	-
(ii) Other Financial Assets	75.96	(11.34)	64.62
(h) Deferred Tax Asset (Net)	-	-	-
(i) Other Non-Current Assets	279.65	(61.70)	217.95
			-
	4,309.64	**(3.54)**	**4,306.10**
Current assets			
(a) Inventories	1,422.64	-	1,422.64
(b) Financial Assets	-	-	-
(i) Investments	16.70	20.90	37.60
(ii) Trade Receivables	963.72	(21.20)	942.52
(iii) Cash and Cash Equivalents	448.05	-	448.05
(iv) Bank Balances Other than (iii) above	18.44	-	18.44
(v) Loans	24.69	-	24.69
(vi) Other Financial Assets	19.25	7.14	26.39
(d) Other Current Assets	871.01	(41.50)	829.51
	3,784.50	(34.66)	3,749.84
TOTAL	**8,094.13**	**(38.20)**	**8,055.94**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	1,025.10	-	1,025.10
(b) Other Equity	5,921.82	(152.37)	5,769.45
	6,946.92	**(152.37)**	**6,794.55**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	-	41.31	41.31
(b) Provisions	-	78.66	78.66
(c) Deferred Tax liabilities (Net)	43.46	(15.46)	28.00
(d) Other Non-Current Liabilities	-	6.70	6.70
	43.46	**111.20**	**154.66**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	-	28.19	28.19
(iii) Trade Payables			
Micro, Small and Medium Enterprises	-	-	-
Others	219.00	-	219.00
(iv) Other Financial Liabilities	707.90	(7.38)	700.52
(b) Other Current Liabilities	24.38	(19.01)	5.36
(c) Provisions	152.47	1.18	153.65
(d) Current Tax Liabilities (Net)	-	-	-
	1,103.75	**2.98**	**1,106.73**
TOTAL	**8,094.13**	**(38.20)**	**8,055.94**

NITIRAJ ENGINEERS LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii. Reconciliation of equity as at March 31, 2021 (Amount in INR Lakhs)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2,741.27	0.93	2,742.21
(b) Capital Work-in-Progress	514.18	-	514.18
(c) Investment Property	9.64	(0.93)	8.71
(d) Goodwill		-	-
(d) Right-of-use assets	-	58.97	58.97
(e) Intangible Assets	-	-	-
(f) Intangible Assets Under Development	601.02	-	601.02
(g) Financial Assets			
(i) Investments	201.15	-	201.15
(ii) Trade Receivables	-	-	-
(ii) Other Financial Assets	54.89	(10.77)	44.12
(h) Deferred Tax Asset (Net)	-	-	-
(h) Other Non-Current Assets	474.79	(62.63)	412.15
			-
	4,596.94	**(14.43)**	**4,582.51**
Current assets			
(a) Inventories	1,368.21	-	1,368.21
(b) Financial Assets		-	-
(i) Investments	16.70	21.51	38.21
(ii) Trade Receivables	902.26	(19.35)	882.91
(iii) Cash and Cash Equivalents	155.30	-	155.30
(iv) Bank Balances Other than (iii) above	41.53	-	41.53
(v) Loans	14.16	-	14.16
(vi) Other Financial Assets	92.27	7.32	99.59
(c) Current Tax Assets (Net)	-	-	-
(d) Other Current Assets	793.49	(24.46)	769.03
	3,383.92	(14.98)	3,368.94
TOTAL	**7,980.86**	**(29.42)**	**7,951.45**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	1,025.10	-	1,025.10
(b) Other Equity	6,285.35	(146.34)	6,139.01
	7,310.45	**(146.34)**	**7,164.11**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	-	38.37	38.37
(iii) Other Financial Liabilities	-	-	-
(b) Provisions	-	78.78	78.78
(c) Deferred Tax liabilities (Net)	34.65	(8.03)	26.63
(d) Other Non-Current Liabilities	-	5.51	5.51
	34.65	**114.64**	**149.29**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	-	23.34	23.34
(iii) Trade Payables			
Micro, Small and Medium Enterprises	-	-	-
Others	230.84	-	230.84
(iv) Other Financial Liabilities	165.65	-	165.65
(b) Other Current Liabilities	26.33	(22.24)	4.09
(c) Provisions	128.07	1.18	129.25
(d) Current Tax Liabilities (Net)	84.89	-	84.89
TOTAL	**7,980.86**	**(29.42)**	**7,951.45**

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NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

iii. Reconciliation of total comprehensive income for the year ended March 31, 2021 (Amount in INR Lakhs)

Particulars	IGAAP	Adjustments	IND AS Balance
REVENUE			
Revenue from operations (net)	5,382.15	(42.36)	5,339.79
Other income	20.64	2.72	23.36
Total Revenue (I)	**5,402.78**	**(39.63)**	**5,363.15**
EXPENSES			-
Cost of materials consumed	2,809.95	-	2,809.95
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	42.46	-	42.46
Employee benefits expense	524.47	5.36	529.84
Finance costs	22.14	6.13	28.28
Depreciation and amortization expense	288.41	20.90	309.31
Other expenses	1,223.40	(77.04)	1,146.36
Total Expenses (II)	**4,910.83**	**(44.64)**	**4,866.19**
Profit/(loss) before tax (I-II)	**491.95**	**5.01**	**496.96**
Tax expense:			
Current tax	137.24	-	137.24
Adjustment of tax relating to earlier periods	-	-	-
Deferred tax	(8.81)	5.31	(3.50)
Profit/(loss) for the period	**363.52**	**(0.30)**	**363.22**
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans	-	8.47	8.47
Income tax effect	-	(2.13)	(2.13)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:	-	-	-
Other Comprehensive income for the year, net of tax	**-**	**6.34**	**6.34**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**363.52**	**6.04**	**369.56**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

iv. Reconciliation of total equity as at March 31, 2021 and April 1, 2020 (Amount in INR Lakhs)

Particulars	March 31, 2021	April 1, 2020
Total equity (shareholder's funds) as per previous GAAP	7,310.45	6,946.92
Adjustments:		
Recognition of Government Grant	(6.70)	(7.88)
Recognition of gratuity provision as per Ind AS 19 report	(56.54)	(59.64)
Impact of lease accounting as per Ind AS 116	(2.74)	-
Fair valuation of lease deposits	(0.22)	(0.05)
Fair valuation of other investments	21.51	20.90
Expected credit loss provision as per expected credit loss model	(19.35)	(21.20)
Others	(90.32)	(99.98)
Tax effects of adjustments	8.03	15.46
Total adjustments	**(146.34)**	**(152.37)**
Total equity as per Ind AS	**7,164.11**	**6,794.55**

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

v. Reconciliation of total comprehensive income for the year ended March 31, 2021 **(Amount in INR Lakhs)**

Particulars	March 31, 2021
Profit after tax as per previous GAAP	**363.52**
Adjustments:	
Recognition of Government Grant	1.18
Recognition of gratuity provision as per Ind AS 19 report	(5.36)
Impact of lease accounting as per Ind AS 116	(2.74)
Fair valuation of lease deposits	(0.18)
Fair valuation of other investments	0.61
Expected credit loss provision as per expected credit loss model	1.84
Others	9.66
Tax effects of adjustments	(5.31)
Total adjustments	**(0.30)**
Profit after tax as per Ind AS	**363.22**
Other comprehensive income	6.34
Total comprehensive income as per Ind AS	**369.56**

vi. Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2021

There is no material impact on cash flow statement on adoption of Ind AS.

C. Notes to first-time adoption:

Note 1: Fair valuation of investments

Under the previous GAAP, investments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2021.

Note 2: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings.

Note 3: Trade and Other Receivables

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its trade receivable on April 1, 2020 which has been eliminated against retained earnings. The impact for year ended on March 31, 2021 has been recognized in the statement of profit and loss.

Note 4: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on the total equity as at March 31, 2021.

Note 5: Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

Note 6: Retained earnings

Retained earnings as at April 1, 2020 has been adjusted consequent to the above Ind AS transition adjustments.

Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments etc. The concept of other comprehensive income did not exist under previous GAAP.

NITIRAJ ENGINEERS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 8: Government Grants

Under Indian GAAP, government grant received towards assets were recognised by debiting the cash and bank account and crediting the capital reserve. Under Ind AS, grant received for assets is recognised as deferred income and income is recognised in the Statement of Profit and Loss in proportion of depreciation charged over the useful life of the asset. As at the date of transition, deferred income in proportion to balance useful life has been recognised as a liability by a corresponding debit in the retained earnings.

Note 9: Others

Certain assets and liabilities does not meet the recognition and measurement principles under Ind AS. Hence these assets and liabilites are dereocgnised on the transition date against the retained earnings.

49. RECENT ACCOUNTING PRONOUNCEMENT

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below

(i) Ind AS 103 - Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

(ii) Ind AS 109 - Financial Instruments

The amendment clarifies that a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

(iii) Ind AS 16 - Property, Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(iv) Ind AS 37 - Provisions, Contingent Liabilities & Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective amended standards.

50. Previous year figures have been regrouped/ rearranged, wherever considered necessary to confirm to current year's classification

As per our report of even date
For P.D.Dalal & Co.
Chartered Accountants
F.R.No. 102047W

For and on behalf of the board of directors of Nitiraj Engineers Limited

Aashish S. Kakaria
Partner
Membership No.102915
UDIN : 22102915AIZVIC2409

Rajesh R. Bhatwal
Managing Director
Din No.00547575

Shakuntala R. Bhatwal
Director
Din No.01953906

Kailas M. Agrawal
CFO

Deepika A. Dalmiya
Company Secretary
Membership No. A58029

Mumbai
Date: May 12, 2022

Independent Auditor's Report

To
The Members,
Nitiraj Engineers Limited,
Mumbai

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Nitiraj Engineers Limited** (hereinafter referred to as the 'Holding Company") and its Associate **Hyper Drive Information Technologies Private Limited** (Holding Company and its Associate together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including 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, the aforesaid consolidated financial statements give the information required by 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 their consolidated state of affairs of the Group as at March 31, 2022, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit 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 Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon,

1) **Testing, recognition & measurement of impairment on intangible asset:**

Key audit matter	How the matter was addressed in our audit
As disclosed in notes to the consolidated financial statements, the company has tested and charged for impairment of Intangible assets under development. We identified the annual impairment assessment of Intangible assets under development as a key audit matter because the assessment process is complex and judgmental by nature and is based on assumptions on: - projected future cash inflows - expected growth rate and profitability - perpetuity value based on long term growth rate - sensitivity analyses - discount rate Recognition & measurement of impairment loss: - determination of recoverable amount - ascertaining of carrying amount of intangible asset - computing impairment loss - accounting treatment of impairment loss	Our audit procedures in respect of impairment testing of Intangible assets under development included the following: • Testing operating effectiveness of controls over determination of the recoverable amounts of cash generating units. Cash generating units for this purpose are those to which the Intangible asset under development is allocated; • Challenging the significant assumptions and judgements used in impairment analysis, such as forecast revenue, margins, long term growth and discount rates in comparison to economic and industry forecasts with the assistance of our valuations specialist; • Performing sensitivity analysis of the key assumptions, such as future revenue growth rates, future gross margins, and the discount rate used in determining the recoverable value; • Evaluating the accounting treatment used to give effect of impairment loss on an individual asset; • Evaluating the adequacy of disclosures, including disclosures of judgements and sensitivities.

2) Capitalisation of intangible asset under development:

Key audit matter	How the matter was addressed in our audit
As disclosed in notes to the consolidated financial statements. The company has capitalised intangible assets under development during the year. We identified capitalisation of intangible asset under development as a key audit matter because it is difficult to assess whether an internally generated intangible asset qualifies for recognition, due to problems in: - Identifying whether there is an identifiable asset that will generate expected future economic benefit, and - Determining the cost of asset reliably. - Measurement after recognition	Our audit procedures in respect of recognition of Intangible assets under development included the following: • Evaluating the model for measurement, • Evaluating the useful life as determined for amortisation of intangible asset, • Assessing the reasonableness of useful life of intangible asset. • Evaluating stability of the industry in which it operates, • Performing sensitivity analysis • Evaluating the adequacy of disclosures, including disclosures of judgements and sensitivities.

3) Recognition and measurement of Deferred tax assets

Key audit matter	How the matter was addressed in our audit
As disclosed in notes to the consolidated financial statements. The company has recognised deferred tax asset during the year. Recognition and measurement of such deferred tax assets has been identified as a key audit matter because the assessment process involves significant judgement regarding the forecasts of future income tax. The assessment process is based on assumptions affected by	In respect of deferred tax assets, we assessed recognition and measurement by performing the following procedures: • Evaluating the design, implementation and operating effectiveness of the relevant internal controls over recognition and measurement of deferred tax assets and underlying data; • Obtaining the approved business plans, projected profitability statements; • Challenging the assumptions used regarding future business plans and taxable profit in light of fiscal developments, current economic environment and prior performance in determining the recoverability of business losses recognized within the period available under applicable Income tax laws; • Performing sensitivity analysis

expected future market or economic conditions.	• Testing the computation of amounts recognized as deferred tax assets on business losses; • Focusing on the disclosures on deferred tax asset and assumptions used.

Information Other than the Financial Statements and Auditor's Report thereon

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, our auditor's report thereon.

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, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, consolidated profit & other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material 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.

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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 each company.

Auditor's Responsibility for the Audit of the 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.

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

- Identify and assess the risks of material misstatement of the 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.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its Associate companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

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

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other 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 the section titled "Other Matters" in this audit report

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

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Financial Results include the audited Financial Results of the following Associate the company, who's Financial Statements reflect the company's share as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entity have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph below (before consolidation).

(Amount in lacs)

Sr. No.	Name of the Associate	Year ended 31st March 2022		
		Total Revenue	**Profit after Tax**	**Total Assets**
1	Hyper Drive Information Technologies Private Limited	448.73	(67.99)	853.35
	Total	448.73	(67.99)	853.35

Our opinion on the consolidated Financial Results 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 and the financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

1) As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act in respect of Holding company whose accounts are audited by us, qualifications or adverse remarks given in the Companies (Auditor's Report) Order, 2020 ("the Order") reports of the holding company is included in the consolidated financial statements. In respect of associate company included in the consolidated financial statements whose accounts are audited by their respective auditor, no qualifications or adverse remarks are given by their respective auditor.

With respect to the matters specified in above paragraphs 3(xxi) of the companies (Auditor's Report) Order, 2020 we state that below mentioned company are carrying remarks as given under:

Sr. no.	Name of company	CIN	Holding/Associate	Clause no. of CARO report have adverse remark
1	Nitiraj Engineers Limited	L31909MH1999PLC119231	Holding Company	**Clause** XX

2) (A) As required by Section 143(3) of the Act, based on our Audit, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the consolidated statement of changes in equity, 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.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of Associate companies incorporated in India, none of the directors of Group company incorporated in India are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

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

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Associate companies incorporated in India.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company incorporated in India 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:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company incorporated in India or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, as disclosed in notes to the consolidated financial statements, no funds have been received by the Holding Company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(C) With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its Associate which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act read with schedule V. The remuneration paid to any director by the Holding Company and its Associate which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act read with schedule V. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For and on behalf of
P.D.Dalal & Co.
Chartered Accountants
Firm Registration No.102047W

(Aashish S. Kakaria)
Partner
Membership No.102915
UDIN: 22102915AIZVIK7346

Mumbai
12th May, 2022

Annexure "A" to the Independent Auditors Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Nitiraj Engineers Limited (hereinafter referred to as the "Holding Company") being the only company in the group to which requirement of the Companies Act, 2013 ("the Act") are applicable.

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 31st March, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its Associate, which are companies incorporated in India, internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the consolidated preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated 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 Consolidated 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 Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For and on behalf of
P.D.Dalal & Co.
Chartered Accountants
Firm Registration No.102047W

(Aashish S. Kakaria)
Partner
Membership No.102915
UDIN: 22102915AIZVIK7346

Mumbai
12th May, 2022

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NITIRAJ ENGINEERS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Amount in INR Lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021	April 1, 2020
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	3,235.97	2,742.21	2,868.35
(b) Capital Work-in-Progress	4	-	514.18	407.71
(c) Investment Property	5	12.32	8.71	8.86
(d) Right-of-use assets	4	25.15	58.97	69.50
(e) Intangible Assets	6	357.41	-	-
(f) Intangible Assets Under Development	6	160.16	601.02	468.01
(g) Investments accounted using equity mehtod	7	147.82	164.82	174.31
(h) Financial Assets				
(i) Investments	7	1.11	1.11	1.06
(ii) Other Financial Assets	7	29.42	44.12	64.62
(i) Deferred Tax Asset (Net)	13	85.37	-	-
(j) Other Non-Current Assets	12	428.49	412.15	217.95
		4,483.22	**4,547.29**	**4,280.37**
Current assets				
(a) Inventories	8	1,546.19	1,368.21	1,422.64
(b) Financial Assets				
(i) Investments	7	44.74	38.21	37.60
(ii) Trade Receivables	9	824.75	882.91	942.52
(iii) Cash and Cash Equivalents	10	27.02	155.30	448.05
(iv) Bank Balances Other than (iii) above	11	54.20	41.53	18.44
(v) Loans	7	98.91	14.16	24.69
(vi) Other Financial Assets	7	95.52	99.59	26.39
(c) Current Tax Assets (Net)	22	39.11	-	-
(d) Other Current Assets	12	508.96	769.03	829.51
		3,239.41	**3,368.94**	**3,749.84**
TOTAL		**7,722.63**	**7,916.22**	**8,030.21**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	14	1,025.10	1,025.10	1,025.10
(b) Other Equity	15	5,744.83	6,103.79	5,743.72
		6,769.93	**7,128.89**	**6,768.82**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Lease Liabilities	17	9.37	38.37	41.31
(b) Provisions	21	62.46	78.78	78.66
(c) Deferred Tax liabilities (Net)	13	-	26.63	28.00
(d) Other Non-Current Liabilities	20	4.51	5.51	6.70
		76.34	**149.29**	**154.66**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	371.47	-	-
(i) Lease Liabilities	17	17.00	23.34	28.19
(ii) Trade Payables	19			
Due to micro and small enterprises		-	-	-
Due to others		98.97	230.84	219.00
(iii) Other Financial Liabilities	18	169.65	165.65	700.52
(b) Provisions	21	32.23	4.09	5.36
(c) Other Current Liabilities	20	187.05	129.25	153.65
(d) Current Tax Liabilities (Net)	22	-	84.89	-
		876.37	**638.04**	**1,106.73**
TOTAL		**7,722.63**	**7,916.22**	**8,030.21**

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 51

As per our report of even date
For P.D.Dalal & Co.
Chartered Accountants
F.R.No. 102047W

For and on behalf of the board of directors of Nitiraj Engineers Limited

Aashish S. Kakaria
Partner
Membership No.102915
UDIN : 22102915AIZVIK7346

Rajesh R. Bhatwal
Managing Director
Din No.00547575

Shakuntala R. Bhatwal
Director
Din No.01953906

Kailas M. Agrawal
CFO

Deepika A. Dalmiya
Company Secretary
Membership No. A58029

Mumbai
Date: May 12, 2022

PHOENIX

NITIRAJ ENGINEERS LIMITED

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

(Amount in INR Lakhs)

Particulars	Notes	2021-22	2020-21
REVENUE			
Revenue from operations (net)	24	3,962.63	5,339.79
Other income	25	58.22	23.36
Total Revenue (I)		**4,020.85**	**5,363.15**
EXPENSES			
Cost of materials consumed		2,087.86	2,809.95
Changes in inventories of work-in-process and finished goods	26	80.97	42.46
Employee benefits expense	27	544.56	529.84
Finance costs	28	49.53	28.28
Depreciation and amortization expense	29	313.26	309.31
Other expenses	30	1,070.72	1,146.36
Total Expenses (II)		**4,146.91**	**4,866.19**
Profit before share of net profit/(loss) of an associate, tax and Exceptional Items(I-II)		**(126.06)**	**496.96**
Share of net loss of an associate		(17.00)	(9.49)
Profit before tax and Exceptional Items(I-II)		**(143.06)**	**487.47**
Exceptional Items	31	319.42	-
Profit/(loss) before tax		**(462.48)**	**487.47**
Tax expense:			
Current tax		-	**137.24**
Adjustment of tax relating to earlier periods		0.16	-
Deferred tax		(109.90)	(3.50)
Profit/(loss) for the period		**(352.74)**	**353.73**

Particulars	Notes	2021-22	2020-21
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		(8.32)	8.47
Income tax effect		2.09	(2.13)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-
Other Comprehensive income for the year, net of tax		(6.22)	6.34
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(358.96)**	**360.07**
Earnings per share for profit attributable to equity shareholders	31		
Basic and Diluted EPS		(3.44)	3.45

Significant Accounting Policies and Notes forming part of the Financial Statements — 1 to 51

As per our report of even date
For P.D.Dalal & Co.
Chartered Accountants
F.R.No. 102047W

For and on behalf of the board of directors of Nitiraj Engineers Limited

Aashish S. Kakaria
Partner
Membership No.102915
UDIN : 22102915AIZVIK7346

Rajesh R. Bhatwal
Managing Director
Din No.00547575

Shakuntala R. Bhatwal
Director
Din No.01953906

Kailas M. Agrawal
CFO

Deepika A. Dalmiya
Company Secretary
Membership No. A58029

Mumbai
Date: May 12, 2022

PHOENIX

NITIRAJ ENGINEERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit Before Tax as per Statement of Profit and Loss:	(462.48)	487.47
Adjustments for:		
Depreciation and amortisation expense	313.26	309.31
Net (gain)/loss on disposal of property, plant and equipment	109.60	(0.35)
Share of loss of an associate	17.00	9.49
Impairment of intangible assets under development	196.27	-
Finance costs	49.53	28.28
Interest Income	(22.46)	(13.09)
Net gain on financial instruments	(6.54)	(0.61)
Reversal of allowance on doubtful debts	(2.04)	(1.84)
Sundry balances written off	30.95	39.24
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	60.20	61.46
(Increase)/Decrease in inventories	(177.98)	54.42
Increase/(decrease) in trade payables	(131.87)	11.84
(Increase) in other financial assets	18.77	(52.71)
(Increase)/decrease in other assets	198.28	(174.70)
Increase/(decrease) in provisions	3.51	7.31
Increase in other liabilities	60.80	(560.46)
Cash generated from operations	254.80	205.06
Less: Income taxes paid	(109.49)	(50.63)
Net cash inflow from operating activities	145.31	154.43
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(418.37)	(271.15)
Payments for investment property	(3.62)	-
Payments for Purchase of Investments	-	(0.05)
Intangible asset under development	(112.83)	(133.01)
Loans paid to employees recovered	(84.75)	10.54
Proceeds from sale of property, plant and equipment	40.65	**2.93**
Movement in other bank balances	(12.67)	(23.09)
Interest received	22.46	13.09
Net cash outflow from investing activities	(569.12)	(400.74)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	371.47	-
Principal elements of lease payments	(26.41)	(18.16)
Interest paid	(49.53)	(28.28)
Net cash inflow (outflow) from financing activities	295.53	(46.44)
Net increase (decrease) in cash and cash equivalents	(128.28)	(292.76)
Cash and Cash Equivalents at the beginning of the financial year	155.30	448.05
Cash and Cash Equivalents at end of the year	**27.02**	155.30
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks on current accounts	0.10	125.60
Cash on hand	26.92	29.69
Balances per statement of cash flows	**27.02**	155.30

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NITIRAJ ENGINEERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Note :

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow

(b) Changes in liability arising from financing activities **(Amount in INR Lakhs)**

	Liabilities from financing activities	
	lease liabilities	Borrowings
Net Debt as at April 1, 2020	**69.50**	**531.41**
Cash outflows	(24.30)	(531.41)
Cash inflows	-	-
Interest expense	6.13	22.14
Interest paid		(22.14)
Additions	10.37	-
Net Debt as at March 31, 2021	**61.71**	-
Cash outflows	(30.12)	-
Cash inflows	-	371.47
Interest expense	5.25	49.53
Interest paid	-	(49.53)
Additions	15.75	-
Other adjustments	(26.21)	-
Net Debt as at March 31, 2022	**26.37**	**371.47**

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 51

As per our report of even date
For P.D.Dalal & Co.

Chartered Accountants
F.R.No. 102047W

Aashish S. Kakaria
Partner
Membership No.102915
UDIN : 22102915AIZVIK7346

For and on behalf of the board of directors of Nitiraj Engineers Limited

Rajesh R. Bhatwal
Managing Director
Din No.00547575

Shakuntala R. Bhatwal
Director
Din No.01953906

Kailas M. Agrawal
CFO

Deepika A. Dalmiya
Company Secretary
Membership No. A58029

Mumbai
Date: May 12, 2022

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NITIRAJ ENGINEERS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2022

A Equity Share Capital

(Amount in INR Lakhs)

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2021			
Numbers	1,02,51,000	-	**1,02,51,000**
Amount	1,025.10	-	**1,025.10**
March 31, 2022			
Numbers	1,02,51,000	-	**1,02,51,000**
Amount	1,025.10	-	**1,025.10**

B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus		
	Securities Premium Reserve	Retained Earnings	Total
As at April 1, 2020	**1,775.70**	**3,968.02**	**5,743.72**
Profit for the period	-	353.73	353.73
Other comprehensive income	-	6.34	**6.34**
Total comprehensive income for the year	**1,775.70**	**4,328.09**	**6,103.79**
As at March 31, 2021	**1,775.70**	**4,328.09**	**6,103.79**
Profit for the period		(352.74)	**(352.74)**
Other comprehensive income		(6.22)	**(6.22)**
Total comprehensive income for the year	**1,775.70**	**3,969.13**	**5,744.83**
As at March 31, 2022	**1,775.70**	**3,969.13**	**5,744.83**

Note:

(i) Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Retained Earnings: The amount that can be distributed by the Group as dividends to its equity shareholders out of accumulated reserves is determined considering the requirements of the Companies Act, 2013. Thus, the closing balance amounts reported above are not distributable in entirety.

Significant Accounting Policies and Notes forming part of the Financial Statements — 1 to 51

As per our report of even date

For P.D.Dalal & Co.
Chartered Accountants
F.R.No. 102047W

For and on behalf of the board of directors of Nitiraj Engineers Limited

Aashish S. Kakaria
Partner
Membership No.102915
UDIN : 22102915AIZVIK7346

Rajesh R. Bhatwal
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CFO

Deepika A. Dalmiya
Company Secretary
Membership No. A58029

Mumbai
Date: May 12, 2022

PHOENIX

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate Information

The financial statements comprise consolidated financial statements of Nitiraj Engineers Limited (Parent) and its associate ('Group') for the year ended March 31, 2022. The parent company is a public company domiciled in India and is incorporated on April 1, 1999 under the provisions of the Companies Act applicable in India. Its shares are listed on NSE. The registered office of the company is located at 306 A Babha Building, M Marg, near police station, Mumbai 400011.

The Parent company is engaged in manufacturing and selling of a variety of Electronic Weighing Scales, Currency Counting Machines, Taxi Fare Meters etc.

The associate entity is engaged into software development, software solutions, IT consulting services and IT enabled services etc.

The parent company launched it's Initial Public Offer of equity shares during the FY 2016-17 and got listed on the NSE Emerge [SME] Exchange. Company migrated from SME Platform (EMERGE) and admitted to dealings on the National Stock Exchange (Capital Market Segment - Main Board) with effect from April 22, 2021.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 12, 2022.

2 Significant Accounting Policies

2.1 Basis of preparation

The consolidated financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015(as amended).

For all periods up to and including the year ended March 31, 2021, the Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2022 are the first the Group has prepared in accordance with Ind AS. Refer to note 49 for information on how the Group adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the certain financial assets, investments etc whichhave been measured at fair value.

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in equity and Consolidated Cash Flow Statement are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Group's presentation and functional currency is Indian Rupees (INR) and all values are rounded off to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.2 Principles of consolidation and equity accounting

The Group does not have a subsidiary

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

2.3 Summary of significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognising revenue from major business activities

(i) Revenue from contracts with customers:

Revenue from contract with customers is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services. Performance obligations are satisfied at the point of time when the customer obtains the controls of the goods. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract. Revenue excludes taxes collected from customers.

(ii) Sale of services

Revenue from sale of services is in nature of job work on customer product which normally takes 1–10 days for completion and accordingly revenue is recognised when products are sent to customer on which job work is completed.

(iii) Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iv) Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(c) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(d) Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-ofuse asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

(f) Impairment of non financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(g) Cash and cash equivalents

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

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

(h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work in progress and Finished goods: Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of work-in-progress and finished goods are determined on a weighted average basis.

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

(i) Financial instruments

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

(i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(1) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(2) Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(3) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(4) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Interest in associate is carried at cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the Group determines whether there has been a significant increase in credit risk.

NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(ii) Financial liabilties

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

(1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

(2) Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(iv) Offsetting of financial instruments

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

(j) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised atcost, including GST for which credit is not available, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Freehold buildings	25-40 years
Machinery	10-15 years
Furniture, fittings and equipment	03-08 years

The property, plant and equipment acquired under finance leases is depreciated over the asset’s useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(k) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

(I) Intangible assets

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits

- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.
Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Revenue expenditure is charged to the Statement of Profit and Loss and Capital Expenditure is added to the cost of Property, Plant and Equipment in the year in which it is incurred. The Group is pursuing development of new technologies and has capitalised the expenditure incurred on the Research and Development. Research expenditure and development expenditure that do not meet the criteria specified above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the written down value method over the following periods:

Computer software	10 years
Research & Development Expenses for EMFR	30 years

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 - 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

(o) Provisions

General

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

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

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity, pension, post-employment medical plans; and

(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Post-employment medical obligations

Group provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(vi) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Dilluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(s) Current/non current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Nitiraj Engineers Limited has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

(u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

3 Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, which are described in Note 2, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(ii) Impairment of non financial assets

Determining whether the asset is impaired requires an estimation of the value in use of the cash-generating units to which asset/goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(iii) Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period.

(iv) Provisions and Contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Land	Buildings (Refer (i) below)	Plant and Equipments (Refer (i) below)	Furniture and Fixtures	Vehicles	Office Equipments	Computer	Solar System	Electric Installations	Capital Work in Progress	Total
GROSS CARRYING VALUE											
As at April 1, 2020 (Deemed cost)	419.52	1,414.74	760.88	104.35	51.57	32.11	34.02	3.46	117.21	407.71	3,345.57
Additions	-	12.47	66.19	37.89	-	3.02	12.62		42.08	106.47	280.74
Disposals	-	-	(1.66)	-	(1.60)	-	-	-	-	-	(3.27)
As at March 31, 2021	419.52	1,427.21	825.41	142.24	49.97	35.13	46.64	3.46	159.29	514.18	3,623.04
Additions	4.41	656.95	133.17	43.83	0.99	14.03	16.12	27.51	49.92		946.94
Disposals	-	(49.88)	(122.06)	(44.91)	(2.94)	(8.59)	(1.90)		(19.06)	(514.18)	(763.50)
As at March 31, 2022	423.93	2,034.28	836.52	141.16	48.02	40.57	60.86	30.97	190.16	-	3,806.48
ACCUMULATED DEPRECIATION/IMPAIRMENT											
As at April 1, 2020											
Depreciation for the year	-	146.28	114.94	7.79	6.74	4.31	14.57	1.38	12.31	-	308.38
Deductions\Adjustments during the period	-	-	(0.40)		(0.25)						(0.69)
As at March 31, 2021	-	146.28	114.54	7.79	6.49	4.31	14.57	1.38	12.31	-	307.69
Depreciation for the year	-	146.94	114.13	10.89	6.06	4.53	14.67	1.56	13.13	-	311.91
Deductions\Adjustments during the period	-	(0.38)	(61.60)	(6.04)	(0.81)	(2.04)	(1.24)	-	(2.11)	-	(74.23)
As at March 31, 2022	-	292.84	167.07	12.64	11.74	6.81	28.00	2.94	23.33	-	545.36
Net Carrying value as at March 31, 2022	423.93	1,741.44	669.45	128.52	36.28	33.77	32.86	28.03	166.83	-	3,261.12
Net Carrying value as at March 31, 2021	419.52	1,280.93	710.87	134.45	43.48	30.81	32.06	2.07	146.99	514.18	3,315.36
Net Carrying value as at April 1, 2020	419.52	1,414.74	760.88	104.35	51.57	32.11	34.02	3.46	117.21	407.71	3,345.57

* **Refer Note 34**

(i) The above includes the right of use asset recognised under Ind AS 116 Leases as under:

(₹ in Lacs)

Particulars	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount	
	Balance As on 1-Apr-2021	Additions/ Adjustments during the year	Deduction / Adjustment during the year	Balance As on 31-Mar-2022	Balance As on 01-04-2021	Additions/ Adjustments during the year	Deduction / Adjustment during the year	Balance As on 31-Mar-2022	Balance As on 31-Mar-2022	Balance As on 31-Mar-2021
ROU - Building	79.87	11.81	(47.69)	44.00	20.90	24.35	(22.85)	22.41	21.59	58.97
ROU - Plant & Equipment	-	3.93	-	3.93	-	0.38	-	0.38	3.56	-
Total	79.87	15.75	(47.69)	47.93	20.90	24.73	(22.85)	22.79	25.15	58.97

Particulars	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount	
	Balance As on 1-Apr-2020	Additions/ Adjustments during the year	Deduction / Adjustment during the year	Balance As on 31-Mar-2021	Balance As on 01-Apr-2020	Additions/ Adjustments during the year	Deduction / Adjustment during the year	Balance As on 31-Mar-2021	Balance As on 31-Mar-2021	Balance As on 1-Apr-2021
ROU - Building	69.50	10.37	-	79.87	-	20.90	-	20.90	58.97	69.50
ROU - Plant & Equipment	-	-	-	-	-	-	-	-	-	-
Total	69.50	10.37	-	79.87	-	20.90	-	20.90	58.97	69.50

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii. Contractual Obligations

Refer to Note [illegible] for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iii. Capital Work In Progress Ageing Schedule

As on 31 March 2021

(₹ in Lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	106.47	8.83	398.88		514.18
Projects temporarily suspended					-
Total	106.47	8.83	398.88	-	514.18

As on 1 April 2020

(₹ in Lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	8.83	398.88	-	-	407.71
Projects temporarily suspended	-	-	-	-	-
Total	8.83	398.88	-	-	407.71

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5. INVESTMENT PROPERTY

(Amount in INR Lakhs)

Particulars	Buildings
GROSS CARRYING VALUE	
As at April 1, 2020	8.86
Additions	0.78
As at March 31, 2021	9.64
Additions	4.93
As at March 31, 2022	**14.57**
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
As at April 1, 2020	-
Depreciation	0.93
As at March 31, 2021	0.93
Depreciation	1.31
As at March 31, 2022	**2.25**
Net Carrying value as at March 31, 2022	**12.32**
Net Carrying value as at March 31, 2021	**8.71**
Net Carrying value as at April 1, 2020	**8.86**

Notes :

i. Amount recognised in the statement of profit and loss for investment properties

Particulars	March 31, 2022	March 31, 2021
Rental Income	10.10	8.03
Direct Operating expenses from property that generated rental income	(1.87)	(0.58)
Direct Operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	8.23	7.45
Depreciation	1.31	0.93
Profit from investment properties	6.92	6.52

ii. Leasing Arrangements

Investment properties are leased to tenants under long term operating leases with rentals payable monthly.

(Amount in INR Lakhs)

Particulars	March 31, 2021	March 31, 2020
Within one year	7.86	5.99
Later than one year but not later than 5 years	15.00	19.86
Later than 5 years	5.00	8.00
	27.86	**33.85**

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

iii. Fair Value

Reconciliation of Fair Value:

Particulars	**(Amount in INR Lakhs)**
Opening Balance as at April 1, 2020	290.23
Fair Value Difference	0.84
Purchases	
Balance as at March 31, 2021	291.08
Fair Value Difference	1.93
Purchases	
Closing balance as at March 31, 2022	293.00

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

Generally, a change in the assumption made for the estimated rental value is accompanied by:

- A directionally similar change in the rent growth per annum and discount rate (and exit yield)
- An opposite change in the long term vacancy rate

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

6. INTANGIBLE ASSETS

(Amount in INR Lakhs)

Particulars	Software	Capitalised development expenditure	Intangible assets under development	Total
GROSS CARRYING VALUE				
As at April 1, 2020 (Deemed cost)	-	-	468.01	468.01
Additions	-	-	133.01	133.01
Deletions	-	-	-	-
As at March 31, 2021	**-**	**-**	**601.02**	**601.02**
Additions	49.96	307.50	112.87	470.33
Deletions	-	-	(553.73)	(553.73)
As at March 31, 2022	**49.96**	**307.50**	**160.16**	**517.62**
ACCUMULATED AMORTISATION				
As at April 1, 2020				-
Amortisation for the year	-	-	-	-
Deductions\Adjustments during the period	-	-	-	-
As at March 31, 2021	**-**	**-**	**-**	**-**
Amortisation for the year	0.01	0.03	-	0.04
Deductions\Adjustments during the period	-	-	-	-
As at March 31, 2022	**0.01**	**0.03**	**-**	**0.04**
Net Carrying value as at March 31, 2022	**49.94**	**307.47**	**160.16**	**517.57**
Net Carrying value as at March 31, 2021	**-**	**-**	**601.02**	**601.02**
Net Carrying value as at April 1, 2020	**-**	**-**	**468.01**	**468.01**

Intangible assets under development ageing schedule

March 31, 2022

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	146.73	13.43	-	-	160.16
Projects temporarily suspended					-
Total	146.73	13.43	-	-	160.16

March 31, 2021

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	133.01	141.95	125.96	200.10	601.02
Projects temporarily suspended					-
Total	133.01	141.95	125.96	200.10	601.02

April 1, 2020

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	141.95	125.96	117.34	82.76	468.01
Projects temporarily suspended					-
Total	141.95	125.96	117.34	82.76	468.01

The Group does not have any intangible asset under development whose completion is overdue or whose costs have exceeded its original plan.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7. FINANCIAL ASSETS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
(A) INVESTMENTS ACCOUNTED USING EQUITY METHOD			
Unquoted			
Investments in Associates			
3,334 Equity Shares of INR 10 each at a premium of INR 5,990 per share in Hyper Drive Information Technologies Private Limited	147.82	164.82	174.31
(Number of shares; March 31, 2021 : 3.334 ; April 1, 2020 : 3,334)			
(B) INVESTMENTS			
(1) Non Current			
Investments carried at fair value through profit and loss			
Unquoted			
Investments in Equity Instruments			
690 Equity Shares of INR 10 each in Merchant Co-op. Bank Limited	0.07	0.07	0.07
(Number of shares; March 31, 2021 : 690 ; April 1, 2020 : 690)			
Investment carried at amortised cost			
Unquoted			
Investments in Government securities			
National Savings Certificate	1.04	1.04	0.99
Total	**148.93**	**165.93**	**175.37**
Aggregate amount of quoted investments	-	-	-
Market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	148.93	165.93	175.37
Investments carried at amortised cost	1.04	1.04	0.99
Investments carried at fair value through profit and loss	0.07	0.07	0.07
Investments carried at cost	147.82	164.82	174.31
(2) Current			
Investments carried at fair value through Profit and Loss			
Unquoted			
Investment in Gold	44.74	38.21	37.60
Total	**44.74**	**38.21**	**37.60**
(C) LOANS			
Current			
Unsecured, considered good unless otherwise stated			
Loans to Employees	98.91	14.16	24.69
Total	**98.91**	**14.16**	**24.69**
(D) OTHER FINANCIAL ASSETS			
Non Current			
Financial assets carried at amortised cost			
Bank Deposits with more than 12 months maturity *	24.44	33.84	55.80
Lease Deposits	4.98	10.28	8.82
Total	**29.42**	**44.12**	**64.62**
Current			
Financial assets carried at amortised cost			
Lease Deposits	10.34	7.32	7.14
Tender Deposits	84.77	91.82	15.29
Interest Accrued but not due	0.42	0.45	3.96
Total	**95.52**	**99.59**	**26.39**

*Lien marked with banks

8. INVENTORIES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
(Valued at lower of Cost and Net Realisable value)			
Raw materials	1,321.37	1,062.42	1,074.38
Work-in-process	123.99	121.37	95.66
Finished goods	100.84	184.42	252.60
Total	**1,546.19**	**1,368.21**	**1,422.64**

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NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

9. TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Current			
Trade Receivables from customers	824.75	882.91	942.52
	824.75	**882.91**	**942.52**
Breakup of Security details			
Secured, considered good			
Unsecured, considered good	824.75	882.91	942.52
Significant increase in credit risk	17.31	19.35	21.20
	842.06	**902.26**	**963.72**
Less: Allowance for bad and doubtful debts			
Significant increase in credit risk	17.31	19.35	21.20
	17.31	**19.35**	**21.20**
	824.75	**882.91**	**942.52**

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to INR Nil (Previous year INR Nil)

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to INR Nil (Previous year INR Nil)

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NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

TRADE RECEIVABLES AGEING SCHEDULE

As at March 31, 2022 **(Amount in INR Lakhs)**

Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables								
(i) Considered good	-	-	757.43	5.60	44.51	4.92	9.69	822.15
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit Impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	19.91	19.91
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit Impaired	-	-	-	-	-	-	-	-
	-	**-**	**757.43**	**5.60**	**44.51**	**4.92**	**29.60**	**842.06**
Less: Allowance for bad and doubtful debts	-	-	-	-	-	-	-	17.31
	-	**-**	**757.43**	**5.60**	**44.51**	**4.92**	**29.60**	**824.75**

As at March 31, 2021 **(Amount in INR Lakhs)**

Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables								
(i) Considered good	-	-	470.45	302.37	76.01	3.65	37.82	890.31
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit Impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	19.91	19.91
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit Impaired	-	-	-	-	-	-	-	-
	-	**-**	**470.45**	**302.37**	**76.01**	**3.65**	**57.72**	**910.22**
Less: Allowance for bad and doubtful debts	-	-	-	-	-	-	27.31	27.31
	-	**-**	**470.45**	**302.37**	**76.01**	**3.65**	**85.03**	**882.91**

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NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

10. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Balances with banks on current accounts	0.10	125.60	421.31
Cash on hand	26.92	29.69	26.75
	27.02	**155.30**	**448.05**

11. OTHER BANK BALANCES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Deposits with banks to the extent held as margin money	50.43	37.76	14.67
Other deposits with banks	3.77	3.77	3.77
	54.20	**41.53**	**18.44**

Bank deposits earns interest at fixed rates. Short term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Group, and earn interest at the respective deposit rates

12. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current			
Capital Advances	1.23	21.71	-
Advances other than Capital advances			
Security Deposits	8.61	8.62	10.48
Prepaid expenses	0.87	3.23	4.16
Payment of Taxes (Net of Provisions)	32.42	32.42	31.13
Balances with Statutory, Government Authorities	163.83	163.83	163.83
Other non current assets	221.52	182.35	8.34
Total	**428.49**	**412.15**	**217.95**
Current			
Advances other than Capital advances			
- Security Deposits	1.51	-	-
- Advances to Suppliers	197.02	328.22	280.78
- Advances to employees	3.58	3.58	3.58
Others			
Prepaid expenses	-	0.09	0.09
Balances with Statutory, Government Authorities	84.45	3.80	133.54
Other current assets	222.42	433.34	411.51
Total	**508.96**	**769.03**	**829.51**

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NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

13. INCOME TAX

Deferred Tax (Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Deferred tax relates to the following:			
Accelerated depreciation for tax purposes	(36.79)	(49.69)	(51.23)
Financial instruments at fair value through profit or loss	(7.10)	(5.41)	(5.26)
Provision for gratuity	18.28	20.86	21.15
Provision for leave encashment	1.55	-	-
Allowance for credit loss on financial assets	6.36	6.87	7.34
Losses available for offsetting against future taxable income	100.68	-	-
Other temporary differences	2.39	0.75	0.01
Net Deferred Tax Assets / (Liabilities)	**85.37**	**(26.63)**	**(28.00)**

Movement in deferred tax liabilities/assets

Particulars	March 31, 2022	March 31, 2021
Opening balance as of April 1	(26.63)	(28.00)
Tax income/(expense) during the period recognised in profit or loss	109.90	3.50
Tax income/(expense) during the period recognised in OCI	2.09	(2.13)
Closing balance as at March 31	**85.37**	**(26.63)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liablities relate to income taxes levied by the same tax authority

Major Components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are as follows:

i. Income tax recognised in profit or loss (Amount in INR Lakhs)

	2021-22	2020-21
Current income tax charge	-	137.24
Adjustment in respect of current income tax of previous year	0.16	-
Deferred tax	(109.90)	(3.50)
Relating to origination and reversal of temporary differences	-	-
Income tax expense recognised in profit or loss	**(109.74)**	**133.74**

ii. Income tax recognised in OCI

	2021-22	2020-21
Net loss/(gain) on remeasurements of defined benefit plans	2.09	(2.13)
Income tax expense recognised in OCI	**2.09**	**(2.13)**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2022 and March 31, 2021

	2021-22	2020-21
Accounting profit before income tax	**(445.48)**	**496.96**
Enacted tax rate in India	25.17%	25.17%
Income tax on accounting profits	**(112.12)**	**125.07**
Effect of		
Expenses not deductible for tax purposes	2.31	4.61
Other	0.07	4.05

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NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Tax at effective income tax rate	**(109.74)**	**133.74**

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

14. SHARE CAPITAL

i. Authorised Share Capital (Amount in INR Lakhs)

Particulars	Equity Share of INR 10 each	
	Number	Amount
At April 1, 2020	1,10,00,000	1,100.00
Increase/(decrease) during the year	-	-
At March 31, 2021	1,10,00,000	1,100.00
Increase/(decrease) during the year	-	-
At March 31, 2022	1,10,00,000	1,100.00

Terms/rights attached to equity shares

The Company has one class of Equity shares having a par value of INR 10 each. Each holder of Equity shares is entitled to one vote per share and are subject to the preferential rights as prescribed under law or those of preference shareholders,if any. The Equity share holders are also subject to restrictions as presribed under the Companies Act, 2013. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. Issued Capital

(Amount in INR Lakhs)

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2020	1,02,51,000	**1,025.10**
Issued during the period	-	-
At March 31, 2021	1,02,51,000	**1,025.10**
Issued during the period	-	-
At March 31, 2022	**1,02,51,000**	**1,025.10**

iii. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
Equity shares of INR 10 each issued, subscribed and fully paid				
Mr. Rajesh Bhatwal	42,60,375	41.56%	42,60,375	41.56%
Mrs. Shakuntala Bhatwal	23,50,500	22.93%	23,50,500	22.93%
Mr. Yi Hung Sing	8,20,500	8.00%	8,20,500	8.00%

iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Year	Bonus Shares
March 31, 2022	-
March 31, 2021	-
March 31, 2020	20,50,200
March 31, 2019	-
March 31, 2018	-

v. None of the above shares are reserved for issue under options/ contract/ commitments for sale of shares or disinvestment.

15. OTHER EQUITY

i. Reserves and Surplus (Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Securities Premium Reserve	1,775.70	1,775.70	1,775.70
Retained Earnings	3,969.13	4,328.09	3,968.02
	5,744.83	**6,103.79**	**5,743.72**

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(a) Securities Premium Reserve **(Amount in INR Lakhs)**

	March 31, 2022	March 31, 2021
Opening balance	1,775.70	1,775.70
Add/(Less): Changes during the period	-	-
Closing balance	**1,775.70**	**1,775.70**

(b) Retained Earnings **(Amount in INR Lakhs)**

	March 31, 2022	March 31, 2021
Opening balance	4,328.09	3,968.02
Net Profit/(Loss) for the period	(352.74)	353.73
Add/(Less):		
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	(6.22)	6.34
Closing balance	**3,969.13**	**4,328.09**

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

16. BORROWINGS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current Borrowings			
Secured			
Term Loans from a bank	-	-	527.78
Less: Current maturities	-	-	(527.78)
Total	-	-	-
Current Borrowings			
Secured			
Loans repayable on demand from Banks	371.47	-	-
Total	**371.47**	-	-

17. LEASE LIABILITIES

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current			
Lease Liabilities (Refer Note 34)	9.37	38.37	41.31
	9.37	**38.37**	**41.31**
Current			
Lease Liabilities (Refer Note 34)	17.00	23.34	28.19
	17.00	**23.34**	**28.19**

18. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Current			
Financial Liabilities at amortised cost			
Current maturities of long term debts	-	-	531.41
Dues to employees	122.56	137.56	115.25
Deposits Payable	7.62	7.12	46.73
Others	39.47	20.96	7.13
Total	**169.65**	**165.65**	**700.52**

19. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Current			
Trade Payables to Micro, Small and Medium Enterprises	-	-	-
Trade Payables to Others	98.97	230.84	219.00
Total	**98.97**	**230.84**	**219.00**

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

TRADE PAYABLES AGEING SCHEDULE

As at March 31, 2022 **(Amount in INR Lakhs)**

Particulars	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	89.96	1.20	1.16	6.65	98.97
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
	-	**-**	**89.96**	**1.20**	**1.16**	**6.65**	**98.97**

As at March 31, 2021 **(Amount in INR Lakhs)**

Particulars	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	218.72	2.78	1.97	7.37	231
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
	-	**-**	**218.72**	**2.78**	**1.97**	**7.37**	**230.84**

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NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

20. OTHER LIABILITIES

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current			
Government Grants	4.51	5.51	6.70
Total	**4.51**	**5.51**	**6.70**
Current			
Advance received from Customers	135.52	92.87	112.65
Government Grants	1.18	1.18	1.18
Other Payable	31.22	17.78	19.00
Statutory dues payable	19.12	17.42	20.82
Total	**187.05**	**129.25**	**153.65**

21. PROVISIONS

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Non Current			
Provision for employee benefits			
Gratuity (Refer Note 32)	57.11	78.78	78.66
Leave encashment	5.35	-	-
Total	**62.46**	**78.78**	**78.66**
Current			
Provision for employee benefits			
Gratuity (Refer Note 32)	31.44	4.09	5.36
Leave encashment	0.79	-	-
Total	**32.23**	**4.09**	**5.36**

22. CURRENT TAX LIABILITY(NET)

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021
Opening balance	84.89	-
Add: Current tax payable for the year	-	137.24
Less: Taxes paid	(123.99)	(52.35)
Closing Balance	**(39.11)**	**84.89**

23. GOVERNMENT GRANT

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Opening balance	5.51	6.70	7.88
Grants received during the year	-	-	-
Released to statement of profit and loss	(1.00)	(1.18)	(1.18)
Closing Balance	**4.51**	**5.51**	**6.70**

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

24. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
A. Revenue from contracts with customers		
Sale of products		
Machines	3,801.23	4,558.32
Spares	119.79	747.78
Sale of services	32.47	22.54
Other Operating Revenues	9.14	11.15
	3,962.63	**5,339.79**

B. Disaggregated revenue information

The table below presents disaggregated revenue from contact with customers for the year ended March 2022 and March 2021. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

(Amount in INR Lakhs)

	2021-22	2020-21
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	3,928.32	5,308.18
b. Exports	34.31	31.61
Total Revenue from Operation	**3,962.63**	**5,339.79**

C. Reconciliation of Gross Revenue from Contracts With Customers (Amount in INR Lakhs)

	2021-22	2020-21
Gross Revenue	4,001.70	5,382.15
Less : Discount	(39.07)	(42.36)
Net Revenue recognised from Contracts with Customers	**3,962.63**	**5,339.79**

25. OTHER INCOME

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Interest income on Bank fixed deposits	21.30	12.16
Interest income on others	1.16	0.93
Rental income	10.10	8.03
Government grants income	1.00	1.18
Fair value gain on financial instruments at FVTPL	6.54	0.61
Net gain on disposal of property, plant and equipment	13.55	0.35
Miscellaneous Income	4.57	0.09
	58.22	**23.36**

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NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Inventories as at the beginning of the year		
Work - in - process	121.37	95.66
Finished goods	184.42	252.60
Total	**305.80**	**348.25**
Less : Inventories as at the end of the year		
Work - in - process	123.99	121.37
Finished goods	100.84	184.42
Total	**224.82**	**305.80**
Net decrease / (increase) in inventories	**80.97**	**42.46**

27. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Salaries, wages and bonus	510.14	495.64
Contribution to provident and other funds	34.42	34.19
	544.56	**529.84**

28. FINANCE COST

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Interest expense on borrowings and lease liabilties	36.06	21.61
Other borrowing costs	13.47	6.67
	49.53	**28.28**

29. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Depreciation on tangible assets	311.91	308.38
Amortisation on intangible assets	0.04	-
Depreciation on investment properties	1.31	0.93
	313.26	**309.31**

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NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

30. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Manufacturing Expenses		
Power & Fuel	29.00	30.21
Labour and Processing Charges	330.26	434.71
	359.26	**464.92**
Selling, Administration and Other Expenses		
Commission to Selling Agents	44.52	44.66
Stamping fees	162.64	97.49
Other selling expenses	8.26	7.93
Advertisement	34.07	20.14
Transportation & Handling Charges	160.23	226.73
Tender Expenses	3.66	6.63
Rent	4.94	4.18
Repairs and maintenance		
Factory Building	-	0.37
Plant and Machinery	11.74	6.68
Others	10.39	6.00
Rates and taxes	12.99	9.20
Insurance	12.11	11.56
Telephone expenses	9.26	9.41
Corporate social responsibility expenditure (Refer note below)	8.87	16.38
Software & Computer Exp.	9.97	12.16
Legal and professional fees	48.27	28.91
Payments to auditors (Refer note below)	3.50	3.50
Travelling & conveyance expenses	94.92	70.95
Allowance for doubtful debts and advances	-	(1.84)
Sundry balance written off	30.95	39.24
Miscellaneous expenses	40.17	61.15
	711.46	**681.43**
Total	**1,070.72**	**1,146.36**

(a) Details of Payments to auditors (Amount in INR Lakhs)

	2021-22	2020-21
As auditor		
Audit Fee	3.50	3.50
	3.50	**3.50**

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(b) Corporate social responsibility expenditure **(Amount in INR Lakhs)**

Particulars	2021-22	2020-21
Gross amount required to be spent by the Group during the year.	8.87	16.38
Amount approved by the Board to be spent during the year	8.87	16.38
Amount spent during the year on*: (i) Construction/acquisition of any asset (ii) On purposes other than (i) above	5.64	16.38
Total amount spent during the year	5.64	16.38
Amount transferred to CSR Unspent A/C	-	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Group	3.23	-
The total of previous years' shortfall amounts	-	-
The reason for above shortfalls	Balance amount of Rs. 3.23 lacs is to be transferred to the fund included in schedule VII of the Act.	
Details of related party transactions	NA	NA
Provision for CSR Expenses		
Opening Balance	16.38	-
Add: Provision created during the period	8.87	16.38
Less: Provision utilised during the period	5.64	-
Closing Balance	19.60	16.38

*Unspent amount as on 31st March 2022 is Rs. 19.60 lacs, out of which Rs. 16.38 lacs of F.Y. 2020-21 is to be spent on the ongoing projects identified by the company.

31. EXCEPTIONAL ITEMS

(Amount in INR Lakhs)

Particulars	2021-22	2020-21
Disposal of Property, Plant and Equipment	123.15	-
Write off of Intangible Asset under development	196.27	-
	319.42	**-**

During the year holding company has closed down one of its Manufacturing Unit at Parwanoo, which has resulted in exceptional loss of Rs. 123.15 lacs on Disposal of Property, Plant and Equipment.

Also, the holding company had been developing its "Cash Register (Billing Machine)" and now has re assessed its strategy in response to the change in market conditions that the intangible cannot be developed as intended initially and has hence shelved the project resulting in write off of Rs 196.27 lacs. as a exceptional item.

NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

31. EARNINGS PER SHARE

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021
(a) Basic earnings per share	(3.44)	3.45
(b) Diluted earnings per share	(3.44)	3.45
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(352.74)	353.73
Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company	(352.74)	353.73
Adjustments for calculation of dilluted earnings per share:	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**(352.74)**	**353.73**
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,02,51,000	1,02,51,000
Adjustments for calculation of dilluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**1,02,51,000**	**1,02,51,000**

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

32. EMPLOYEE BENEFIT OBLIGATIONS

(Amount in INR Lakhs)

	March 31, 2022			March 31, 2021		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	0.79	5.35	**6.14**	-	-	-
Gratuity	31.44	57.11	**88.55**	4.09	78.78	**82.87**
Total Employee Benefit Obligation	**32.23**	**62.46**	**94.69**	**4.09**	**78.78**	**82.87**

(i) Leave Obligations
The leave obligations cover the Group's liability for sick and earned leave.

The amount of the provision of INR 0.79 Lakhs (March 31, 2021: INR Nil) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employement obligations
a) Gratuity
The Group provides for gratuity for employees in india as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is an unfunded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The significant actuarial assumptions were as follows:

	March 31, 2022	March 31, 2021	April 1, 2020
Discount rate	7.25%	7.00%	7.00%
Expected return on plan assets	-	-	-
Salary growth rate	5.00%	5.00%	5.00%
Normal retirement age	58 Years	58 Years	58 Years

A quantitative sensitivity analysis for significant assumption is shown below:

Assumptions	**Discount rate**		**Withdrawal rate**		**Salary growth rate**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
March 31, 2022						
Impact on defined benefit obligation	5.56	6.85	6.29	5.97	6.86	5.54
% Impact	10%	11%	2%	3%	12%	10%
March 31, 2021						
Impact on defined benefit obligation	77.10	88.95	83.26	81.86	88.75	77.22
% Impact	7%	8%	1%	1%	7%	1%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined beenfit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in INR Lakhs)

	March 31, 2022	March 31, 2021
Within the next 12 months	31.44	3.84
Between 2 and 5 years	15.56	33.28
Beyond 5 years	41.55	45.49
Total expected payments	88.55	82.61

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

33. COMMITMENTS AND CONTINGENCIES

(Amount in INR Lakhs)

A. Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2022	March 31, 2021	April 1, 2020
Property, plant and equipment	-	-	-
Intangible assets	-	-	-

B. Contingent Liabilities

i. Claim against the Group not acknowledged as debt	-
ii. Guarantees excluding financial guarantees	-
ii. Other money for which the Group is contingently liable	-

Breif description of the nature of each contingent liability

(Also specify (i) an estimate of its financial effect, (ii) an indication of the uncertainties relating to the amount or timing of any outflow, and (iii) possibility of any reimbursement

34. Leases

Nature of the lease transaction:

The Group has taken various office buildings on lease with lease term ranging from 11 Months to 6 year.s Some lease contract can be renewed with mutual consent and some lease contract also contains the termination options. Such options are appropriately considered in determination of the lease term based on the management's judgement.

Refer Note 4 for details relating to Right of Use Assets.

The following is the movement in lease liabilities during the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	**61.71**	**69.50**
Add: Additions during the year	15.75	10.37
Add: Interest Expenses	5.25	6.13
Less: Payments	(30.12)	(24.30)
Less: Cancellation	(26.21)	-
Closing Balance	**26.37**	**61.71**
Non-current	9.37	38.37
Current	17.00	23.34

Amounts recognised in profit or loss (₹ In Lacs)

Particulars	31st March, 2022	31st March, 2021
Expenses relating to short-term leases	2.16	1.89

Amounts recognised in statement of cash flows (₹ In Lacs)

Particulars	2021-22	2020-21
Total cash outflow for leases	30.12	24.30

Maturity Analysis of lease liabilities (undiscounted cashflows)): (₹ in Lacs)

Particulars	2021-22	2020-21
Less than 12 Months	17.18	28.25
More than 12 Months	11.46	41.84
Total	**28.64**	**70.09**

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(Amount in INR Lakhs)

35. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of Related Party	Country of Incorporation
List of related parties :		
Key Management Personnel	Rajesh Raghunath Bhatwal (Chairman & Managing Director)	
	Shakuntala Rajesh Bhatwal (Whole Time Director & Women Director)	
	Hung Sin Chung Huanyi (Whole Time Director)	
	Pranit ANIL Bangad (Non Executive Independent Director)	
	Deepam Pradeep Shah (Non Executive Independent Director)	
	Avinash Rajaram Chandsarkar (Non Executive Independent Director)	
	Kailas Madanlal Agrawal (Chief Financial Officer)	
	Preeti Rohit Bhala (Company Secretary & Compliance Officer) (upto Sept 2019)	
	Deepika Amit Dalmiya (Company Secretary & Compliance Officer) (w.e.f. Oct 2019)	
Relatives of Key Management Personnel	Prachi Rajesh Bhatwal	

(ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Transaction	March 31, 2022	March 31, 2021
Rajesh Raghunath Bhatwal	Remuneration	24.00	23.50
	Bonus	0.05	0.05
	Professional fees	19.00	19.00
	Sales Incentives	-	18.10
Shakuntala Rajesh Bhatwal	Remuneration	4.80	4.70
	Bonus	0.05	0.05
	Professional fees	19.00	19.00
Hung Sin Chung Huanyi	Remuneration	6.90	5.60
	Bonus	0.05	0.05
	Professional fees	4.80	4.80
Kailas Madanlal Agrawal	Remuneration	5.42	5.04
	Bonus	0.05	0.05
Preeti Rohit Bhala	Remuneration	-	0.90
	Bonus	-	0.02
	Professional fees	-	19.00
Deepika Amit Dalmiya	Remuneration	3.03	2.97
	Bonus	0.05	0.02
Prachi Rajesh Bhatwal	Remuneration	5.16	4.55
	Bonus	0.05	0.05

(iii) Key management personnel compensation

	March 31, 2022	March 31, 2021
Post-employment benefits	3.51	2.46
	3.51	**2.46**

(iv) 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. There have been no guarantees provided or received for any related party receivables and payables. For the year ended March 21, 2022, the group has not recorded any impairment of receivables relating to amount owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in INR Lakhs)

36. SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Group is engaged in manufacturing and selling of electronic equipments which constitute a single reportable segment in the context of Ind AS 108 on "Segment reporting".

Information about geographical areas

Revenue from external customers

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

	March 31, 2022	March 31, 2021
India	3,928.32	5,308.18
Outside India	34.31	31.61
	3,962.63	**5,339.79**

Revenue from DIRECTOR SOCIAL WELFARE JHARKHAND amounted to INR 468.71 (March 31, 2021: INR Nil) which exceeded 10% of total revenue .

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

37. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category (Amount in INR Lakhs)

Particulars	Carrying Amount			Fair Value		
	March 31, 2022	March 31, 2021	April 1, 2020	March 31, 2022	March 31, 2021	April 1, 2020
FINANCIAL ASSETS						
Amortised cost						
Trade Receivables	824.75	882.91	942.52	824.75	882.91	942.52
Loans	98.91	14.16	24.69	98.91	14.16	24.69
Cash and Cash Equivalents	27.02	155.30	448.05	27.02	155.30	448.05
Security Deposits	-	-	-	-	-	-
Other Bank Balances	54.20	41.53	18.44	54.20	41.53	18.44
Other Financial Assets	124.94	143.71	91.00	124.94	143.71	91.00
Investment in Government Securities	1.04	1.04	0.99	1.04	1.04	0.99
FVTPL						
Investment in Equity Instruments	0.07	0.07	0.07	0.07	0.07	0.07
Investment in Gold	44.74	38.21	37.60	44.74	38.21	37.60
Total	**1,175.67**	**1,276.92**	**1,563.37**	**1,175.67**	**1,276.92**	**1,563.37**

Particulars	March 31, 2022	March 31, 2021	April 1, 2020	March 31, 2022	March 31, 2021	April 1, 2020
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	371.47	-	531.41	371.47	-	531.41
Lease liabilities	26.37	61.71	69.50	26.37	61.71	69.50
Trade Payables	98.97	230.84	219.00	98.97	230.84	219.00
Other financial liabilities	169.65	165.65	700.52	169.65	165.65	700.52
Total	**666.46**	**458.20**	**1,520.43**	**666.46**	**458.20**	**1,520.43**

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, security deposit and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

ii. Fair Value Hierarchy

Assets and liabilities measured at fair value

Particulars	March 31, 2022 – Fair value measurement using: Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	March 31, 2021 – Fair value measurement using: Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets								
Financial Investments at FVTPL								
Quoted equity shares	0.07	-	-	0.07	0.07	-	-	0.07
Gold	44.74	-	-	44.74	38.21	-	-	38.21
Total Financial Assets	**44.81**	**-**	**-**	**44.81**	**38.28**	**-**	**-**	**38.28**

Particulars	March 31, 2020 – Fair value measurement using: Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets				
Financial Investments at FVTPL				
Quoted equity shares	0.07	-	-	0.07
Gold	37.60	-	-	37.60
Total Financial Assets	**37.66**	**-**	**-**	**37.66**

There have been no transfers among Level 1, Level 2 and Level 3 during the period

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

38. FINANCIAL RISK MANAGEMENT

The Group has a well-defined risk management framework. The Board of Directors of the Group has adopted a Risk Management Policy. The Group has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

(i) Credit risk
Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivables
The Group's exposure to credit Risk is the exposure that Group has on account of services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Group's customer base are Industrial and Commercial.

Services are generally subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the Group's receivables are not affected.
The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.
The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Refer note 9 for ageing of trade receivables.

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

Movements in Provision for Doubtful Allowance: **(Amount in INR Lakhs)**

Particulars	As at March 31, 2022	As at 31-Mar-21
Balance at the beginning of the year	19.35	21.20
Movements in allowance:		
Additional provision	(2.04)	(1.84)
Closing balance	**17.31**	**19.35**

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Other financial assets

Other financial assets includes loan to employees, security deposits, investments, cash and cash equivalents, other bank balance, derivative asset, advances to employees etc.
• Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.
• Investments are made in credit worthy companies.
• Group has given security deposit to various purposes and management believes that the Group does not have exposure to any credit risk.
• Loan and advances to employees are majorly secured against the salary and hence the Group does not have exposure to any credit risk.

(iii) Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

Further, the Group has also tied-up additional sources of liquidity to meet the liabilities during the respective annual years which has ensured that the Group has a clean track record with no adverse events pertaining to liquidity risk.
Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Amount in INR Lakhs)

March 31, 2022	Carrying	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Current Borrowings	371.47	371.47	371.47	-
Non current lease liabilities	9.37	11.46	-	11.46
Current lease liabilities	17.00	28.64	28.64	-
Current financial liabilities	169.65	169.65	169.65	
Trade payables	98.97	98.97	98.97	
Total	**666.46**	**-**	**-**	**-**

March 31, 2021	Carrying	Contractual		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Current Borrowings	-	-	-	-
Non current lease liabilities	38.37	41.84	-	41.84
Current lease liabilities	23.34	28.25	28.25	-
Current financial liabilities	165.65	165.65	165.65	-
Trade payables	230.84	230.84	230.84	-
Total	**458.20**	**466.58**	**424.73**	**41.84**

April 1, 2020	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings - current maturities	531.41	-	531.41	
Current Borrowings	-	-		
Non current lease liabilities	41.31	-	-	58.99
Current lease liabilities	28.19	-	28.19	-
Current financial liabilities	700.52	-	700.52	
Trade payables	219.00	-	219.00	
Total	**1,520.43**	**-**	**1,479.12**	**58.99**

(iv) Market risk
Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments.

Currency risk
The functional currency of the Group is Indian Rupees. The Group do not have derivative financial instruments. The Group is not exposed to foreign currency risk.

Interest rate risk
Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Group is not materially exposed to interest rate risk.

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39. CAPITAL MANAGEMENT

The Group defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group (which is the Group's net asset value). The primary objective of the Group's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total interest-bearing loans and borrowings less cash and bank balances. Total equity comprises all components of equity.

(Amount in INR Lakhs)

	March 31, 2022	March 31, 2021	April 1, 2020
Borrowings	371.47	-	531.41
Less: cash and cash equivalents	(27.02)	(155.30)	(448.05)
Less: Other bank balance	(54.20)	(41.53)	(18.44)
Adjusted net debt	**290.25**	**(196.83)**	**64.92**
Equity	1,025.10	1,025.10	1,025.10
Other Equity	5,744.83	6,103.79	5,743.72
Total Equity	**6,769.93**	**7,128.89**	**6,768.82**
Adjusted net debt to adjusted equity ratio	**0.04**	**(0.03)**	**0.01**

40. Interest in other entities

(i) Details of interest in associates

Name of entity	Place of business	% of ownership interest	Relationship- Accounting method	Carrying amount March 31, 2022	Carrying amount March 31, 2021	Carrying amount April 1, 2020
Hyper Drive Information Technologies Private Limited	India	25%	Associate - Equity Method	147.82	164.82	174.31

(ii) Commitments and contingent liabilities in respect of associates - NIL

(iii) Reconciliation to carrying amounts

Particulars	March 31, 2022	March 31, 2021
Opening net assets	637.59	673.96
Profit for the year	(67.99)	(36.37)
Other comprehensive income	-	-
Dividend paid	-	-
Closing net assets	569.61	637.59
Group's share in %	25%	25%
Group's share in INR	142.40	159.40
Goodwill	5.42	5.42
Carrying amount	147.82	164.82
Group's share of profit/(loss)	(17.00)	(9.09)
Group's share of OCI	-	-

41. Additional information required by Schedule III in respect of subsidiaries, associates and joint ventures

Name of the entity	Net assets (total assets minus total liabilities): As % of consolidated net assets	Net assets: Amount	Share in profit or (loss): As % of consolidated profit or loss	Share in profit or (loss): Amount	Share in other comprehensive income: As % of consolidated OCI	Share in other comprehensive income: Amount	Share in total comprehensive income: As % of consolidated Total comp. Income	Share in total comprehensive income: Amount
Parent								
Nitiraj Engineers Limited								
March 31, 2022	98%	6,622.11	95%	(335.74)	100%	(6.22)	95%	(341.97)
March 31, 2021	98%	6,964.07	103%	363.22	100%	6.34	103%	369.56
Associate								
Hyper Drive Information Technologies Private Limited								
March 31, 2022	2%	147.82	5%	(17.00)	0%	-	5%	(17.00)
March 31, 2021	2%	164.82	-3%	(9.49)	0%	-	-3%	(9.49)
Total								
March 31, 2022	100%	6,769.93	100%	(352.74)	100%	(6.22)	100%	(358.96)
March 31, 2021	100%	7,128.89	100%	353.73	100%	6.34	100%	360.07

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42. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Principal amount due to suppliers under MSMED Act, 2006*	-	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-	-

* Amount includes due and unpaid of INR Nil (March 31, 2021: INR Nil)

The information has been given in respect of such vendors to the extent they could be identified as "Mico and Small" enterprises on the basis of information available with the Group.

43. OTHER REGULATORY DISCLOSURES

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

- The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall (a) 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 (b)provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017
- The Group does not have any Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

44. IMPACT OF GLOBAL HEALTH PANDEMIC RELATING TO COVID-19

The spread of COVID-19 has severely impacted business in many countries including India and there have been severe disruption to regular business operations due to lockdown and other emergency measures. This may impact the Group's operations in certain geographies. The Group has made assessment of liquidity, recoverable values of its financial and non-financial assets, financial and non-financial liabilities, possible obligations arising from any ongoing negotiations with customers, vendors and regulatory exposures across businesses and geographies and has concluded that there are no material adjustments required in the annual financial statements. The management believes that it has assessed and taken all the possible impacts known from these events wherever possible outcome is known. However, given the effect of these on the overall economic activity and in particular in the industry in which Group operates, the impact assessment of COVID-19 is a continuous process, given the estimation and uncertainties associated with its nature, duration and outcome of any negotiations. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic conditions and its consequential impact on its financial results.

45 . As at the balance sheet date, the Group has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.

46. Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).

47. In the opinion of management, any of the assets other than property, plant and equipment and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

48. Utilization of money raised through Initial Public Offer

(Amount in INR Lakhs)

Particulars	Utilisation planned as per prospectus	Balance Amount to be utilized as on 31st March, 2020	Utilisation of IPO proceeds During the FY 2020-2021	Balance Amount to be utilized as on 31st March, 2021	Utilisation of IPO proceeds During the FY 2021-2022	Balance Amount to be utilized as on 31st March, 2022
Development of new products	525.00	223.09	147.12	75.97	127.36	-
Setting up manufacturing Unit for the existing and new range of products	575.00	-	-	-		-
Expansion of Marketing Network and Brand building	500.00	426.44	66.43	360.01	153.15	206.86
General Corporate Purposes	500.00	-	-	-		-
Issue Expenses	100.80	22.92	-	22.92	-	22.92
Total	**2,200.80**	**672.45**	**213.55**	**458.90**	**280.52**	**229.78**

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

49. FIRST TIME ADOPTION OF IND AS

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2022, the comparative information presented in these financial statements for the year ended March 31, 2021 and in the preparation of an opening Ind AS balance sheet at April 1, 2020 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. Ind AS optional exemptions

i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for investment property covered by Ind AS 40 Investment Properties since there is no change in the functional currency. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

ii. Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

iii. Estimates

The estimates at April 1, 2020 and at March 31, 2021 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation:

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2020, the date of transition to Ind AS and as of March 31, 2021.

iv. Investments in associates

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost , may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture. The Group elects to carry its investments in a associate at previous GAAP carrying amount as deemed cost.

NITIRAJ ENGINEERS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

49. FIRST TIME ADOPTION OF IND AS

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of equity as at date of transition (April 1, 2020) **(Amount in INR Lakhs)**

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2,877.22	(8.86)	2,868.35
(b) Capital Work-in-Progress	407.71	-	407.71
(c) Investment Property	-	8.86	8.86
(d) Right-of-use assets	-	69.50	69.50
(e) Intangible assets	-	-	-
(f) Intangible assets under development	468.01	-	468.01
(g) Investments accounted using equity mehtod	174.31	-	174.31
(h) Financial Assets			-
(i) Investments	1.06	-	1.06
(ii) Other Financial Assets	75.96	(11.34)	64.62
(i) Deferred Tax Asset (Net)	-	-	-
(j) Other Non-Current Assets	279.65	(61.70)	217.95
	4,283.90	**(3.54)**	**4,280.37**
Current assets			
(a) Inventories	1,422.64	-	1,422.64
(b) Financial Assets	-	-	-
(i) Investments	16.70	20.90	37.60
(ii) Trade Receivables	963.72	(21.20)	942.52
(iii) Cash and Cash Equivalents	448.05	-	448.05
(iv) Bank Balances Other than (iii) above	18.44	-	18.44
(v) Loans	24.69	-	24.69
(vi) Other Financial Assets	19.25	7.14	26.39
(d) Other Current Assets	871.01	(41.50)	829.51
	3,784.50	(34.66)	3,749.84
TOTAL	**8,068.40**	**(38.20)**	**8,030.21**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	1,025.10	-	1,025.10
(b) Other Equity	5,896.09	(152.37)	5,743.72
	6,921.19	**(152.37)**	**6,768.82**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	-	41.31	41.31
(b) Provisions	-	78.66	78.66
(c) Deferred Tax liabilities (Net)	43.46	(15.46)	28.00
(d) Other Non-Current Liabilities	-	6.70	6.70
	43.46	**111.20**	**154.66**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	-	28.19	28.19
(iii) Trade Payables			
Micro, Small and Medium Enterprises	-	-	-
Others	219.00	-	219.00
(iv) Other Financial Liabilities	707.90	(7.38)	700.52
(b) Other Current Liabilities	24.38	(19.01)	5.36
(c) Provisions	152.47	1.18	153.65
(d) Current Tax Liabilities (Net)	-	-	-
	1,103.75	**2.98**	**1,106.73**
TOTAL	**8,068.40**	**(38.20)**	**8,030.21**

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NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii. Reconciliation of equity as at March 31, 2021 (Amount in INR Lakhs)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2,741.27	0.93	2,742.21
(b) Capital Work-in-Progress	514.18	-	514.18
(c) Investment Property	9.64	(0.93)	8.71
(d) Goodwill		-	-
(d) Right-of-use assets	-	58.97	58.97
(e) Intangible Assets	-	-	-
(f) Intangible Assets Under Development	601.02	-	601.02
(g) Investments accounted using equity mehtod	164.82	-	164.82
(h) Financial Assets			
(i) Investments	1.11	-	1.11
(ii) Other Financial Assets	54.89	(10.77)	44.12
(i) Deferred Tax Asset (Net)	-	-	-
(j) Other Non-Current Assets	474.79	(62.63)	412.15
			-
	4,561.72	**(14.43)**	**4,547.29**
Current assets			
(a) Inventories	1,368.21	-	1,368.21
(b) Financial Assets		-	-
(i) Investments	16.70	21.51	38.21
(ii) Trade Receivables	902.26	(19.35)	882.91
(iii) Cash and Cash Equivalents	155.30	-	155.30
(iv) Bank Balances Other than (iii) above	41.53	-	41.53
(v) Loans	14.16	-	14.16
(vi) Other Financial Assets	92.27	7.32	99.59
(c) Current Tax Assets (Net)	-	-	-
(d) Other Current Assets	793.49	(24.46)	769.03
	3,383.92	(14.98)	3,368.94
TOTAL	**7,945.64**	**(29.42)**	**7,916.22**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	1,025.10	-	1,025.10
(b) Other Equity	6,250.12	(146.34)	6,103.79
	7,275.22	**(146.34)**	**7,128.89**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	-	38.37	38.37
(iii) Other Financial Liabilities	-	-	-
(b) Provisions	-	78.78	78.78
(c) Deferred Tax liabilities (Net)	34.65	(8.03)	26.63
(d) Other Non-Current Liabilities	-	5.51	5.51
	34.65	**114.64**	**149.29**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	-	23.34	23.34
(iii) Trade Payables			
Micro, Small and Medium Enterprises	-	-	-
Others	230.84	-	230.84
(iv) Other Financial Liabilities	165.65	-	165.65
(b) Other Current Liabilities	26.33	(22.24)	4.09
(c) Provisions	128.07	1.18	129.25
(d) Current Tax Liabilities (Net)	84.89	-	84.89
TOTAL	**7,945.64**	**(29.42)**	**7,916.22**

NITIRAJ ENGINEERS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

iii. Reconciliation of total comprehensive income for the year ended March 31, 2021 **(Amount in INR Lakhs)**

Particulars	IGAAP	Adjustments	IND AS Balance
REVENUE			
Revenue from operations (net)	5,382.15	(42.36)	5,339.79
Other income	20.64	2.72	23.36
Total Revenue (I)	**5,402.78**	**(39.63)**	**5,363.15**
EXPENSES			-
Cost of materials consumed	2,809.95	-	2,809.95
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	42.46	-	42.46
Employee benefits expense	524.47	5.36	529.84
Finance costs	22.14	6.13	28.28
Depreciation and amortization expense	288.41	20.90	309.31
Other expenses	1,223.40	(77.04)	1,146.36
Total Expenses (II)	**4,910.83**	**(44.64)**	**4,866.19**
Profit/(loss) before tax (I-II)	**491.95**	**5.01**	**496.96**
Tax expense:			
Current tax	137.24	-	137.24
Adjustment of tax relating to earlier periods	-	-	-
Deferred tax	(8.81)	5.31	(3.50)
Profit/(loss) for the period	**363.52**	**(0.30)**	**363.22**
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans	-	8.47	8.47
Income tax effect	-	(2.13)	(2.13)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:	-	-	-
Other Comprehensive income for the year, net of tax	**-**	**6.34**	**6.34**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**363.52**	**6.04**	**369.56**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

iv. Reconciliation of total equity as at March 31, 2021 and April 1, 2020 **(Amount in INR Lakhs)**

Particulars	March 31, 2021	April 1, 2020
Total equity (shareholder's funds) as per previous GAAP	7,310.45	6,946.92
Adjustments:		
Recognition of Government Grant	(6.70)	(7.88)
Recognition of gratuity provision as per Ind AS 19 report	(56.54)	(59.64)
Impact of lease accounting as per Ind AS 116	(2.74)	-
Fair valuation of lease deposits	(0.22)	(0.05)
Fair valuation of other investments	21.51	20.90
Expected credit loss provision as per expected credit loss model	(19.35)	(21.20)
Others	(90.32)	(99.98)
Tax effects of adjustments	8.03	15.46
Total adjustments	**(146.34)**	**(152.37)**
Total equity as per Ind AS	**7,164.11**	**6,794.55**

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

v. Reconciliation of total comprehensive income for the year ended March 31, 2021 **(Amount in INR Lakhs)**

Particulars	March 31, 2021
Profit after tax as per previous GAAP	**363.52**
Adjustments:	
Recognition of Government Grant	1.18
Recognition of gratuity provision as per Ind AS 19 report	(5.36)
Impact of lease accounting as per Ind AS 116	(2.74)
Fair valuation of lease deposits	(0.18)
Fair valuation of other investments	0.61
Expected credit loss provision as per expected credit loss model	1.84
Others	9.66
Tax effects of adjustments	(5.31)
Total adjustments	**(0.30)**
Profit after tax as per Ind AS	**363.22**
Other comprehensive income	6.34
Total comprehensive income as per Ind AS	**369.56**

vi. Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2021

There is no material impact on cash flow statement on adoption of Ind AS.

C. Notes to first-time adoption:

Note 1: Fair valuation of investments

Under the previous GAAP, investments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2021.

Note 2: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings.

Note 3: Trade and Other Receivables

Under Indian GAAP, the Group has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Group impaired its trade receivable on April 1, 2020 which has been eliminated against retained earnings. The impact for year ended on March 31, 2021 has been recognized in the statement of profit and loss.

Note 4: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on the total equity as at March 31, 2021.

Note 5: Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

Note 6: Retained earnings

Retained earnings as at April 1, 2020 has been adjusted consequent to the above Ind AS transition adjustments.

Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments etc. The concept of other comprehensive income did not exist under previous GAAP.

Note 8: Government Grants

Under Indian GAAP, government grant received towards assets were recognised by debiting the cash and bank account and crediting the capital reserve. Under Ind AS, grant received for assets is recognised as deferred income and income is recognised in the Statement of Profit and Loss in proportion of depreciation charged over the useful life of the asset. As at the date of transition, deferred income in proportion to balance useful life has been recognised as a liability by a corresponding debit in the retained earnings.

Note 9: Others

Certain assets and liabilities does not meet the recognistion and measurement principles under Ind AS. Hence these assets and liabilites are dereocgnised on the transition date against the retained earnings.