

Independent Auditors' Report

To,
The Members of Windals Auto Private Limited

Opinion

We have audited the financial statements of Windals Auto Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss and statement of cash flows for the year then ended March 2020, and a summary of the significant accounting policies and other explanatory information (herein referred to as "financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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, 2020, and its profit and loss, and its cash flows for the year ended on that date.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement.

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

The 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 Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

Basis for Qualified Opinion

1. *We report that the company has incurred losses and its net worth has been eroded, the company has incurred net loss during the last three years, this condition states that a material uncertainty exists that may cast significant doubt on entity's ability to continue as going concern and that the financial statement do not adequately disclose this matter and accordingly we are unable to comment on the matter.*
2. *We draw your attention to Note No. 24 to the financial statements, during the year the Company has not determined the liability towards gratuity (defined benefit) as per the actuarial valuation as per the requirements of the Accounting Standard-15 "Employee Benefits". Due to the above deviation, impact on the loss for the year and provisions and reserves and surplus as at March 31, 2020 could not be ascertained.*
3. *We draw your attention to Note No. 25 to the financial statements, during the year the Company has not determined the liability towards accrued leave balances of its employees as at year end as per the actuarial valuation as per the requirements of the Accounting Standard-15 "Employee Benefits". Due to the above deviation, impact on the loss for the year and provisions and reserves and surplus as at March 31, 2020 could not be ascertained.*
4. *Note No. 6 regarding Trade Payables of Rs. 39.14 crores which are outstanding as on March 31, 2020 and are subject to confirmation. In the absence of necessary confirmation, we are unable to quantify impact on the expenses and liabilities of the Company.*
5. *Note No. 12 regarding Trade Receivables of Rs. 0.23 Crores which are receivable as on March 31, 2020 are subject to confirmation. In the absence of necessary confirmation, we are unable to quantify impact on the expenses and assets of the Company.*
6. *Note No. 14 regarding Advance to Suppliers under Short-Term Loans and Advances of Rs. 2.76 Crores which are outstanding as on March 31, 2020 are subject to confirmation. In the absence of necessary confirmation, we are unable to quantify impact on the expenses and assets of the Company.*



7. Basis of Valuation of Inventory of Raw Material, WIP and Finished goods in the financial statements, the company has valued the inventory on technically evaluated cost basis which is in contravention to Accounting Standard – 2 “Valuation of Inventories” issued by the Institute of Chartered Accountants of India. However, we are unable to comment on the impact of the same on the profit/Loss for the year and valuation of Inventory as on 31st March, 2020.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effects of the matter described in para 1, 2,3,4,5 and 6 above, in the Basis for Qualified Opinion paragraph, the aforesaid 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 the state of affairs of the Company as at March 31, 2020, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw your attention to the following matters:

- (i) Note No. 23(iv) to the financial statements regarding custom duty of Rs. 3.81 crores on Import of Machinery shown as contingent liability which is lying in the Bonded Warehouse. We have been informed that the Company will recognize the liability at the time of capitalization of assets, which will be capitalized at the time of de-bonding.
- (ii) Note No. 23(ix) to the financial statements regarding non-provision of bonded warehouse and clearance charges. We express our inability to comment on the same and its effect on the financial statements of the Company.
- (iii) Note No. 8 to the financial statements regarding the capital work in progress of Rs. 25.93 crores consists of landed cost of machineries including expenditure incurred and interest capitalized on aluminum dies casting machines imported in financial year 2013-14 and which are lying in the bonded warehouse, there being substantial delay and matter being technical, we express our inability to comment on the same and its effect on the financial statements of the Company.
- (iv) Note No. 6 to the financial statements regarding the Company has compiled information from creditors regarding their registration status under the Micro, Small and Medium Enterprises Development Act, 2006 but disclosure as required under Schedule III of the Companies Act, 2013 relating to amounts unpaid as at the year-end together with interest paid/ payable thereon have not been given.
- (v) Note No. 33 to the financial statements regarding non-disclosure under broad heads value of stock of work-in-progress, Turnover and Raw Materials Consumed as required under Note 5(ii) (a), 5(ii)(d) and 5(iii) of Part II of Schedule III to the Companies Act, 2013.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“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 1 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, 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) *Except for the indeterminate effects of the matter described in para 1, 2, 3, 4, 5 and 6, in the Basis for Qualified Opinion paragraph,* In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) *We have not been provided the written representations from the directors as on March 31, 2020, taken on record by the Board of Directors; accordingly, we are unable to comment on the qualification of all directors as on March 31, 2020, from being appointed as 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 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) 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:

- (a) The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements Refer Note No. 23;
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For Kavita Birla & Co
Chartered Accountants
Firm Registration Number: 013208C

Kavita Totla



CA. Kavita Totla
Partner
Membership No: 405577
Place: Mumbai
Date: December 25, 2020
UDIN:- 21405577AAAAABV8982

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE COMPANY ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2020

Re: Windals Auto Private Limited ('the Company')

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us during the course of our audit, we report that:

- (i) a) According to the information and explanations given to us, the Company has maintained the records showing particulars including quantitative details and situation of fixed assets *but each item of fixed assets was not numbered due to which we were not able to trace the same within the unit. Thus, as per the records examined by us, and as per our opinion, the records are not maintained appropriately.*
- b) The Company has a program of verification to cover all the items of fixed assets in a phased manner 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 fixed assets 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) Also, as per information provided to us, all the immovable properties belong to the company are in the name of company. *However, all immovable assets were hypothecated against bank loans, defaulted by company and subsequently bankers have taken symbolic possession of all immovable assets of the company.*
- (ii) *The inventories have not been physically verified at reasonable intervals during the year by the management and were not done by us due to absence of resources. The discrepancies, if any, between the physical stock and book records were unascertainable and unaccounted for in the books.*
- (iii) In our opinion and according to the information and explanations given to us, the Company has maintained the register as prescribed under section 189 of the Companies Act, 2013 ('the act') and has complied with the provisions of section 189 of the Companies Act, 2013
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. *However, the Company has not complied with the provisions of section 186 in respect of below loans:*

Sr. No.	Non-compliance of Section 186 (Loans given at nil rate of interest)		
	Name of Company/ party	Maximum Amount Outstanding during the year (Rs.)	Balance As at March 31, 2020 (Rs.)
1.	Windals and Windals Engineering Private Limited	145,674,963	14,62,46,216
2.	Apex Profile Manufacturing Private Limited	417,796	4,17,796
3.	DNS Automotive Private Limited	10,966,568	1,09,08,756
4.	Reliable Mechtronics Private Limited	102	102
5.	Ronson India	100,000	1,00,000
6.	Universal Axles Private Limited	13,037,123	1,30,21,023
7.	Windals Power Private Limited	2,981,028	29,66,128
8.	Zen Tools & Dies Private Limited	30,451,633	2,96,55,952



- (v) The company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore the provision of the clause 3 (v) of the Order are not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service-tax, duty of customs, duty of excise, value added tax, cess, and profession-tax with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2020, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Professional Tax	71,045	FY 2014-15 FY 2015-16 FY 2016-17 FY 2017-18 FY 2018-19	Immediate	Not paid
Employee's Provident Funds & miscellaneous Provisions Act 1952	Provident Fund	24,07,475	FY 2015-16 FY 2016-17 FY 2017-18 FY 2018-19	Immediate	Not paid
Employee State Insurance Act, 1948	ESIC	20,41,504	FY 2015-16 FY 2016-17 FY 2017-18 FY 2018-19	Immediate	Not paid
Income Tax Act, 1961	Tax Deducted at Source	1,44,38,898	FY 2015-16 FY 2016-17	Immediate	Not paid
Uttarakhand Value Added Tax Act, 2005	Value Added Tax and Interest	4,78,01,324	FY 2014-15 FY 2015-16 FY 2016-17 FY 2017-18	Immediate	Not paid
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax and Interest	45,64,593	FY 2014-15 FY 2015-16 FY 2016-17 FY 2017-18	Immediate	Not paid
Uttarakhand Value Added Tax Act, 2005	Works Contract Tax	2,85,279	FY 2014-15 FY 2015-16 FY 2016-17	Immediate	Not paid
Central Sales Tax Act, 1956	Central Sales Tax	6,99,275	FY 2015-16 FY 2016-17 FY 2017-18	Immediate	Not paid
Maharashtra Municipal Corporations Act, 1949	Local Body Tax, Pune	11,77,466	FY 2014-15	Immediate	Not paid



Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
The Finance Act, 1991	Service Tax	83,52,137	FY 2015-16 FY 2016-17 FY 2017-18	Immediate	Not paid
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	6,73,035	FY 2014-15 FY 2015-16	Immediate	Not paid
Income Tax act 1961	Dividend Distribution Tax	37,81,951	FY 2015-16 FY 2016-17	Immediate	Not Paid
The Finance Act, 1991	Excise Duty	207,29,627	FY 2015-16 FY 2016-17 FY 2017-18	Immediate	Not paid
Maharashtra Value Added Tax, 2005	Value Added Tax	13,28,136	FY 2011-12 FY 2014-15 FY 2015-16 FY 2016-17 FY 2017-18	Immediate	Not paid
The Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	293,17,377	FY 2017-18 FY 2018-19	Immediate	Not Paid

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, goods and services tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Excise, Customs and Service Tax	Excise Duty (including interest and penalty)	73,04,285	FY 2000-2001	Mumbai High Court

- (viii) According to the records of the Company examined by us and the information and explanation given to us, except for loans or borrowings from financial institutions/ banks for the period from April 2017 to March 2020 aggregating to Rs.122.08 Crores as described below, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date. The Company does not have any loans or borrowings from Government. Further, the Company has not issued any debentures

Name of the Lender	Nature of dues	Type of Borrowing	Period of default	Amount of default (Rs.)
Tata Motors Finance Limited	Principal	Secured Loan	March 2017 till date	23.84 Crores
Union Bank of India	Principal	Secured Term Loan	April 2016 till date	0.74 Crores
	Principal	Secured Term Loan		0.46 Crores
	Principal	Secured Term Loan		15.83 Crores
	Principal	Secured Term Loan		10.96 Crores
	Principal	Bank Overdraft		66.50 Crores
HDFC Loan	Principal	Secured Term Loan	Dec 16 till date	3.09 Crores
	Principal	Bank Overdraft		0.67 Crores



- (ix) In our opinion and according to the information and explanations given to us, the initial public offer and term loan taken by the company has been applied for the purpose for which they were raised. Further, the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).
- (x) In our opinion and according to the information and explanations given to us there is no fraud by the company or no material fraud on the Company by its officers/ employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The company is not a Nidhi Company so the provision of this clause is not applicable to company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment/ Private placement of shares or fully or partly convertible debenture during the year hence reporting under clause 3 (xiv) of the order is not applicable to the company.
- (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 directors or persons connected with him so provisions of Section 192 of Companies Act, 2013 have been complied with.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Kavita Birla & Co
Chartered Accountants
Firm Registration Number: 013208C

Kavita Totla



CA. Kavita Totla
Partner
Membership No: 405577

Place: Mumbai
Date: December 25, 2020
UDIN:- 21405577AAAABV8982

ANNEXURE2 TO THE 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")

We have audited the internal financial controls over financial reporting of **Windals Auto Private Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 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.

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

The company was not able to provide us with sufficient appropriate audit evidence on the system of internal financial control over financial reporting based on criteria considering the essential components of internal controls as stated in the guidance note issued by ICAI. Due to aforesaid reason, we are unable to and do not provide any opinion as to whether the company had adequate internal financial control over financial reporting as at 31st March 2020 and whether such internal financial control over financial reporting were operating effectively.

For Kavita Birla & Co

Chartered Accountants

Firm Registration Number: 013208C

Kavita Totla



CA. Kavita Totla

Partner

Membership No: 405577

Place: Mumbai

Date: December 25, 2020

UDIN:- 21405577AAAABV8982

WINDALS AUTO PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020
CIN No : U50101MH1990PTC056302

(Amount in Rs.)

	Particulars	Note No.	As at March 31, 2020		As at March 31, 2019	
I	EQUITY AND LIABILITIES					
	Shareholders' funds					
	Share Capital	2	19,96,74,300		19,96,74,300	
	Reserves and Surplus	3	(1,20,56,73,012)		(1,15,83,92,388)	
				(1,00,59,98,712)		(95,87,18,088)
	Non-Current Liabilities					
	Long-Term Borrowings	4	64,68,82,700		64,10,73,190	
				64,68,82,700		64,10,73,190
	Current Liabilities					
	Short-Term Borrowings	5	69,84,36,898		69,84,91,343	
	Trade Payables	6	39,14,24,792		41,47,00,295	
	Other Current Liabilities	7	33,98,90,119		34,10,80,057	
				1,42,97,51,809		1,45,42,71,695
	TOTAL			1,07,06,35,797		1,13,66,26,797
II	ASSETS					
	Non-Current Assets					
	Fixed Assets	8				
	- Tangible Assets		41,94,01,515		46,17,26,203	
	- Capital Work-in-Progress		28,52,31,886		28,52,31,897	
			70,46,33,401		74,69,58,100	
	Non-Current Investments	9	2,50,000		2,50,000	
	Long-Term Loans and Advances	10	2,51,01,319		2,50,69,982	
				72,99,84,720		77,22,78,082
	Current Assets					
	Inventories	11	6,77,24,624		7,49,39,026	
	Trade Receivables	12	22,86,014		1,07,73,604	
	Cash and Cash Equivalents	13	29,18,578		1,18,24,928	
	Short-Term Loans and Advances	14	26,77,21,861		26,68,11,158	
				34,06,51,077		36,43,48,716
	TOTAL			1,07,06,35,797		1,13,66,26,797
	Summary of Significant Accounting Policies	1				

As per our report of the even date.

For Kavita Birla & Co
Chartered Accountants
Firm Registration Number 013208C

Kavita Totla

Kavita Totla
Partner
Membership Number : 405577
UDIN : 21405577AAAABV8982

Place : Mumbai
Date : 25/12/2020



For and on behalf of the Board of Directors

Abdulla Sahebkhani Dalwai

Abdulla Sahebkhani Dalwai
Director
DIN : 00308092

Place : Mumbai
Date : 25/12/2020



Asif Abdulla Dalwai

Asif Abdulla Dalwai
Director
DIN : 02009803

Place : Mumbai
Date : 25/12/2020

WINDALS AUTO PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020
CIN No : U50101MH1990PTC056302

(Amount in Rs.)

Particulars	Note No.	For the year ended March 31, 2020		For the year ended March 31, 2019	
I REVENUE					
Revenue from Operations	15	5,83,69,032		65,78,95,519	
Less: GST TAX		1,19,84,165		12,81,60,418	
Total Revenue from Operations (Net)			4,63,84,867		52,97,35,101
Other Income	16		3,19,050		30,89,006
Total Revenue			4,67,03,917		53,28,24,107
II EXPENSES					
Cost of Materials Consumed	17	1,14,42,802		30,05,54,434	
Changes in Inventories of Work-in-Progress	18	58,17,641		3,93,28,832	
Employee Benefits Expense	19	1,77,06,904		6,25,79,197	
Finance Costs	20	21,45,253		3,41,01,905	
Depreciation and Amortization Expense	8	4,23,24,686		6,11,27,254	
Other Expenses	21	1,45,47,255		28,11,71,489	
			9,39,84,541		77,88,63,111
III Profit / (Loss) Before Tax (I - II)			(4,72,80,624)		(24,60,39,003)
IV Tax Expense:					
(a) Current Tax		-		-	
(b) Prior Year Tax Adjustments		-		-	
(c) Deferred Tax (Refer Note 26)		-		-	
V Profit / (Loss) for the period (III - IV)			(4,72,80,624)		(24,60,39,003)
VI Earnings / (Loss) Per Equity Share (Face Value Rs. 100 Per Share):	22				
Basic and Diluted (Rs.)			(32)		(167)
II EXPENSES					
Summary of Significant Accounting Policies	1				

As per our report of the even date

For Kavita Birla & Co
 Chartered Accountants
 Firm Registration Number: 013208C

Kavita Totla

Kavita Totla
 Partner
 Membership Number : 405577
 UDIN : 21405577AAAABV8982

Place : Mumbai
 Date : 25/12/2020



For and on behalf of Board of Directors

Abdulla Sahebkhani Dalwai

Abdulla Sahebkhani Dalwai
 Director
 DIN : 00308092

Place : Mumbai
 Date : 25/12/2020

Asif Abdulla Dalwai

Asif Abdulla Dalwai
 Director
 DIN : 02009803

Place : Mumbai
 Date : 25/12/2020

WINDALS AUTO PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020
CIN No : U50101MH1990PTC056302

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating Activities		
Net profit / (loss) Before Tax	(4,72,80,624)	(24,60,39,003)
Adjustments:		
Depreciation and Amortization of Property, Plant and Equipment	4,23,24,686	6,11,27,254
Loss/Profit on Sale of Property, Plant and Equipment (net)	-	(1,15,405)
Interest Income	(3,13,352)	(1,18,081)
Discount Received	(5,698)	(238)
Sundry Balances Written Back	-	-
Finance costs	21,45,253	3,41,01,905
Miscellaneous Expenses Written Off	(31)	1,82,26,331
Operating cash flows before Working Capital changes	(31,29,766)	(13,28,17,238)
Adjustments for Changes in Working Capital		
Decrease/ (Increase) in Inventories	72,14,402	20,23,75,563
Decrease/ (Increase) in Trade receivables	84,87,590	3,87,84,921
Decrease/ (Increase) in Short term Loans and Advances	(9,10,703)	3,23,25,867
Increase/ (Decrease) in Trade Payables	(2,32,75,472)	(11,27,70,817)
Increase/ (Decrease) in Other Current Liabilities	(11,89,924)	(6,80,66,106)
Cash generated from operations	(1,28,03,873)	(4,01,67,810)
Income taxes paid	(31,337)	38,09,536
Net cash flow from operating activities (A)	(1,28,35,210)	(3,63,58,274)
B. Cash Flow from Investing Activities		
Purchase or construction of property, plant and equipment (including capital work-in-progress and capital advances)	-	(26,80,327)
Proceeds from/ (Investment in) fixed deposits (net)	10,76,996	(1,06,273)
Proceeds from sale of property, plant and equipment	5,698	8,79,47,529
Interest received	3,13,352	1,18,081
Net cash flow from/ (used in) investing activities (B)	13,96,046	8,52,79,010
C. Cash Flow from Financing Activities		
Capital Subsidy Received	-	-
Proceeds from/ (Repayment of) Long-Term Borrowings (net)	58,09,510	75,03,825
Increase / (Decrease) in Short term Borrowings	(54,445)	(1,47,63,362)
Finance costs	(21,45,253)	(3,41,01,905)
Net cash from/ (used in) financing activities (C)	36,09,812	(4,13,61,442)
Net cash Increase/(decrease) in cash and cash equivalents (A+B+C)	(78,29,354)	75,59,293
Cash and cash equivalents at the beginning of the year (Refer Note 13)	1,00,17,430	24,58,137
Cash and cash equivalents at the end of the year (Refer Note 13)	21,88,076	1,00,17,430
Net cash increase/(decrease) in cash and cash equivalent	(78,29,354)	75,59,293

Note:

The above Cash Flow Statement has been prepared under Indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statement'.

As per our report of the even date.

For Kavita Birla & Co
Chartered Accountants
Firm Registration Number: 013208C

Kavita Totla
Kavita Totla
Partner
Membership Number: 405577
UDIN: 21405577AAAA BV8982



For and on behalf of the Board of Directors

Asif Abdulla Dalwai
Abdulla Sahebkhani Dalwai
Director
DIN: 00308092



Asif Abdulla Dalwai
Asif Abdulla Dalwai
Director
DIN: 02009803

Place: Mumbai
Date: 25/12/2020

Place: Mumbai
Date: 25/12/2020

Place: Mumbai
Date: 25/12/2020

NOTE 2 - SHARE CAPITAL

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Authorised Capital		
1,600,000 (March 31, 2018: 1,600,000) Equity Shares of Rs 100 each	16,00,00,000	16,00,00,000
1,900,000 (March 31, 2018: 1,900,000) 12% Redeemable Preference Shares of Rs. 100 each	19,00,00,000	19,00,00,000
	35,00,00,000	35,00,00,000
Issued, Subscribed and Paid up Capital		
1,471,743 (March 31, 2018: 1,471,743) Equity Shares of Rs 100 each fully paid up	14,71,74,300	14,71,74,300
525,000 (March 31, 2018: 5,25,000) 12% Redeemable Preference Shares of Rs 100 each fully paid up	5,25,00,000	5,25,00,000
TOTAL	19,96,74,300	19,96,74,300

(a) Terms / rights attached to:

Equity Shares

The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

12% Redeemable Preference Shares

The Company has only one class of preference shares i.e. 12% Redeemable Preference share of face value of Rs. 100 each. Such shares shall confer on the holder thereof the right to 12% preferential dividend from the date of allotment. Such shares shall rank for capital and dividend priority to the equity shareholders of the company in winding up.

50,000 12% redeemable preference shares of Rs 100 each are redeemable within 4 years from the date of allotment i.e. March 31, 2016.

400,000 12% redeemable preference shares of Rs 100 each are redeemable within 4 years from the date of allotment.

75,000 12% redeemable preference shares of Rs 100 each are redeemable within 8 years from the date of allotment.

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Equity Shares :				
Balance as at the Beginning of the year	14,71,743	14,71,74,300	14,71,743	14,71,74,300
Add: Issue of shares during the year				
Balance as at the end of the year	14,71,743	14,71,74,300	14,71,743	14,71,74,300
Preference Shares :				
Balance as at the Beginning of the year	5,25,000	5,25,00,000	5,25,000	5,25,00,000
Add: Issue of shares during the year				
- On Preferential Basis				
Less: Redemption during the year				
Balance as at the end of the year	5,25,000	5,25,00,000	5,25,000	5,25,00,000

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares:

Shares held by	As at March 31, 2020		As at March 31, 2019	
	Number of shares	%	Number of shares	%
Abdulla Sahebkhani Dalwai	1,22,670	8.34%	1,22,638	8.33%
Rabia Abdulla Dalwai	7,77,762	52.85%	7,77,762	52.85%
Asif Abdulla Dalwai	1,05,452	7.17%	1,05,452	7.17%
Nabil Abdulla Dalwai	1,07,511	7.31%	1,07,511	7.31%
RNS Investment Private Limited	1,30,994	8.90%	1,30,994	8.90%
Windals And Windals Engineering Private Limited	1,13,942	7.74%	1,13,942	7.74%
D N S Holding Private Limited	78,118	5.31%	78,118	5.31%

12% Cumulative Redeemable Preference Shares

Shares held by	As at March 31, 2020		As at March 31, 2019	
	Number of shares	%	Number of shares	%
A S Dalwai	88,333	16.83%	88,333	16.83%
Asif Dalwai	68,334	13.02%	68,334	13.02%
Nabil Dalwai	38,333	7.30%	38,333	7.30%
RA Dalwai	1,55,000	29.52%	1,55,000	29.52%
Pradyuman B. Sanghvi	75,000	14.29%	75,000	14.29%
Pradyuman B. Sanghvi HUF	50,000	9.52%	50,000	9.52%
Jaya P. Sanghavi	50,000	9.52%	50,000	9.52%
TOTAL	5,25,000	100.00%	5,25,000	100.00%



WINDALS AUTO PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 3 - RESERVES AND SURPLUS

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Securities Premium Account:		
Balance as per last Balance Sheet	11,52,71,040	11,52,71,040
Add: Addition during the year		
Balance as at the End of the Year	11,52,71,040	11,52,71,040
Capital Subsidy:		
Balance as per last Balance Sheet	95,00,000	95,00,000
Add: Addition during the year		
Balance as at the End of the Year	95,00,000	95,00,000
Capital Redemption Reserve (Preference Shares):		
Balance as per last Balance Sheet	3,80,00,000	3,40,00,000
Add: Transferred during the year	40,00,000	40,00,000
Balance as at the End of the Year	4,20,00,000	3,80,00,000
Surplus in the Statement of Profit and Loss:		
Balance as per last Balance Sheet	(1,32,11,63,428)	(1,07,11,24,425)
Add/ (Less): Profit/ (Loss) for the year	(4,72,80,624)	(24,60,39,003)
Less: Transferred to Capital Redemption Reserve	40,00,000	40,00,000
Balance as at the End of the Year	(1,37,24,44,052)	(1,32,11,63,428)
TOTAL	(1,20,56,73,012)	(1,15,83,92,388)

NOTE 4 - Long-Term Borrowings

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Secured Loans (Refer Note (a) below):		
Rupee Term Loans from:		
Banks	31,89,99,652	32,58,85,314
NBFCs	23,84,56,112	23,84,56,112
	55,74,55,764	56,43,41,426
Vehicle Loans from:		
Banks and NBFCs	8,12,900	11,07,314
	8,12,900	11,07,314
Unsecured Loans (Refer Note (b) below):		
Inter Corporate Loans	4,28,30,632	4,41,35,273
Loans from Directors	4,57,83,404	3,14,89,177
	8,86,14,036	7,56,24,450
TOTAL	64,68,82,700	64,10,73,190

(a) Nature of security and terms of repayment for Secured Borrowings:

Nature of Security	Terms of Repayment
Rupee Term Loans from Union Bank of India and HDFC Bank of Rs. 318,999,652 (as at March 31, 2019: Rs. 325,885,314). The current FY 19-20 amount is without classifying current portion payable in next 12 months since these loans are in default hence the principal outstanding as on 31/03/2020 has been taken as it is for long term purpose by way of mortgage of immovable properties of the Company both present and future and hypothecation of all movable properties of the Company situated at plants at Pune, Rudrapur, Pithampur, Haridwar, Dharwad locations except its book debts. Also secured by Personal Guarantee of directors of the Company. The Company has made default in the repayment of loan taken from Union Bank due to which the company's loan accounts has been classified as NPA by the banks and have issued notices under section 13 (2) of SARFAESI Act and took symbolic possession of office situated at HO	All these loans are in default hence the whole amount is considered as long term based on proposed resolution plan submitted which is not yet approved. These loans were repayable in 60 to 72 equal monthly instalments commencing from October 2011 and ending on April 2020 on various months for different term loans. Rate of interest is @ 14.15% and 13.70% p.a. in case of loans from Union Bank of India and HDFC Bank respectively.
Rupee Term Loans from NBFCs Rs. 23,84,56,112 (as at March 31, 2019: Rs. 23,84,56,112). The loan was secured by mortgage of personal land of promoters situated at Gat No 194/1 and 194/2 at Village Chimbli, Taluka Khed, Pune and the plant 7 located at Gat No 40, Chimbli, Haveli Pune 410501. The loan amount was under default since April 2017 and there was a resolution proposed to link the business to be done with Tata Motors Limited where repayment was agreed of 50% of job work sales (conversion charges) billed to Tata Motors Limited and it will be 5% incase of sales billing with material job. Rs. 17.50 lakhs was being paid directly to Tata Motors Finance Limited by facility user from July 2018 and confirmed to continue till february 2019. In the FY 18-19, the Lender (i.e Tata Motors Limited) has issued notice u/s 13(2) & 13(4) of SARFAESI ACT and have taken the possession of Specific Machinerries of the Company at Pune plant 7 located at Gat No 40, Chimbli, Haveli Pune 410501 through court receiver along with the personal land of promoters.	The Loan is repayable in 60 equal monthly instalments commencing on May 2012 and ending on March 2022 on various months for different term loans. Rate of interest is @ 13.00% to 16.75% p.a.
The Vehicle loan of Rs. 8,12,900 (as at March 31, 2019: Rs. 10,74,057) from Banks and others are secured by hypothecation of respective Vehicles	Repayable in 35 - 60 monthly instalments and Rate of interest is @ 10.40% to 10.75% p.a.



WINDALS AUTO PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The maturity profile, period and amount of installments of Secured Loans (Principal amount) as referred above and Current Maturities of Long Term Borrowings which are under default except Vehicle loan are as following :

Financial Year	Vehicle Loans	Rupee Term Loans from		(Amount in Rs.)
		Banks	NBFCs	Total Secured Loans
		2017-18	89,916,630	38,380,045
2018-19	-	43,677,746	140,992,152	
2019-20	921,454	97,314,406	49,706,690	147,942,550
2020-21	-	47,144,884	56,567,827	103,712,711
2021-22	-	6,200,000	58,687,757	64,887,757
Total	3,313,630	337,890,326	247,020,065	588,224,021

(b) Details and terms of repayment for Unsecured Borrowings:

Particulars	Terms of Repayment
Inter Corporate loans Rs. 428,30,632 (as at March 31, 2019 Rs. 441,35,273) includes loans from 5 Companies	The current inter corporate loan is interest free. Currently proposed as bullet payment after 12 years. During the FY 2018-19, loan is taken from Sahima Properties Pvt Ltd at the rate of 12% Per annum
Loans from Directors Rs. 457,83,404 (as at March 31, 2019 Rs. 3,14,89,177)	The amount of loan given by Directors are interest free loan

NOTE 5 - SHORT-TERM BORROWINGS

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Secured Loans		
Working Capital Loans from Bank (Refer Note (a) below)	671,531,161	671,585,606
Unsecured Loans from		
Bank Loans (Purchase Order Finance and Clean Bill Discounting) (Refer Note (b) below)	26,905,737	26,905,737
Trade finance from Mahindra & Mahindra financial services		
TOTAL	698,436,898	698,491,343

Notes:

(a) Working Capital Loans from Banks referred to above are secured by hypothecation of movable assets including stock of materials, finished goods, stock in process and book debts both present and future and assets specifically hypothecated and are further secured collaterally by mortgage of immovable properties of the Company ranking next to the mortgage charge of term lenders for their Term Loans. Further Secured by personal Guarantees of Directors of the Company. Rate of interest is @ 13.90% p a. **The working capital loans are consisting of Rs. 66.49 crores default amount of Cash Credit as on 30/09/2016 of Union bank of India and Rs. 0.60 crores is overdraft from HDFC Bank**

(b) Bank Loans (Purchase Order Finance and Clean Bill Discounting)

(1) Unsecured Loan from Banks includes Loan from HDFC Bank of Rs. 269,05,737 which is in default

NOTE 6 - TRADE PAYABLES

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro, Small and Medium enterprises (Refer Note below)	9,751,925	9,751,925
Total outstanding dues of creditors other than Micro, Small and Medium enterprises	381,672,867	404,948,370
TOTAL	391,424,792	414,700,295

Note:

The Company has compiled information from creditors regarding their registration status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure as required under Schedule III of the Companies Act, 2013 relating to amounts unpaid as at the year end together with interest paid/ payable thereon have not been given.



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WINDALS AUTO PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 7 - OTHER CURRENT LIABILITIES

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Debt	-	-
Current Maturities of Vehicle Loan	-	-
Current Maturities of NBFCs	-	-
(Refer Note (a) below)	-	-
Other Payables	-	-
Creditors for Capital Goods	710,237	710,237
Advance Received from Customers (Refer Note (d) below)	29,231,940	3,590,274
Employee Related Liabilities	9,530,339	11,880,364
Interest Payable (Refer Note (b) below)	170,192,762	170,192,762
Statutory Liabilities	100,775,892	124,904,691
Other Payables	25,666,998	26,019,778
Dividend Distribution Tax Payable	3,781,951	3,781,951
TOTAL	339,890,119	341,080,057

Note:

- a) The current maturities for FY 2019-20 of UBI, HDFC & Tata Motors finance ltd has not been shown due to all loans in default and currently under resolution. However the details of current maturities are shown in the table contained in the previous page with the heading as "The maturity profile, period and amount of instalments of Secured Loans (Principal amount) as referred above and Current Maturities of Long Term Borrowings which are under default except Vehicle loan". The resolution plan submitted with Union Bank of India has not been approved as on date and is under review with the Bank.
- b) The previous year interest payable of Rs. 17.02 crores and there is no interest provided during the year.
- c) The interim dividend on preference shares was declared on quarterly basis in FY 16-17 however there was no profitability as per audited financials hence the interim dividend was retained and the company unable to pay due to serious liquidity problems and huge losses incurred due to which compliance of section 123 & 124 of the companies act 2013 has a practical issue due to state of affairs of the company and the amount involved is insignificant and immaterial. The amount outstanding of Rs. 10.50 lakhs as on 31/03/2018 was paid during the FY 2018-19 but the Dividend Distribution tax on the above dividend is still unpaid.

NOTE 9 - NON-CURRENT INVESTMENTS

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Trade Investments (Valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
25,000 (as at March 31, 2018: 25,000) Equity Shares of Windals and Windals Engineering Private Limited of Rs. 10 each fully paid up	250,000	250,000
TOTAL	250,000	250,000

NOTE 10 - LONG-TERM LOANS AND ADVANCES

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		
Advance Tax (Net of Provision for Taxation)	25,101,319	25,069,982
TOTAL	25,101,319	25,069,982

NOTE 11 - INVENTORIES

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
(As taken, valued and certified by the Management)		
Work in progress	11,659,850	17,477,491
Stores and Spares	934,022	2,330,783
Tooling Stock	55,130,752	55,130,752
TOTAL	67,724,624	74,939,026

Note:

The Company is catering mainly to commercial vehicles and construction machine industry. Most of the items are heavy in weight requiring large and sophisticated tooling. Out of the total inventory of Rs. 6.77 crore (Rs. 7.49 crore FY 18-19), Rs. 55,130,752 (as at March 31, 2019: Rs. 55,130,752) in the current year around 4/5th of the total inventory consists of tooling, dies, moulds, fixtures, stores & Spares, the increase/decrease of this category of inventory is accounted in other manufacturing expenses instead of increase/decrease in inventories as well the decrease in work in progress during the current year is mainly due to stating the net realisable value as per AS 2 / change in accounting estimate as per AS 5.



WINDALS AUTO PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE- 12 TRADE RECEIVABLES

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Receivables Outstanding for a period exceeding six months from the date they became due for payment	2,286,014	4,986,922
Other Receivables		5,786,682
TOTAL	2,286,014	10,773,604

NOTE 13 - CASH AND CASH EQUIVALENTS

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents		
Balances with Banks	195,289	9,552,637
Cash on hand	1,992,787	464,793
	2,188,076	10,017,430
Other Bank Balances		
Fixed Deposits having maturity period of more	730,502	1,807,498
	730,502	1,807,498
TOTAL	2,918,578	11,824,928

Note:

All fixed deposits are kept as collateral for facilities of Union Bank of India towards margin for LC opening, Bank Guarantee given and Bank Term loan facilities.

NOTE 14 - SHORT-TERM LOANS AND ADVANCES

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Prepaid Expenses	21,638	58,794
Security Deposits	10,266,899	10,263,718
Loans and Advances to Employees	1,674,275	2,047,271
Balances with Statutory Authorities	11,521,699	11,466,342
Loans to Related Parties (Refer Foot Note 1 below & Note 29)	203,629,212	204,111,653
Advance to Suppliers (Refer Foot Note 2 below)	27,561,435	27,575,415
Advance Recoverable in Cash or Kind	13,046,703	11,287,965
TOTAL	267,721,861	266,811,158

Foot Note :

- The current outstanding from related parties are at around Rs. 20.36 crores. Most of these advances were basically granted to the suppliers of related parties the most of which were ultimately supplying the goods and services to Windals Auto Pvt. Ltd. for its various expansion projects and plants. The amount of Rs. 20.36 crores includes interest of Rs. 2.60 crores charged in the earlier years and majority of these advances are on running account basis since over last 10 years and all these related parties are group companies which has lost their business currently due to stress and business losses in the Windals Auto Private Limited. Further cash flows of these related parties in the past had been used to take shareholding and unsecured loan to the tune of Rs. 10.82 crores to Windals Auto Private Limited thus net exposure in the related parties amounts to Rs. 6.58 crores which seems to be prior to the current period and in the current situation due to huge losses in the period subsequent to the period in which actually these transactions has taken place hence practically these were complied with the provisions of section 186 of the Companies Act 2013 at the time while these transactions had actually taken place. These seems to be recoverable only while the business of Windals & Windals Engineering Pvt. Ltd. gets restarted at Bhopal plant which is currently shut down due to huge losses incurred. The Land & Buildings of Bhopal Plant is estimated to be valued for around Rs. 3.93 crores in 2013 by The Kapol Bank valuer and in The Kapol Bank outstanding loans as per the last notice is Rs. 3.22 crores including interest at the same time the Kapol Bank is now liquidated.
- The advance amounts are under review and all concerned plants has been advised to find the fact to assess the factual status for recovery, failing which the provision may be required to be created in the subsequent years depending on the development, assessment for the possibility of recovery and fact findings.



NOTE 15 - REVENUE FROM OPERATIONS

(Amount in Rs.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Products:		
Sale of Finished Goods	58,369,032	657,895,519
TOTAL	58,369,032	657,895,519

Note:
 FOB value of Export Rs. NIL (previous year Rs.NIL) included in above sales

NOTE 16 - OTHER INCOME

(Amount in Rs.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income:		
From Fixed Deposits with Banks	313,352	67,220
From Security Deposits	-	50,861
On Income Tax Refund	-	1,081,549
Discount Received	5,698	238
Profit on sale of Fixed Assets	-	115,405
Other Miscellaneous Income	-	1,773,733
TOTAL	319,050	3,089,006

NOTE 17 - COST OF MATERIALS CONSUMED

(Amount in Rs.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials Consumed (100% Indigenous):		
Opening Stock of Raw materials	-	-
Add: Net Purchases	10,239,142	287,355,630
Add: Freight Inward	1,203,660	13,198,804
	11,442,802	300,554,434
Less: Closing stock of Raw materials	-	-
TOTAL	11,442,802	300,554,434

NOTE 18 - CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

(Amount in Rs.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock of Work in progress	17,477,491	56,806,323
Less: Closing Stock of Work in progress	11,659,850	17,477,491
	5,817,641	39,328,832

NOTE 19 - EMPLOYEE BENEFITS EXPENSE

(Amount in Rs.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages and Bonus	13,367,795	52,183,752
Director's Remuneration	3,224,273	3,600,000
Contributions to Provident and Other Funds	800,100	3,682,129
Staff and Labour Welfare	314,736	3,113,316
TOTAL	17,706,904	62,579,197



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WINDALS AUTO PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
 NOTE 20 - FINANCE COSTS

(Amount in Rs.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on :		
Vehicles Loans	201,456	347,671
Rupee Term Loans	3,232	10,833,332
Interest on Statutory Payments	281,541	2,220,382
Others Loans	1,000,589	10,216,710
	1,486,818	23,618,095
Other Charges :		
Bank Charges	170,434	1,876,593
Bill Discounting Charges	488,001	7,909,673
PO Finances Expenses	-	697,544
TOTAL	2,145,253	34,101,905

NOTE- 21 OTHER EXPENSES

(Amount in Rs.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Manufacturing Expenses		
Stores and Spares Consumed including Tooling stock (100% indigenous) (see Note 1 below)	2,047,068	170,298,623
Power and Fuel	3,295,676	13,633,767
Water Charges	31,108	213,687
Repair and Maintenance		
- Building	-	46,400
- Plant and Machinery	2,000	130,061
- Others	480,409	4,342,409
Job Work Charges	2,377,700	49,452,369
Other Manufacturing Expenses	660,578	1,213,172
	8,894,539	239,330,488
Administrative Expenses		
Rent Expenses	479,008	2,674,049
Rates, Taxes and Fees	164,155	718,074
Insurance Expenses	7,721	590,205
Security Charges	937,014	2,898,984
Printing and Stationary Expenses	47,483	169,829
Communication Expenses	189,267	587,766
Travelling and Conveyance Expenses	301,159	2,102,837
Legal and Professional Charges	755,631	3,831,982
Payment to Auditors (Refer Note Below)	150,000	150,000
Motor Car Expense	649,119	1,228,004
Miscellaneous Expenses	117,515	2,456,470
Brokerage and Commission Expenses	-	1,130
Office Expenses	95,122	808,059
	3,893,194	18,217,389
Selling and Distribution Expenses		
Sales Promotion Expenses	1,754,553	5,388,280
	1,754,553	5,388,280
Other Expenses		
Balances Written off incl. CWIP written off	(31)	18,226,331
Donation Expenses	5,000	9,001
	4,969	18,235,332
TOTAL	14,547,255	281,171,489

Note:

1) Payment to Auditors includes:

(Amount in Rs.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As Audit Fees	100,000	100,000
As Tax Audit Fees	50,000	50,000
TOTAL	150,000	150,000



WINDALS AUTO PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
 CIN No : U50101MH1990PTC056302

NOTE - 8 FIXED ASSETS

(Amount in Rs.)

Particulars	Gross Block			As at March 31, 2020	Depreciation Block			Net Block		
	As at April 1, 2019	Additions during the year	Deletions/ Adjustments during the year		Accumulated upto March 31, 2019	For the year	On Deletions during the year	Accumulated upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible Assets										
Freehold Land	47,824,150	-	-	47,824,150	-	-	-	47,824,150	47,824,150	
Leasehold Land	12,190,678	-	-	12,190,678	1,907,889	386,038	2,293,927	9,896,751	10,282,789	
Buildings (including Roads)	97,648,329	-	-	97,648,329	27,675,401	3,118,824	30,794,225	66,854,104	69,972,928	
Office Buildings	14,177,632	-	-	14,177,632	4,082,460	224,479	4,306,939	9,870,693	10,095,172	
Plant and Equipments	566,201,114	-	-	566,201,114	284,354,575	32,975,522	317,330,097	248,871,017	281,846,539	
Dies/Jigs/Fixtures/Gauges	22,252,909	-	-	22,252,909	3,590,292	1,406,989	4,997,280	17,255,628	18,662,617	
Office Equipments	6,801,140	-	-	6,801,140	5,945,538	182,835	6,128,373	672,766	855,602	
Air conditioner	2,103,092	-	-	2,103,092	1,671,803	104,829	1,776,632	326,460	431,289	
Electrical Installation	30,816,446	-	-	30,816,446	18,491,619	2,203,528	20,695,147	10,121,299	12,324,827	
Telephone, Mobile & Phone	735,224	-	-	735,224	682,519	6,856	689,375	45,849	52,705	
EPBAX System	26,870	-	-	26,870	25,526	-	25,526	1,344	1,344	
Computers	15,827,360	-	-	15,827,360	14,991,305	17,105	15,008,410	818,950	836,055	
computer software	103,182	-	-	103,182	95,572	1,543	97,115	6,067	7,610	
Furniture and Fixtures	18,170,686	-	-	18,170,686	12,823,039	999,072	13,822,111	4,348,575	5,347,647	
Vehicles	11,925,517	-	-	11,925,517	8,740,587	697,068	9,437,655	2,487,862	3,184,930	
Sub-total	846,804,328	-	-	846,804,328	385,078,124	42,324,689	-	427,402,813	419,401,515	461,726,203
Capital Work-in-Progress										
Plant and Machinery W.I.P.	259,257,052	-	-	259,257,052	-	-	-	259,257,052	259,257,052	
Building W.I.P.	2,800,000	-	-	2,800,000	-	-	-	2,800,000	2,800,000	
Tooling Capital W.I.P.	23,174,841	-	-	23,174,841	-	-	-	23,174,841	23,174,841	
Sub-total	285,231,893	-	-	285,231,893	-	-	-	285,231,886	285,231,897	
Total Tangible Assets	1,132,036,221	-	-	1,132,036,221	385,078,124	42,324,689	-	427,402,813	704,633,401	746,958,100
Previous Year	1,220,129,345	2,680,327	90,773,451	1,132,036,221	326,892,432	61,127,257	2,941,565	385,078,124	746,958,100	1,050,497,202

Notes:

- (1) Plant and Machineries WIP includes Imported Machines being Aluminium Die Casting machines. The fleet of these machines, all are of best make and have best of the class which could manufacture axle, engine, transmission and various components in aluminium alloy material which are kept in Custom approved Bonded Warehouse since suitable place for putting up factories are not yet identified to satisfaction and need of the
- (2) Building WIP includes Capital expenditure done for refurbishing of Factory building at Indore.
- (3) Tooling Capital WIP includes tooling created and manufactured out of companies own resources of Raw material, Labour and expenses incurred for utilisation of own production and also pertaining to new productions under development.
- (4) In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2020



NOTE 22 - EARNINGS/ (LOSS) PER EQUITY SHARE

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit/ (Loss) attributable to Equity Shareholders (Rs.)	(A)	(47,280,624)	(246,039,003)
Weighted Average Number of Equity Shares (Nos.)	(B)	1,471,743	1,471,743
Basic and Diluted Earnings/ (Loss) Per Share (Rs.)	(A)/(B)	(32.13)	(167.18)
Face value per Share (Rs.)		100.00	100.00

NOTE 23 - CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Letters of Credit opened in favour of Suppliers (Cash outflow is expected on receipt of material from supplier)	-	-
(ii) Liability in Respect of Bills Discounted	-	-
(iii) Bank guarantee (including reverse bank guarantee) given by the banks on behalf of the Company to suppliers of goods and services, etc.	-	-
(iv) On Account of Custom Duty on Import of Machinery (As Company has moved application for EPCG Scheme to import on 0% duty)	38,168,425	38,168,425
(v) Liability in relation to Excise Hearing for the FY 2000-01 (including penalty and interest)	7,304,285	7,304,285
(vi) Various claims lodged by the Parties and Interest thereon	11,800,000	11,800,000
(vii) Demand notices received for VAT, CST	-	-
(viii) Outstanding Demand as per Income Tax TRACES	3,507,900	3,507,900
(ix) Bonded Warehouse and clearance charges has not been provided in books of accounts as same is under negotiation regarding amount of liability with possible discounts and remissions.	Amount uncertain	Amount uncertain

NOTE 24 - PROVISION FOR GRATUITY

During the year the Company has not determined the liability towards gratuity (defined benefit) as per the actuarial valuation as per the requirements of the Accounting Standard-15 "Employee Benefits" Due to the above deviation, impact on the loss for the year and provisions and reserves and surplus as at March 31, 2020 could not be ascertained.

NOTE 25 - PROVISION FOR ACCRUED LEAVE

The Company has not determined the liability towards accrued leave balances of its employees as at year end as per the actuarial valuation as per the requirements of the Accounting Standard-15 "Employee Benefits" Due to the above deviation, impact on the loss for the year and provisions and reserves and surplus as at March 31, 2020 could not be ascertained.

NOTE 26 - DEFERRED TAX LIABILITY (NET)

The Company has not recognised the net deferred tax assets/ liabilities on timing differences arising during the year and in the past, which are required to be recognised as per the Accounting Standard-22 "Accounting for Taxes on Income".

Note :- As per para 17 of AS 22, Deferred tax asset can be recognised in books only after obtaining virtual certainty supported by convincing evidences that in the future year there will sufficient profits to utilise the deferred tax asset of current year. There is no virtual certainty of profits in future year that's why the company has not created deferred tax asset.

NOTE 27 - SEGMENT INFORMATION

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. The Company is engaged in manufacturing of Automobile Components and related activities during the year, consequently the Company does not have separate reportable business segment for the year ended March 31, 2020.



WINDALS AUTO PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 28 - EMPLOYEE BENEFITS:

The Company has classified the various benefits provided to employees as under:

I. Defined Contribution Plans

- a. Employers' Contribution to Provident Fund and Employee's Pension Scheme
- b. Employers' Contribution to Employee's State Insurance

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

	Year ended	Year ended
	March 31, 2020 (Amount in Rs.)	March 31, 2019 (Amount in Rs.)
Employers' Contribution to Provident Fund and Employee's Pension Scheme	506,545	2,584,689
Employers' Contribution to Employee's State Insurance	293,555	2,207,026
Total Expenses recognised in the Statement of Profit and Loss (Refer Note 19)	800,100	4,791,715

II. Defined Benefit Plan

Contribution to Gratuity Fund: the Company has not determined the liability towards gratuity (defined benefit) as per the actuarial valuation.

NOTE 29 - RELATED PARTIES DISCLOSURE

a. Details of Related Parties

Key Management Personnel

Mr. Abdulla Sahebkhani Dalwai
 Mr. Asif Abdulla Dalwai
 Mr. Nabii Abdulla Dalwai

Relative of key management personnel with whom the Company has entered into transactions

Mrs. Farheen N Dalwai
 Mrs. Rabia Abdulla Dalwai

Enterprises in which Key Management personnel and relatives of Key Management personnel have significant influence

Apex Profile & Manufacturing Private Limited
 DNS Automotive Private Limited
 DNS Holding Private Limited
 Reliable Mechatronics Private Limited
 RNS Investment Private Limited
 Ronson India
 Universal Axles Private Limited
 Windals & Windals Engineering Private Limited
 Windals Power Private Limited
 Zen Tools & Dies Private Limited

Notes:

- 1) The list of related parties above has been limited to entities with which transactions have taken place
- 2) Related party transactions have been disclosed till the time the relationship existed.



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WINDALS AUTO PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

b. Details of Related Party transactions during the year ended March 31, 2020

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Directors Remuneration and Salary		
Abdulla Sahebkhani Dalwai	1,030,328	1,200,000
Asif Abudlla Dalwai	951,600	1,200,000
Nabil Abdulla Dalwai	1,242,345	1,200,000
Rabia Abdulla Dalwai	-	-
	3,224,273	3,600,000
Expenses Incurred during the year on behalf of		
DNS Automotive Private Limited	57,812	24,340
RNS Investment Private Limited	16,120	1,224
Zen Tools & Dies Private Limited	-	2,115,690
Universal Axles Private Limited	16,100	1,224
Windals & Windals Engineering Private Limited	14,800	1,836,329
Windals Power Private Limited	14,900	14,844
DNS Holding Private Limited	3,620	1,224
	123,352	3,994,875
Loan Taken		
Abdulla Sahebkhani Dalwai	2,798,959	4,630,000
Asif Abudlla Dalwai	1,026,000	3,846,255
Nabil Abdulla Dalwai	19,110,146	8,195,000
Rabia Abdulla Dalwai	633,000	850,000
	23,568,105	17,521,255
Advance Given		
Windals & Windals Engineering Private Limited	30,000	-
	30,000	-

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loan Taken Repaid		
Abdulla Sahebkhani Dalwai	8,425	1,828,949
Asif Abudlla Dalwai	3,154,734	2,538,128
Nabil Abdulla Dalwai	5,560,498	5,720,439
Rabia Abdulla Dalwai	550,220	1,585,394
	9,273,877	11,672,910
Advance Given Received back		
Windals & Windals Engineering Private Limited	586,000	260,000
DNS Automotive Private Limited	-	320,000
	586,000	580,000



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WINDALS AUTO PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

c. Closing Balances of the Related Parties

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loan Payable		
Abdulla Sahebkhani Dalwai	6,372,952	3,582,418
Asif Abdulla Dalwai	(143,863)	1,984,871
Nabil Abdulla Dalwai	17,263,565	3,713,917
Rabia Abdulla Dalwai	21,140,747	21,057,967
RNS Investment Private Limited	20,791	36,911
DNS Holding Private Limited	9,008,296	9,011,916
Farheen N Dalwai	1,150,000	1,150,000
	54,812,488	40,538,000
Loan Given		
Windals & Windals Engineering Private Limited	145,674,963	146,246,163
Apex Profile & Manufacturing Private Limited	417,796	417,796
DNS Automotive Private Limited	10,966,568	10,908,756
Reliable Mechatronics Private Limited	102	102
Ronson India	100,000	100,000
Universal Axles Private Limited	13,037,123	13,021,023
Windals Power Private Limited	2,981,028	2,966,128
Zen Tools & Dies Private Limited	30,451,633	30,451,633
	203,629,212	204,111,600

NOTE 30 - OPERATING LEASE TRANSACTIONS

The Company has entered into leasing arrangements for premises and machinery that are renewable on a periodic basis and cancellable in nature. Rent for operating leases included in the Statement of Profit and Loss for premise for the year are Rs 479,008 (March 31, 2019: Rs. 26,74,049) respectively.

NOTE 31 - WHOLE TIME COMPANY SECRETARY

The Company is yet to appoint a Company Secretary as required under Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with section 203 of the Companies Act, 2013, as such, the accounts have not been signed by a Company Secretary

NOTE 32 - COST AUDITOR

The Company is yet to appoint a Cost Auditor as required under Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 read with under section 148 of the Companies Act, 2013.

NOTE 33 : PARTICULARS OF STOCKS, TURNOVER AND RAW MATERIALS CONSUMED

Considering the nature and volume of transactions, it is not feasible to disclose under broad heads value of stock of work-in-progress, Turnover and Raw Materials Consumed as required under Note 5(ii)(a), 5(ii)(d) and 5(iii) of Part II of Schedule III to the Companies Act, 2013

NOTE- 34 PREVIOUS YEAR FIGURES

The Previous year's figures have been regrouped, reclassified and rearranged wherever necessary to make them comparable with those of Current year's figures.

For Kavita Birla & Co
 Chartered Accountants
 Firm Registration Number: 013208C

Kavita Totla

Kavita Totla
 Partner
 Membership Number : 405577
 UDIN : 21405577AAAA BV8982

Place : Mumbai
 Date : 25/12/2020



For and on behalf of Board of Directors

Asif Dalwai

Abdulla Sahebkhani Dalwai
 Director
 DIN : 00308092

Place : Mumbai
 Date : 25/12/2020



Abdulla Dalwai

Asif Abdulla Dalwai
 Director
 DIN : 02009803

Place : Mumbai
 Date : 25/12/2020