Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B,
DLF Cyber City Complex,
DLF City Phase - II,
Gurugram - 122 002,
Haryana, India

Phone: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT
To The Members of Tadano Escorts India Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Tadano Escorts India Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its loss, total comprehensive loss, its cash flows and the changes in equity 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 obtained at the date of this auditor's report is included in Director's report, 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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal 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 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

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

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 including Other Comprehensive Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.

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 Company being the private Company, section 197 of the Act relates to the managerial remuneration is not applicable to the Company.

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

i. The Company does not have any pending litigation which would impact its financial position in its financial statements – Refer to Note 33 (b) to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. – Refer to 33 (c) to the financial Statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer to Note 33 (d) to the financial Statement.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2021.04.28 19:20:16 +05'30'

Sameer Rohatgi
Partner
(Membership No. 094039)
(UDIN: 21094039AAAAAY7130)

Place: Gurugram
Date: 28 April 2021

Deloitte
Haskins & Sells LLP

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a programme of verification of property, plant and equipment to cover all the items of property, plant and equipment every year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) As explained to us, the inventories (other than material/ stock in transit) were physically verified during the year by the Management and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Also, according to the information and explanations given to us, there were no unclaimed deposits, hence provisions of Sections 73 to 76 of the Act do not apply to the Company.

(vi) Having regard to the nature of Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Customs Duty, Goods and Services Tax and cess which have not been deposited as on March 31, 2021 on account of disputes.

(viii) The Company has neither taken any loans or borrowings from financial institutions, banks and government nor has it issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and section 188 of the Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of related parties transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2021.04.28 19:23:31 +05'30'

Sameer Rohatgi
Partner
(Membership No. 094039)
(UDIN: 21094039AAAAAY7130)

Place: Gurugram
Date: April 28, 2021

Tadano Escorts India Private Limited

Balance Sheet as at 31 Mar 2021

	Notes	As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,335.10	431.11
(b) Right-of-use Assets	3A	1,791.84	370.01
(c) Capital work in progress		470.47	317.52
(d) Goodwill	4 (i)	1,468.40	1,468.40
(e) Other intangible assets	4 (i)	93.33	118.44
(f) Intangible assets under development	4 (ii)	2,050.95	793.72
(g) Other financial assets	5	24.88	22.27
(h) Non current tax assets (net)		17.90	11.79
(I) Other non current assets	8 (i)	153.32	-
Total non-current assets		**7,406.19**	**3,533.26**
Current assets			
(a) Inventories	9	1,587.70	1,391.04
(b) Financial assets			
(i) Trade receivables	10	744.02	599.83
(ii) Cash and cash equivalents	11	2,760.31	1,131.40
(iii) Other financial assets	6	149.85	212.62
(c) Other current assets	8 (ii)	823.03	559.03
Total current assets		**6,064.91**	**3,893.92**
Total assets		**13,471.10**	**7,427.18**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	11,350.00	6,000.00
(b) Other equity	13	(745.06)	(385.14)
Total equity		**10,604.94**	**5,614.86**
Liabilities			
Non-current liabilities			
(a) Financial Liabilites	14(ii)	1,333.70	266.45
(b) Provisions	16(i)	54.67	76.44
Total non-current liabilities		**1,388.37**	**342.89**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
(a) Total outstanding dues of micro enterprises and small enterprises		6.92	18.16
(b) Total outstanding dues of creditor other than micro and small enterprises		902.96	963.71
(ii) Other financial liabilities	14(i)	483.92	373.80
(b) Provisions	16(ii)	20.45	12.79
(c) Other current liabilities	15	63.54	100.97
Total current liabilities		**1,477.79**	**1,469.43**
Total equity and liabilities		**13,471.10**	**7,427.18**

See accompanying notes forming part of the financial statements.
As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi Digitally signed by Sameer Rohatgi Date: 2021.04.28 19:26:36 +05'30'

Sameer Rohatgi
Partner

Place : Gurugram
Date : April 28, 2021

For and on behalf of the Board of Directors

SHAILENDRA AGRAWAL

Shailendra Agarwal
Chairman
(DIN: 03108241)

NAKAYAMA SATOSHI

Satoshi Nakayama
Managing Director & CEO
(DIN: 0008275453)

BHARAT MADAN

Bharat Madan
Director
(DIN: 00944660)

MUNESH GUPTA

Munesh Gupta
CFO & Admin Head

ANU PANDEY

Anu Pandey
Company Secretary

Place : Faridabad
Date : April 28, 2021

Tadano Escorts India Private Limited
Statement of Profit and Loss for the year ended 31 March, 2021

	Notes	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
			(₹ lacs)
1 Revenue from contracts with customers	18	2,657.44	2,040.25
2 Other income	19	81.56	127.97
3 Total income		**2,739.00**	**2,168.22**
4 Expenses			
a) Cost of materials consumed	20(i)	908.22	1,325.52
b) Purchase of stock in Trade	20(ii)	484.55	674.50
c) Changes in inventories	20(iii)	325.77	(696.47)
d) Employee benefits expense	21	520.58	460.48
e) Finance Costs	22	35.13	39.52
f) Depreciation and amortisation expense	23	189.25	164.72
g) Other expenses	24	597.16	538.96
Total expenses		**3,060.66**	**2,507.23**
5 Loss before tax		**(321.66)**	**(339.01)**
6 Tax expense	7(ii)		
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense		**-**	**-**
7 Net Loss for the year		**(321.66)**	**(339.01)**
8 Other comprehensive (income) / loss for the year			
(i) Items that will not be reclassified to profit and loss			
Re-measurements of defined employee benefit plans		6.74	(0.08)
Total other comprehensive income/(loss) for the year		**6.74**	**(0.08)**
9 Total comprehensive loss for the year		**(314.92)**	**(339.09)**
10 Earnings per equity share :	25		
Basic (₹)		(0.35)	(0.57)
Diluted (₹)		(0.35)	(0.57)

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Regn No. 117366W/W-100018)

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2021.04.28 19:30:28 +05'30'

Sameer Rohatgi
Partner

Place : Gurugram
Date : April 28, 2021

For and on behalf of the Board of Directors

SHAILENDRA AGRAWAL
Shailendra Agarwal
Chairman
(DIN: 03108241)

NAKAYAMA SATOSHI
Satoshi Nakayama
Managing Director & CEO
(DIN: 0008275453)

BHARAT MADAN
Bharat Madan
Director
(DIN: 00944660)

MUNESH GUPTA
Munesh Gupta
CFO & Admin Head

ANU PANDEY
Anu Pandey
Company Secretary

Place : Faridabad
Date : April 28, 2021

Tadano Escorts India Private Limited

Cash Flow Statement for the year ended 31 March, 2021

		(₹ lacs) For the year ended 31 Mar 2021	(₹ lacs) For the year ended 31 Mar 2020
A	**Cash flow from operating activities**		
	(Loss) before tax for the year	**(321.66)**	**(339.01)**
	Adjustments for:		
	Depreciation and amortisation expense	63.34	139.64
	Amortisation Expense	25.11	25.08
	Interest expense	-	0.88
	Interest income	(56.10)	(110.70)
	Loss on disposal of property, plant and equipment (net)	0.50	-
	Unrealised foreign exchange gain	(11.06)	6.68
	Operating loss before working capital changes	**(299.87)**	**(277.43)**
	Changes in working capital		
	(Increase) / decrease in inventories	(196.67)	(660.48)
	(Increase) in trade receivables	(148.70)	(1.25)
	(Increase) in other financial assets	63.87	(192.73)
	(Increase) in other assets	(282.42)	(538.83)
	Increase in trade payables	(56.42)	511.93
	(Decrease) / increase in other financial liabilities	(53.86)	(127.00)
	Increase in other liabilities	(47.14)	114.42
	Cash flow from operating activities post working capital changes	**(1,021.21)**	**(1,171.37)**
	Income tax paid (net)	**(6.11)**	**(6.40)**
	Net cash flows used in operating activities (A)	**(1,027.32)**	**(1,177.77)**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment (including capital advances)	(1,283.95)	(330.36)
	Sale of property, plant and equipment	9.85	-
	Purchase of assets under development (intangibles)	(1,257.23)	(671.56)
	Purchase consideration paid on Business Acquisition (refer note 32)	-	(69.34)
	Interest received	54.71	110.25
	Net cash flows (used in) investing activities (B)	**(2,476.62)**	**(961.01)**
C	**Cash flows from financing activities**		
	Proceeds from issue of equity shares	5,305.00	-
	Interest paid	-	(0.88)
	Repayment of lease liabilities	(172.15)	(73.65)
	Net cash (used in) / from financing activities (C)	**5,132.85**	**(74.53)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	1,628.91	(2,213.31)
			-
	Cash and cash equivalents at the beginning of the year (refer note 11)	1,131.40	3,344.71
	Cash and cash equivalents at the end of the year (refer note 11)	**2,760.31**	**1,131.40**

Note: The above statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2021.04.28 19:34:02 +05'30'

Sameer Rohatgi
Partner

Place : Gurugram
Date : April 28, 2021

For and on behalf of the Board of Directors

SHAILENDRA AGRAWAL

Shailendra Agarwal
Chairman
(DIN: 03108241)

NAKAYAMA SATOSHI

Satoshi Nakayama
Managing Director & CEO
(DIN: 0008275453)

BHARAT MADAN

Bharat Madan
Director
(DIN: 00944660)

MUNESH GUPTA

Munesh Gupta
CFO & Admin Head

ANU PANDEY

Anu Pandey
Company Secretary

Place : Faridabad
Date : April 28, 2021

Tadano Escorts India Private Limited
Statement of changes in equity for the year ended 31 March, 2021

A Equity share capital

	Number of Shares	Equity share capital (₹ lacs)
Balance at 31 March 2019	60,000,000	6,000
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**60,000,000**	**6,000**
Changes in equity share capital during the year	53,500,000	5,350
Balance at 31 March 2021	**113,500,000**	**11,350**

B Other equity

(₹ lacs)

	Retained earnings	Capital Reserve	Total
As at 1 April 2019	**(151.49)**	**-**	**(151.49)**
Adjustment on account of business purchase	-	105.44	105.44
Loss for the year	(339.01)	-	(339.01)
Other comprehensive loss for the year	(0.08)	-	(0.08)
As at 1 April 2020	**(490.58)**	**105.44**	**(385.14)**
Loss for the year	(321.66)	-	(321.66)
Less : Fees for increase in Share capital	(45.00)	-	(45.00)
Other comprehensive income for the year	6.74	-	6.74
Balance as at 31 Mar 2021	**(850.50)**	**105.44**	**(745.06)**

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2021.04.28 19:37:18 +05'30'

Sameer Rohatgi
Partner

Place : Gurugram
Date : April 28, 2021

For and on behalf of the Board of Directors

SHAILENDRA AGRAWAL

Shailendra Agarwal
Chairman
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NAKAYAMA SATOSHI

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Director
(DIN: 00944660)

MUNESH GUPTA

Munesh Gupta
CFO & Admin Head

ANU PANDEY

Anu Pandey
Company Secretary

Place : Faridabad
Date : April 28, 2021

1. Company overview

Tadano Escorts India Private Limited ("the Company") is a private limited company incorporated on 20 September, 2018 and domiciled in India and having its registered office at 15/5, Mathura Road, Faridabad (Haryana). The Company is Joint Venture between Tadano Limited, Japan and Escorts Limited, India. The Company is engaged in the business of manufacturing, selling, and/or trading RT cranes and its spare parts and providing after sales service.

The financial statements are for year April 1, 2020 to March 31, 2021 and are approved for issue by the Company's Board of Directors on April 28, 2021.

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on accrual and going concern basis under historical cost convention. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. All amounts included in the financial statements are reported in lacs of Indian rupees (₹ in lacs) except earnings per share, unless otherwise stated.

2.2 Summary of significant accounting policies

a) Revenue recognition

Sale of goods

Revenue is recognized when control of the goods is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

Sales-related warranties associated with goods sold cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (see note 16).

Sale of Services

Revenue is recognised when the services are rendered and related costs are incurred.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section i) financial instruments.

Interest Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost (refer 'i' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc but does not consider expected credit losses for EIR computation. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

b) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company and liabilities incurred by the Company to the former owners of the acquiree. Acquisition-related costs are generally recognised in Statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Capital reserve is measured as excess of net assets acquired and liabilities assumed over the consideration transferred.

c) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note b above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

d) Foreign currency translation

Functional and presentation currency
The financial statements are presented in Indian Rupee ('₹'), which is also the functional and presentation currency of the Company.

Transactions and balances
Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

f) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation, amortisation and impairment, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. 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 attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.
In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life (in years)
Plant and equipment	Upto 15 years
Furniture and fixtures	Upto 10 years
Computer	Upto 3 years
Office Equipment	Upto 5 years
Vehicle	Upto 10 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

g) Intangible assets (other than goodwill)

Recognition and initial measurement

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any.

Internally developed intangible assets

Expenditure on the research phase of projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Company can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Subsequent measurement (amortisation)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Asset category	Estimated useful life (in years)
Software	3
Technical know how	6

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).
Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

h) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Financial instruments are measured at amortised cost if both the following conditions are met:

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

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for financial instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, financial instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any financial instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received is recognised in the statement of profit and loss.

Financial liabilities

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.
However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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.

i) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

j) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that a tangible/intangible asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

k) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

l) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a Deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax

liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised."

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

n) Post-employment, long term and short term employee benefits

Short-term Employee Benefits
All employee benefits which are expected to be settled in twelve months at the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under

(i) Defined Contribution Plans
Contributions to defined contribution schemes are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards Provident fund. The Company has no further obligations for future benefits other than its contributions. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) Defined Benefit Plans

Defined benefit plans comprises of gratuity is explained as mentioned below:

Gratuity

Liability for gratuity benefits payable to employees is provided for on accrual basis using the Projected Accrued Benefit Method (Projected Unit Credit Method with control period of one year) done by an independent actuary as at the Balance Sheet date. Contributions are made to Group Gratuity cum Life Assurance scheme of Escorts Limited through Escorts Limited Employees Group Gratuity Fund Trust by the Company for this purpose.

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Other long-term employee benefits

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The cost of providing other long-term employee benefits (Leave Encashment) is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long-term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

o) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:
- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the result would be anti-dilutive.

q) 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 assess the financial performance and position of the Company and makes strategic decisions and therefore the board would be the chief operating decision maker.

The Company has the following operating/reportable segments: Material handling and construction equipment and Demag spare parts. In identifying these operating segments, management generally follows the Company's service lines representing its main products and services.

Each of these operating segments are managed separately as each requires different technologies, marketing approaches and other resources.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

r) Leases

The company evaluates each contract or arrangement, whether it qualifies as lease as defined under IND AS 116.

The company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–
(a) the use of an identified asset,
(b) the right to obtain substantially all the economic benefits from use of the identified asset, and
(c) the right to direct the use of the identified asset.
The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies IND AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss for the reporting period.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as cash used in Financing activities.

The company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Lease payments during the period have been disclosed under financing activities in the Cash Flow Statement.

2.3 Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Critical accounting estimates and judgments

a. **Useful lives of depreciable/amortisable assets** – Property, plant and equipment (asset) represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including

at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b. **Leases -** Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no material changes are required to lease period relating to the existing lease contracts.

c. **Impairment of property, plant and equipment, intangibles and goodwill**

The Company assesses the carrying amount of property plant and equipment, intangibles and goodwill to determine whether there is any indication that those assets have suffered an impairment loss. While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

Particulars	**As at March 31, 2021**
Discount Rate *(pre tax rate of WACC)*	16%
Long Term Growth Rate	4%

Based on management assessments including considering possible effects relating to COVID-19, as at March 31, 2021, no impairment is required to be accounted.

d. **Capitalisation of internally developed intangible assets –** Distinguishing the research and development phases for new products and design enhancements determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. The Company has an intangible asset under development in note 4 which relates activities for localisation of technology for Truck cranes and assembling of proto type. The judgement has been made that the project is of development type and corresponding expenditure has been recognised as intangible assets under development.

e. **Allowance for obsolete and slow-moving inventory-** The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis expected future trends in the industry. A worsening of the economic and financial situation could cause a further deterioration in conditions in the industry compared to that taken into consideration in calculating the allowances recognized in the financial statements.

f. **Product warranties-** The Company makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on past experience of joint venture being associated with the similar products and services over several years.. The Company seeks to improve crane quality and minimize warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

g. **Defined benefit obligations (DBO)** –The cost of the defined benefit plan and the present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h. **Taxes** –Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company is of view that it is not probable that sufficient taxable income shall be available and hence deferred tax assets have been restricted to deferred tax liability. Refer note 7 for further details.

i. Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of property, plant and equipment, capital work in progress, intangible assets, goodwill, trade receivables, inventories and other financial assets, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. As of the date of approval of these financial statements, the Company does not assess any material impact due to COVID-19 pandemic on its future projections and based on current indicators of business volume of its upcoming truck crane business expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Tadano Escorts India Private Limited
Notes forming part of financial statements for the year ended 31 March, 2021

3 Property, plant and equipment

(₹ lacs)

Description	Plant and equipment	Furniture and fixtures	Office Equipment	Vehicle	Computers	Leasehold Improvments	Total
Gross carrying value							
As at 1 April 2020	431.69	35.36	7.04	14.33	6.22	-	494.64
Other additions during the year	862.46	71.70	9.11	-	0.49	34.84	978.60
Disposals	-	-	-	(14.33)	-		(14.33)
As at 31 March 2021	**1,294.15**	**107.06**	**16.15**	**-**	**6.71**	**34.84**	**1,458.91**
Accumulated depreciation							
As at 1 April 2020	48.76	4.93	2.98	3.18	3.68		63.53
Charge for the year	51.93	6.43	2.47	0.80	1.71	0.92	64.26
Disposals	-	-	-	(3.98)	-		(3.98)
As at 31 March 2021	**100.69**	**11.36**	**5.45**	**-**	**5.39**	**0.92**	**123.81**
Net block as at 31 March 2021	**1,193.46**	**95.70**	**10.70**	**-**	**1.32**	**33.92**	**1,335.10**

(₹ lacs)

Description	Plant and equipment	Furniture and fixtures	Office Equipment	Vehicle	Computers	Leasehold Improvments	Total
Gross carrying value							
As at 1 April 2019	426.14	29.24	-	-	-	-	455.38
Acquisition on Business Purchase (refer note 31)	-	-	7.04	14.33	5.05	-	26.42
Other additions during the year	5.55	6.12	-	-	1.17	-	12.84
As at 31 March 2020	**431.69**	**35.36**	**7.04**	**14.33**	**6.22**	**-**	**494.64**
Accumulated depreciation							
As at 1 April 2019	10.66	0.83	-	-	-	-	11.49
Charge for the year	38.10	4.10	2.98	3.18	3.68	-	52.04
As at 31 March 2020	**48.76**	**4.93**	**2.98**	**3.18**	**3.68**	**-**	**63.53**
Net block as at 31 March 2020	**382.93**	**30.43**	**4.06**	**11.15**	**2.54**	**-**	**431.11**

Notes:

(i) Contractual obligations

Estimated amounts of contracts remaining to be executed for the acquisition of property, plant and equipment Rs. 672.44 lacs (previous period Rs.625.39 lacs)

3 (ii) Capital work-in-progress

(₹ lacs)

Particulars	31 Mar 2021	31 Mar 2020
Capital work-in-progress	470.47	317.52

Movement in capital work in progress during the year:

(₹ lacs)

Particulars	31 Mar 2021	31 Mar 2020
Capital work-in-progress at the beginning of the year	**317.52**	**-**
Add: additions during the year	1,060.93	331.90
Less: capitalisation during the year	907.98	14.38
Capital work-in-progress at the end of the year	**470.47**	**317.52**

Notes:

(i) Capitalised borrowing cost

Nil

Tadano Escorts India Private Limited
Notes forming part of financial statements for the year ended 31 March, 2021

3A Right-of-use Asset

(₹ lacs)

Description	Manufacturing facility	Warehousing facility	Total
Gross carrying value			
As at 1 April 2020	294.66	162.95	457.61
Other additions during the year	1,665.00	-	1,665.00
Disposals	-	-	-
As at 31 March 2021	**1,959.66**	**162.95**	**2,122.61**
Accumulated depreciation			
As at 1 April 2020	63.12	24.48	87.60
Charge for the year*	206.40	36.77	243.17
Disposals	-	-	-
As at 31 March 2021	**269.52**	**61.25**	**330.77**
Net block as at 31 March 2021	**1,690.14**	**101.70**	**1,791.84**

*Includes Rs. 143.29 lacs capitalised during the year related to upcoming Truck crane business

Refer Note 2.2 r) to the financials statements.

Description	Manufacturing facility	Warehousing facility	Total
Gross carrying value			
As at 1 April 2019	-	-	-
Acquisition on Business Purchase (refer note 31)	-	147.31	147.31
Other additions during the year	294.66	15.64	310.30
Disposals	-	-	-
As at 31 March 2020	**294.66**	**162.95**	**457.61**
Accumulated depreciation			
As at 1 April 2019	-	-	-
Charge for the year	63.12	24.48	87.60
Disposals	-	-	-
As at 31 March 2020	**63.12**	**24.48**	**87.60**
Net block as at 31 March 2020	**231.54**	**138.47**	**370.01**

4 (i) Intangible assets

(₹ lacs)

Description	Goodwill	Other Intangible Assets			Grand Total
		Intellectual property rights	Software	Total	
Gross carrying value					
As at 1 April 2020	1,468.40	148.65	1.80	150.45	1,618.85
Other additions	-	-		-	-
Disposals	-	-	-	-	-
As at 31 March 2021	**1,468.40**	**148.65**	**1.80**	**150.45**	**1,618.85**
Accumulated amortisation					
As at 1 April 2020	-	31.70	0.31	32.01	32.01
Charge for the year	-	24.77	0.34	25.11	25.11
Disposals	-	-	-	-	-
As at 31 March 2021	**-**	**56.47**	**0.65**	**57.12**	**57.12**
Net block as at 31 March 2021	**1,468.40**	**92.18**	**1.15**	**93.33**	**1,561.73**

Description	Goodwill	Other Intangible Assets			Grand Total
		Intellectual property rights	Software	Total	
Gross carrying value					
As at 1 April 2019	1,468.40	148.65	0.24	148.89	1,617.29
Acquisition on Business Purchase (refer note 31)	-	-	1.41	1.41	1.41
Other additions	-	-	0.15	0.15	0.15
Disposals	-	-	-	-	-
As at 31 March 2020	**1,468.40**	**148.65**	**1.80**	**150.45**	**1,618.85**
Accumulated amortisation					
As at 1 April 2019	-	6.92	0.01	6.93	6.93
Charge for the year	-	24.78	0.30	25.08	25.08
Disposals	-	-	-	-	-
As at 31 March 2020	**-**	**31.70**	**0.31**	**32.01**	**32.01**
Net block as at 31 March 2020	**1,468.40**	**116.95**	**1.49**	**118.44**	**1,586.84**

4 (ii) Intangible assets under development

(₹ lacs)

Particulars	31 March 2021	31 March 2020
Intangible assets under development (Refer Note 2)	2,050.95	793.72

Notes

1 **Movement in intangible assets under development during the year/period :**

(₹ lacs)

Particulars	31 March 2021	31 March 2020
Balance as at beginning of the year	**793.72**	**123.72**
Additions during the year	1,257.23	670.00
Balance as at end of the year	**2,050.95**	**793.72**

2 Intangible assets under development relates to activities for localisation of technology for truck cranes and assembling of proto type machines by the Company.

		(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
5	**Other Non-Current Financial Assets**		
	Financial assets measured at amortised cost		
	(a) Security deposits	24.88	22.27
		24.88	**22.27**

Note

5.1 Non-current security deposits include Rs. 33 lacs acquired from Terex India Private limited. The same has been discounted in order to disclose at fair value.

		(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
6	**Other Current Financial Assets**		
	Financial assets measured at amortised cost		
	(a) Security Deposits	16.45	23.00
	(b) Other recoverable unsecured, considered good		-
	-from Vendors	27.03	61.35
	-from employees	104.54	127.82
	(c) Interest accrued on deposits	1.83	0.45
		149.85	**212.62**

	(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
7 (i) Deferred tax assets (net)		
Deferred tax asset arising on account of :		
Provision for employee benefits and other liabilities	15.49	6.15
Business loss carried forward	36.41	0.27
Provisions Inventory & Doubtful Debts and Others	(28.53)	-
Deferred tax liability arising on account of :		
Property, plant and equipment and intangible assets	(23.37)	(6.42)
Net deferred tax assets	-	-

Notes:

a) The Company is of view that it is not probable that sufficient taxable income shall be available and hence deferred tax assets recognised have been restricted to deferred tax liability.

b) Movement in deferred tax assets for the year ended 31 March 2021 is as follows:

(₹ lacs)

Particulars	Opening	Recognised (reversed) in profit and loss	Recognised (reversed) in other comprehensive income	Closing
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment and intangible assets	(6.42)	(16.95)	-	(23.37)
Provisions Inventory & Doubtful Debts and Others	-	(28.53)	-	(28.53)
Provision for employee benefits and other liabilities	6.15	11.10	(1.75)	15.49
Business loss carry forward	0.27	34.39	1.75	36.41
Net deferred tax assets/(liabilities)	-	-	-	-

(c) Movement in deferred tax assets for the year ended 31 March 2020 is as follows:

(₹ lacs)

Particulars	Opening balance	Recognised (reversed) in profit and loss	Recognised (reversed) in other comprehensive income	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment and intangible assets	(8.74)	(6.42)	8.74	(6.42)
Incorporation Expense				-
Provision for employee benefits and other liabilities	1.11	6.15	(1.11)	6.15
Business loss carry forward	7.63	0.27	(7.63)	0.27
Net deferred tax assets/(liabilities)	-	-	-	-

	31 Mar 2021	31 Mar 2020
7 (ii) Tax expense		
The income tax expense consists of the following:		
Current tax		
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense recognised in the current period	-	-

		(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
	Notes:		
(a)	**The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:**		
	Accounting loss before income tax	(321.66)	(339.01)
	Statutory income tax rate	26.0%	26.0%
	Tax expense calculated at statutory income tax rate	(83.63)	(88.00)
	Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
	Deferred tax asset not recognised on business loss	83.61	64.79
	Tax on expense not eligible for deduction	0.02	23.21
		-	-
(b)	**Unused tax losses**		
	Unused tax losses for which no deferred tax asset has been recognised	321.57	249.19
	Potential tax benefit @ 26%	83.61	64.79

Unused business loss can be carried forward based on the year of origination as follows:

Financial year/period of origination	Financial year of expiry	Unused Business Loss	Unused Tax loss there on
31 March 2019	31 March 2028	81.26	21.13
31 March 2020	31 March 2029	249.19	64.79
31 March 2021	31 March 2030	321.57	83.61

		(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
8	**Other Assets**		
8(i)	**Other non-current assets**		
	Capital advance	**153.32**	-
8 (ii)	**Other current assets**		
	Advances to suppliers	58.83	245.98
	Prepaid expenses	39.14	17.66
	Balances with statutory authorities	722.64	292.03
	Defined benefit assets - Gratuity	2.36	-
	Other advances	0.06	3.36
		823.03	**559.03**
9	**Inventories (measured at lower of cost or net realisable value)**		
	Raw materials and components	1,086.61	481.61
	Goods-in-transit	89.19	153.25
	Allowance for obsolete and slow moving	(19.70)	-
		1,156.10	**634.86**
	Work-in-progress	302.84	253.20
	Finished goods	-	206.94
	Stock-in-trade	111.34	279.19
	Goods-in-transit	3.41	4.03
		114.75	**283.22**
	Stores and spares	14.01	12.82
		1,587.70	**1,391.04**
10	**Trade receivables**		
	Secured : considered good		
	Unsecured : considered good	744.02	599.83
	: considered doubtful	6.76	2.60
		750.78	602.43
	Allowance for doubtful receivables		
	Unsecured : considered doubtful	(6.76)	(2.60)
		744.02	**599.83**

Notes

10.1 The average credit period on sales of goods is 30 to 60 days. No interest is charged on the trade receivables for the amount overdue above the credit period.

10.2 Company's major trade receivables are with credit worthy counterparties. The Company has opted for simplified approach to recognise impairment loss on trade receivables based on life time expected credit losses. The Company considers that trade receivables are not credit impaired since major trade receivables pertains to related parties and having high credit rating. Also refer Note 27 C.1.

10.3 Trade receivable (net of allowance for doubtful receivables) includes amount receviable from Terex India Private Limited amounting to Rs. 2.32 Lacs. (previous year Rs 49.77 lacs) Refer note 31.

11	**Cash and cash equivalents**		
	Balances with banks in current accounts	110.31	127.40
	Bank deposits with maturity less than 3 months	2,650.00	1,004.00
	Total cash and cash equivalents	**2,760.31**	**1,131.40**

11.1 There are no repatriation restrictions with respect to cash and cash equivalents as at the end of the reporting year.

	(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
12 Equity Share Capital		
Authorised share capital		
11,35,00,000 equity shares of ₹ 10 each	11,350	6,000
	11,350	6,000
Issued, subscribed and fully paid-up capital		
11,35,00,000 equity shares of ₹ 10 each	11,350	6,000
	11,350	**6,000**

(a) Reconciliation of number of shares

(₹ lacs)

	Opening Balance	Additions / (Deletions)	Closing Balance
Year ended 31 March 2021			
Number of shares (in lacs)	600	535	1,135
Amount	6,000	5,350	11,350
Year ended 31 March 2020			
Number of shares (in lacs)	600		600
Amount	6,000		6,000

(b) Rights/terms attached to equity shares

The Company has only one class of shares, i.e., equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Dividend is paid in Indian Rupees. In the event of liquidation of the Company, equity shareholders 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.

(c) Equity shares held by the Holding Company, its subsidiaries and associates

	No of shares Equity shares
Year ended 31 March 2021	
Tadano Limited - Japan (Holding Company)	578,850,000
Escorts Limited - India (Joint Venture entity)	556,150,000
Year ended 31 March 2020	
Tadano Limited - Japan (Holding Company)	30,600,000
Escorts Limited - India (Joint Venture entity)	29,400,000

(d) Details of shareholders holding more than 5% shares in the Company

	No of shares	% holding
Tadano Limited - Japan	578,850,000	51%
Escorts Limited - India	556,150,000	49%

(e) There are no shares issued pursuant to contracts without payment being received in cash, by way of bonus issue and no shares have been bought back.

	(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
13 Other equity		
Retained earnings		
Opening balance	(490.50)	(151.49)
Net loss for the year	(321.66)	(339.01)
Less : Expenses for issue of Share capital	(45.00)	-
Closing balance	**(857.16)**	**(490.50)**
Capital Reserve		
Opening balance	**105.44**	**-**
Add : Additions (Refer Note 31)	-	105.44
Closing balance	**105.44**	**105.44**
Total	**(751.72)**	**(385.06)**
Other comprehensive income/(loss), net of tax		
Re-measurements of defined employee benefit plans		
Opening balance	(0.08)	-
Add : changes during the year	6.74	(0.08)
Closing balance	**6.66**	**(0.08)**
	(745.06)	**(385.14)**

(i) Other comprehensive income (OCI)

(a) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(b) The Company has recognised remeasurement of defined benefits plans through other comprehensive income. Retained earnings represent the amount of accumulated earnings of the Company.

		(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
14	**Other financial liabilities**		
(i)	**Current**		
	Current maturities of finance lease obligation	281.49	117.51
	Payable to related parties (refer note 30)	65.00	192.14
	Employee related payables	78.22	63.12
	Capital creditors	54.74	-
	Other payables	4.47	1.03
		483.92	**373.80**
(ii)	**Other non-current liabilities**		
	Long term maturities of finance lease obligation	1,333.70	266.45
		1,333.70	**266.45**
15	**Other current liabilities**		
	Advances received from customers	11.71	17.71
	Payable to statutory authorities	51.83	83.26
		63.54	**100.97**
16	**Provisions**		
(i)	**Non-current**		
	Provision for employee benefits		
	Provision for gratuity	-	30.65
	Provision for compensated absences	44.67	35.79
	Other provisions		
	Provision for warranty	10.00	10.00
		54.67	**76.44**
(ii)	**Current**		
	Provision for employee benefits		
	Provision for gratuity	-	0.83
	Provision for compensated absences	3.70	3.73
	Other provisions		
	Provision for warranty	16.75	8.23
		20.45	**12.79**

Notes:

i Provision for warranty

The Company gives warranty on its products and undertakes to repair or replace them if these fail to perform satisfactorily during the free warranty period. Such provision represents the amount of expected cost of meeting the obligations of such rectification / replacement. The timing of outflows is expected to be within a period of one to two years. The provision is based on past experience from joint venture partner being associated with similar products and services over several years. The Company expects to incur the related expenditure over the next year.

ii Movement in other provisions :

	Provision for warranty	
Balance at the beginning of the year	**18.23**	**2.00**
Provision recognised/(reversed)	12.83	16.23
Amount utilised during the year	(4.31)	-
Balance at the end of the year	**26.75**	**18.23**

iii For disclosures on employee benefits, refer note 29.

	(₹ lacs) As at 31 Mar 2021	(₹ lacs) As at 31 Mar 2020
17 Trade payables		
Trade payables		
-due to micro, small and medium enterprises (refer below)	6.92	18.16
-due to others	692.51	872.11
Other accrued liabilities	210.45	91.60
	909.88	**981.87**

17.1 Trade payables are non interest bearing and normally settled in 45-90 days.

17.2 Trade payables includes in current year - Nil (Previous year - Rs 9.01 lacs) payable to Terex India Private Limited. Refer note 31

17.3 Other accrued liabilities includes in current year - Nil (Previous year - Rs 8.44 lacs) payable to Terex India Private Limited. Refer Note 31.

Notes:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act, 2006”) is as under:

	31 Mar 2021	31 Mar 2020
(i) Principal amount and interest due there on remaining unpaid to any supplier as at the end of the accounting period	6.92	18.16
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
(iv) The amount of interest accrued & remaining unpaid at the end of the accounting year	0.08	0.83
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

		(₹ lacs) For the year ended 31 Mar 2021	(₹ lacs) For the year ended 31 Mar 2020
18	**Revenue from contracts with customers**		
(a)	Sale of products	2,160.16	1,713.42
(b)	Sale of services	492.03	317.83
(c)	Other operating income	5.25	9.00
		2,657.44	**2,040.25**
18.1	The following is an analysis of the company's revenue for the year:		
	(i) Sale of products comprises:		
	Revenue from material handling and construction equipment	1,338.58	1,179.65
	Revenue from demag spare parts (traded goods)	624.19	454.48
	Revenue from other spare parts (traded goods)	197.39	79.28
		2,160.16	**1,713.41**
	(ii) Sale of services comprises:		
	After sale service from material handling and construction equipment	-	1.98
	After sale service from demag spare parts	410.14	222.66
	After sale service from other spare parts	81.89	93.19
		492.03	**317.83**
	(ii) Operating income comprises:		
	Sale of scrap	5.25	9.00
19	**Other income**		
	Interest income from financial assets measured at amortised cost		
	- Bank deposits	56.09	110.70
	Unwinding of interest on security deposit	2.32	1.43
		58.41	**112.13**
	Other income		
	Gain on foreign currency transactions (net)	14.36	6.52
	Miscellaneous income	8.79	9.32
		23.15	**15.84**
		81.56	**127.97**

	(₹ lacs) For the year ended 31 Mar 2021	(₹ lacs) For the year ended 31 Mar 2020
20 Cost of materials consumed		
(i) Cost of material consumed		
Opening stock	647.68	621.54
Purchases during the year	1,450.35	1,351.66
	2,098.03	1,973.20
Closing stock	(1,189.81)	(647.68)
	908.22	**1,325.52**
(ii) Purchase of stock in Trade #	**484.55**	**674.50**
# Previous year includes stock in trade acquired from business purchase amounting to Rs. 62.12 lacs.		
(iii) Changes in inventories of work-in-progress		
Opening stock		
Finished goods	206.94	-
Work-in-progress	253.20	46.89
Stock-in-trade	283.22	-
	743.36	**46.89**
Closing stock		
Finished goods	-	206.94
Work-in-progress	302.84	253.20
Stock-in-trade	114.75	283.22
	417.59	**743.36**
Increase in stocks	325.77	(696.47)

	(₹ lacs) For the year ended 31 Mar 2021	(₹ lacs) For the year ended 31 Mar 2020
21 Employee benefit expenses		
Salaries, wages and bonus	481.66	425.72
Post-employment and other long term benefits expense (refer note 29)	8.14	9.01
Contribution to provident and other funds (refer note 29)	16.10	16.23
Staff welfare expense	14.68	9.52
	520.58	**460.48**

		(₹ lacs) For the year ended 31 Mar 2021	(₹ lacs) For the year ended 31 Mar 2020
22	**Finance Cost**		
	Interest expense on trade payables	0.08	0.83
	Interest expense on lease liabilities	35.04	37.81
	Interest expense - Others	0.01	0.88
		35.13	**39.52**
23	**Depreciation and amortisation**		
	Depreciation on		
	Property, plant and equipment (Refer note 3)	64.26	52.05
	Leases*	99.88	87.59
	Amortisation on		
	Intangible assets (Refer note 4)	25.11	25.08
		189.25	**164.72**

*Rs. 143.29 lacs capitalised during the current year related to upcoming truck crane business

24	**Other expenses**		
	Stores and spares consumed	32.10	44.31
	Power, fuel and electricity	8.92	9.26
	Repair and maintenance		
	Building	15.43	1.10
	Machinery	3.36	5.64
	Others	18.68	12.70
	Outsourcing charges	167.16	180.04
	Warranties and after sale service	12.84	16.22
	Rent	64.57	39.73
	Other operating expenses	4.25	8.07
	Rates and taxes	10.88	2.74
	Insurance	11.50	6.35
	Traveling and conveyance	51.25	92.19
	Postage and telephones	9.88	3.87
	Manpower hiring on contract	71.47	61.18
	Loss on Sale of Assets	0.50	
	Legal and professional	24.09	9.78
	Auditor's remuneration (refer note 26)	22.74	15.40
	Recruitment Expenses	3.94	11.01
	Security charges	8.19	5.58
	Printing and stationery	2.71	2.47
	Bank charges	2.78	1.89
	Miscellaneous expenses	49.92	9.43
		597.16	**538.96**

		(₹ lacs) For the year ended 31 Mar 2021	(₹ lacs) For the year ended 31 Mar 2020
25	**Earnings per share (EPS)**		
	Net loss for the year (A)	(321.66)	(339.01)
	Total shares issued	113,500,000	60,000,000
	Weighted-average number of equity shares for basic and diluted EPS (B)	91,735,616	60,000,000
	Basic EPS (Amount in ₹) (A/B)	(0.35)	(0.57)
	Diluted EPS (Amount in ₹) (A/B)	(0.35)	0.57
26	**Audit fee includes payments to auditor**		
	As Auditor:		
	Audit fee*	17.15	13.25
	Taxation Matters	2.32	2.15
	Other Services	3.03	-
	Reimbursement of out of pocket expenses	0.24	-
		22.74	15.40

*includes amount to Rs 2.50 lacs related to previous year

27 Financial Instruments

Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

	Note	(₹ lacs) As At 31 Mar 2021	(₹ lacs) As At 31 Mar 2020
Financial assets measured at amortised cost			
Trade receivables	10	744.02	599.83
Cash and cash equivalents	11	2,760.31	1,131.40
Other financial assets	5 & 6	174.73	234.89
Total		3,679.06	1,966.12
Financial liabilities measured at amortised cost			
Trade payables	17	909.88	981.87
Other financial liabilities	14 & 15	1,817.62	640.25
Total		2,727.50	1,622.12

B Method/ assumption used to estimate the fair value:

Financial assets and financial liabilities measured at fair value in the statement of financial position are Company into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets measured at fair value - recurring fair value measurements

The Company does not have any financial instruments which are measured at Fair value either through statement of profit and loss or through other comprehensive income.

Fair value of instruments measured at amortised cost

The management assessed that fair values of current loans, current financial assets, cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments.

C Financial Risk Management

The Company's activities expose it to liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company risk management is carried out by a central treasury department of the Company under policies approved by the Board of Directors. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the management.

C.1 Credit risk

a) Credit risk management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

Loans and other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes security deposits and amounts recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously and credit ratings of the counterparties on regular basis, while at the same time internal control system in place ensure the amounts are within defined limits.

Allowance for expected credit losses

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Allowance for expected credit loss has been created based on the past experience of the Company. The ageing matrix and % of expected credit loss applied at the end of reporting period is as follows:

(a) Credit risk for financials assets (other than trade receivable)

(₹ lacs)

	As at March 31, 2021	As at March 31, 2020
- Security Deposits	41.33	45.27
- Advance recoverable	131.57	189.17
- Interest accrued on deposits	1.83	0.45
- Cash and cash equivalents	2,760.31	1,131.40
Total financial asset at amortised cost (other than trade receivable)	2,935.04	1,366.29
Provision for expected credit loss	-	-
Net financial asset at amortised cost (other than trade receivable)	2,935.04	1,366.29

(b) Credit risk for trade receivable

As at 31 March 2021:

(₹ lacs)

	%age of expected credit loss	Gross carrying amount	Expected credit losses	Net amount of trade receivables
Not due		454.20		454.20
0-30 days Past due		48.14		48.14
31-60 days Past due		9.22		9.22
61-90 days Past due		123.63		123.63
91-180 days Past due		97.00		97.00
181 -365days Past due		10.74		10.74
More than 365 days Past due	86%	7.86	6.76	1.10
		750.78	6.76	744.02

As at 31 March 2020:

	%age of expected credit loss	Gross carrying amount	Expected credit losses	Net amount of trade receivables
Not due		123.07		123.07
0-30 days Past due		346.99		346.99
31-60 days Past due		35.54		35.54
61-90 days Past due		26.67		26.67
91-180 days Past due		19.48		19.48
181 -365days Past due		40.69		40.69
More than 365 days Past due	26%	9.99	2.60	7.39
		602.43	2.60	599.83

Note: The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the existing market conditions as well as forward looking estimates at the end of each reporting period.

C.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due under both normal and severe conditions, without incurring unacceptable losses or risking damage to Company's reputation .

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

(₹ lacs)

31 March 2021	Less than 1 year	Later than 1 year but not later than 5 year	Later than 5 years	Total
Trade payable	909.88	-	-	909.88
Other financial liabilities	483.92	627.41	706.29	1,817.62
Total	1,393.80	627.41	706.29	2,727.50

(₹ lacs)

31 March 2020	Less than 1 year	Later than 1 year but not later than 5 year	Later than 5 years	Total
Trade payable	981.87	-	-	981.87
Other financial liabilities	373.80	266.45	-	640.25
Total	1,355.67	266.45	-	1,622.12

28 Capital management

The Company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors review the capital structure on a regular basis. As part of this review, the Board considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.The Company does not have any long-term borrowings and short-term borrowings.

29 Employee benefits

A Defined benefit plans- Gratuity

The Company operates an funded gratuity plan covering qualifying employees. The The benefit payable is calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service. The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Each year the management of the Company reviews the level of funding required as per its risk management strategy.

These plans typically expose the Company to acturial risks such as:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(i) **Amount recognised in the balance sheet is as under:**

(₹ lacs)

Particulars	**As at 31 March 2021**		**As at 31 March 2020**	
	Current	**Non-current**	**Current**	**Non-current**
Gratuity	-	-	0.83	30.65

(ii) **Amount recognised in the statement of profit and loss in respect of defined benefit plans is as follows:**

(₹ lacs)

Description	**For the year ended 31 March, 2021**	**For the year ended 31 March, 2020**
Current service cost*	11.50	12.81
Net interest cost	0.52	0.05
Expense recognised in the Income Statement	**12.02**	**12.86**
Actuarial loss/(gain)	(6.74)	0.08
Amount recognised in the statement of profit and loss	**5.28**	**12.94**

* Out of above Rs. 3.88 lacs (previous year Rs.3.85 Lacs) related to R&D, has been capitalised.

(iii) **Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:**

(₹ lacs)

Description	**For the year ended 31 March, 2021**	**For the year ended 31 March, 2020**
Present value of defined benefit obligation as at the beginning of the period	**31.48**	**0.70**
Current service cost	11.50	12.81
Interest cost	0.52	0.05
Acquisition adjustment	-	17.84
Actuarial loss/(gain) recognised during the period	(6.74)	0.08
Contribution paid to the fund	31.48	-
Benefit paid directly by the enterprises	7.63	-
Present value of defined benefit obligation/(assets) as at the end of the period	(2.35)	31.48

(v) **Actuarial assumptions**

Description	**For the year ended 31 March, 2021**	**For the year ended 31 March, 2020**
Discount rate	6.68%	6.60%
Future salary increase	8.00%	10.00%
Expected average remaining working lives of employees (years)	22.65	23.13
Attrition withdrawal rate	6%	6%

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The Company regularly assess these assumptions with the projected long term plans and prevelant industry standards.

(vi) **Sensitivity analysis for gratuity liability**

(₹ lacs)

Description	**For the year ended 31 March, 2021**	**For the year ended 31 March, 2020**
Impact of the change in discount rate		
Present value of obligation at the end of the period	(2.35)	31.48
- Impact due to increase of 0.50 %	(1.51)	(1.49)
- Impact due to decrease of 0.50 %	1.64	1.60
Impact of the change in salary increase		-
Present value of obligation at the end of the period	(2.35)	31.48
- Impact due to increase of 0.50 %	1.61	1.54
- Impact due to decrease of 0.50 %	(1.50)	(1.45)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

(vii) **Maturity profile of defined benefit obligation**

(₹ lacs)

Description	**For the year ended 31 March, 2021**	**For the year ended 31 March, 2020**
Within next 12 months	Nil	0.83
Between 1-5 years	Nil	6.09
Beyond 5 years	Nil	24.56

(viii) The Company expects to contribute Rs.14.69 lacs (FY2019-20 - Rs 18.13 lacs) to its gratuity plan for the next annual reporting year.

B Compensated absences (unfunded)-Other long term employee benefits plan

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. The Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. Amount of Rs 10.71 lacs (previous year Rs 14.91 lacs) has been recognised in the statement of profit and loss and Rs. 5.92 lacs (previous year Rs. 8.62 lacs) pertaining to R&D has been capitalised.

(₹ lacs)

Particulars	**For the year ended 31 March, 2021**		**For the year ended 31 March, 2020**	
	Current	**Non-current**	**Current**	**Non-current**
Compensated absences (unfunded)- Other long term employee benefits plan *	3.70	44.67	3.73	35.79

* Includes Rs. Nil (prevoius year Rs. 12.70 lacs) acquired on account of business purchase.

C Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to Rs. 16.10 lacs (Previous period Rs 16.23 lacs) after netting off of Rs. 13.44 lacs (Previous period Rs. 8.41 lacs) pertaining to R&D has been capitalised.

30 Related party transaction

The Company's related party transactions and outstanding balances are with its shareholders and key management and others as described below.

A Relationships

Holding Company	Tadano Limited - Japan
Joint Ventur entity	Escorts Limited - India
Fellow subsidiary	Tadano Demag Gmbh
Fellow subsidiary	Tadano faun Gmbh
Fellow subsidiary	Tadano Ltd Bejing China
Fellow subsidiary	Tadano Asia Pte Ltd.
Fellow subsidiary	Tadano India Private Limited

B Key management personnel

Mr. Satoshi Nakayama	CEO & Managing Director
Mr. Munesh Gupta	CFO & Head Admin
Miss. Anu Pandey	Company Secretary

Other directors

Mr. Shailendra Agrawal	Chairman
Mr. Koichi Kanno	Director
Mr. Bharat Madan	Director
Mr. Ajay Madhar	Director (w.e.f 11 May 2020)
Mr. Hiroyuki Goda	Director (w.e.f 11 May 2020)
Mr. Yasuhiro Futamura	Director (w.e.f 11 May 2020)
Mr. Shiro Morita	Director (cease to be director w.e.f 11 May 2020)

Terms and conditions of transactions with related parties

The transactions with related parties are entered on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period/year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(₹ lacs)

	Tadano Limited Japan	Tadano Demag Gmbh	Tadano Faun Gmbh	Tadano Imes Ltd	Tadano Asia Pte Ltd	Tadano Ltd Bejing China	Tadano India Private Limited	Escorts Limited India
Purchase of goods	209.07	393.09	8.80	-	3.55	-	-	369.07
	(30.43)	(394.63)	(6.70)	-	-	(62.70)	(9.66)	(941.58)
Sale of goods and services	146.28	390.82	-	189.59	-	-	-	1,172.31
	(87.43)	(177.42)	-	-	-	-	-	(1,267.11)
Reiumbersment / Other income	1.74	-	-	-	-	-	-	-
	(4.08)	(17.61)	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(4.84)	-
Services received								
Staff welfare expenses	-	-	-	-	-	-	-	21.80
	-	-	-	-	-	-	-	(14.29)
Shared service expenses	12.34	-	-	0.48	-			143.32
	(4.02)	-	-	-	-	-	-	(142.60)
Rent paid	-	-	-	-	-	-	-	273.04
	-	-	-	-	-	-	-	(96.56)
Manpower hiring Expenses*	-	-	-	-	-			100.00
	-	-	-	-	-	-	-	(100.00)
Security Charges	-	-	-	-	-	-	-	8.19
	-	-	-	-	-	-	-	(5.58)
Repairs & Maintenance	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Others/Reiumbersment of Expenses**	-	-	-	-	-	-	-	95.26
	(29.58)	-	-	-	-	-	(0.09)	(71.54)
Rates and taxes	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

* includes payment for salary for Munesh Gupta, CFO and Admin Head of the Company amounting to Rs. 40 lacs.(Previous year Rs. 40 lacs)
**includes expenditure carried to capital work in progress amounting to Rs. 32.51 lacs.(Previous year Rs. 48.27 lacs)

Equity Capital with shareholders as at 31 March 2021

Equity share capital	57,885.00	-	-	-	-	-	-	55,615.00
	(3,060.00)	-	-	-	-	-	-	(2,940.00)

Balance receivables/payables with shareholders as at 31 March 2021

Trade receivables	4.52	203.98	-	-	-	-	-	407.81
	(78.80)	(18.91)	-			-	-	(336.90)
Trade Payables	131.07	144.47	4.01	-	-	-	-	136.13
	(40.58)	(289.85)	(6.34)			-	-	(227.09)
Other current financial liability	-	-	-	-	-	-	-	65.00
	-	-	-			-	-	(192.14)
Advance Recoverable	-	-	-	-	-	-	-	263.94
	-	-	-	-	-	-	-	-

Transactions with key management personnel during the period from April 2020 to 31 March 2021

	CEO	**Company Secretary**
Short-term employee benefits	70.00	7.20
	(70.00)	(2.21)
	70.00	7.20
Total remuneration	**(70.00)**	**(2.21)**

Note: Figures in bracket represents previous year numbers.

31 Business Purchase

a. Summary of acquisition

Tadano Ltd., Japan holding 51% shares in the Company has entered into an draft asset and stock purchase agreement with Terex Corporation to purchase a segment of its DEMAG business relating to the sale and distribution of spare parts globally. Basis draft asset and stock purchase agreement, purchase price has been allocated by Tadano Ltd., Japan for acquiring segment of DEMAG business in India from Terex Corporation through its Indian Component Terex India Private Limited at Rs 69.34 lacs for acquiring assets and stocks w.e.f end of business day of 31 July 2019 including existing product portfolio, team and marketing network. Further, the Company has also gained access to DEMAG business through customer relationship maintained in Pune, India. Pending novation of trade receivables and payables by the Company, payment and realisation from vendors and customers respectively of DEMAG related activities are routed through Terex India Private Limited. The Company does not expect any material change in purchase price allocated by Tadano Limited as stated above for purchases of assets and stocks from Terex India Private Limited.

The details of such asset and stock purchase acquired by the Company based on asset and stock purchase agreement entered locally are stated below.

Consideration Transferred (A)	**69.34**
The assets acquired and liabilities recognised as at the date of acquisition:	
Current Assets	
Trade and other receivables (Refer Note 10)	148.85
Inventories (Refer Note 9)	62.13
Advance to suppliers (Refer Note 8)	0.24
Security Deposit (Refer Note 5)	33.00
Balance with Government Authorities (Refer Note 8)	10.22
	254.43
Non-current Assets	
Property, plant and Equipment (Refer Note 3)	26.42
	26.42
Total Assets	280.86
Current liabilities	
Trade and other payables (Refer Note 17)	60.60
Provisions for gratuity	17.84
Provision for compensated absences	12.70
Employee related payables	6.48
Other provisions	8.44
	106.07
Net assets identifiable acquired (B)	**174.79**
Capital Reserve (A-B)	**(105.45)**

*Capital Reserve here represents excess of net asset value over the purchase consideration by the Company.

b. Consideration transferred

The initial acquisition cost Rs 69.34 lacs has been settled through bank transfer on July 31, 2019 and is paid to Terex India Private Limited. Since price adjustment has not been concluded at holding company level , hence the consideration has been forcibly fixed.

c. Measurement of fair value of identifiable net assets

The market value of property, plant and equipment as on the date of valuation has been estimated using depreciated cost. Depreciated cost means cost of purchase less depreciation thereon.

32 Segment Disclosure

The company is organized into the following operating segments : Material handling and Construction Equipment and Demag spare parts.

The Company is primarily in the business of manufacturing, purchase and sale of material handling equipment (cranes), components and spare parts. The Board of Directors of the Company, has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as manufacturing, purchase and sale of material handling equipment as one unit and sale of component and spare part as another unit. Each of these operating segments is managed separately as each requires different technologies, marketing approaches and resources.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources.

(₹ lacs)

Particulars	Material handling equipment	Demag Spare parts	Unallocated	Total
Revenue (A)	1,623.11	1,034.33	-	2,657.44
	(1,363.11)	(677.14)	-	(2,040.25)
Expenses (B)	2,089.29	746.99		2,836.28
	(1,747.91)	(555.08)	-	(2,302.99)
Segment result (A-B)	**466.18**	**287.34**	**-**	**178.84**
	(384.80)	(122.06)	-	(262.74)
Finance costs			35.13	35.13
			(39.52)	(39.52)
Depreciation and amortization			189.25	189.25
			(164.72)	(164.72)
Other Income			81.56	81.56
			(127.97)	(127.97)
Loss before tax				**321.66**
				(339.01)
Income Tax Expense				-
				-
Loss for the year				**321.66**
				(339.01)
Total Assets	9,202.14	571.41	3,697.55	13,471.10
	(3,784.87)	(513.97)	(3,128.34)	(7,427.18)
Total Liabilities	2,541.65	272.68	51.83	2,866.16
	(538.20)	(503.09)	(584.20)	(1,625.49)

Additional information by geographies :

Segment	Revenue	Assets
India	1,919.86	13,262.60
	(1,727.34)	(7,334.09)
Outside India	737.58	208.50
	(312.91)	(93.09)
Total	**2,657.44**	**13,471.10**
	(2,040.25)	**(7,427.18)**

Notes :

(i) Operating segments have been identified by the company taking into account nature of services, associated risks and returns and internal reporting system that reflects the manner in which operating results are regularly reviewed by the Chief Operating Decision Maker for purpose of making decisions on resources to be allocated to such segments and assess their performance.

(ii) Segment revenue, segment results, segment assets and segment liabilities include the respective amount identifiable for each operating segment.

Tadano Escorts India Private Limited
Notes forming part of financial statements for the year ended 31 March, 2021

33 Other notes

(a) The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(b) The Company does not have any pending litigations which would impact its financial position.

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

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

(e) The financial statements for the year ended 31 March 2021 were approved and authorised for issue by the board of directors on 28th April 2021.

For and on behalf of the Board of Directors

SHAILENDR A AGRAWAL

Digitally signed by SHAILENDRA AGRAWAL
DN: c=IN, o=Personal, postalCode=121002, st=Haryana, 2.5.4.20=3123406722705af46f86ba79095fed28134a16d5ffc2f2b7c65582da1914dd65, pseudonym=D07788EA5E318094079B42F340B5502D932D465A, serialNumber=96B753D39E7686EB56450D379EA20C14B1ADF31B7E7A507DDA65027E88B87763, cn=SHAILENDRA AGRAWAL
Date: 2021.04.28 17:17:52 +05'30'

Shailendra Agarwal
Chairman
(DIN: 03108241)

NAKAYAM A SATOSHI

Digitally signed by NAKAYAMA SATOSHI
DN: c=IN, o=TADANO ESCORTS INDIA PRIVATE LIMITED, postalCode=121004, st=Haryana, 2.5.4.20=df363074f49abe72a69fed1a51899b1f7aa3be80c6849b803827118feb211cd6, serialNumber=3771ce8e6c06b8b99c37a23a142f25dca33e31f5521b834ba3ae01fc5ccd2720, cn=NAKAYAMA SATOSHI
Date: 2021.04.28 17:30:09 +05'30'

Satoshi Nakayama
Managing Director & CEO
(DIN: 0008275453)

BHARAT MADAN

Digitally signed by BHARAT MADAN
DN: c=IN, st=Delhi, 2.5.4.20=3d3bb330c09bd1f889e4a4a52a9ce5d92d29b82b48e8386dc004746ef15337b0, postalCode=110058, street=C-2/175 JANAK PURI DELHI, serialNumber=07957774c04e4da3f82ea06462c6f2c19ea006847c8ad5b252cb32fc26bfbec1, o=Personal, cn=BHARAT MADAN, pseudonym=7cb490ca7a7eadcc8a504db1e81f05b4
Date: 2021.04.28 17:27:44 +05'30'

Bharat Madan
Director
(DIN: 00944660)

MUNESH GUPTA

Digitally signed by MUNESH GUPTA
DN: c=IN, o=Personal, postalCode=121003, st=Haryana, 2.5.4.20=cecce614b3d2402463545f07fd968c85d43d1831fa740ac3f279c265cfc26771, serialNumber=8a7c50266d8563f5e830660668d57005db54fb8179971636e637550cd9d49125, cn=MUNESH GUPTA
Date: 2021.04.28 17:57:15 +05'30'

Munesh Gupta
CFO & Admin Head

ANU PANDEY

Digitally signed by ANU PANDEY
DN: c=IN, o=Personal, 2.5.4.20=5a697309d4a80c6176e7e3ed3689895f30a7104234a1f2d3afd5393f2548249d, postalCode=121001, st=HARYANA, serialNumber=a782abd53925b180de81f32bb6699e1b4d3699d1196d9b6c01a47094a496edd9, cn=ANU PANDEY
Date: 2021.04.28 18:00:52 +05'30'

Anu Pandey
Company Secretary

Place : Faridabad
Date : April 28, 2021