**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors of **Rhine Estate Limited (previously known as Magdev Limited),**

**Report on the Audit of the Special Purpose Financial Information Prepared for Consolidation Purposes**

**Opinion**

We have audited the Special Purpose Financial Information of **Rhine Estate Limited (previously known as Magdev Limited)**, ('the Company') , which comprise the Balance Sheet as at March 31, 2023, Statement of Profit and Loss, Statement of Changes in Equity, and the Cash Flow Statement for the year then ended, and the notes to the Special Purpose Financial Information, including a summary of significant accounting policies. This special purpose financial information has been prepared solely to enable Delta Manufacturing Limited (previously known as Delta Magnets Limited) to prepare its consolidated financial statements.

In our opinion, the accompanying Special Purpose Financial Information for **Rhine Estate Limited (previously known as Magdev Limited)** as of March 31, 2023 and for the year ended has been prepared in all material respects, in accordance with the instructions issued by Delta Manufacturing Limited's (previously known as Delta Magnets Limited) management and group accounting policies. The financials give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affair of the Company as at 31 March 2023 and profit and other comprehensive income, changes in equity and cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Information section of our report. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial information is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Restriction on Distribution and Use**

This special purpose financial information has been prepared for the purposes of providing information to Delta Manufacturing Limited (previously known as Delta Magnets Limited) to enable it to prepare consolidated financial statements of the group. As a result, the special purpose financial information is not a complete set of financial statements of Rhine Estate Limited (previously known as Magdev Limited) in accordance with applicable financial reporting framework underlying the group's accounting policies i.e. Ind AS and is not intended to give a true and fair view of, in all material respects, the financial position of Rhine Estate Limited (previously known as Magdev Limited) as of March 31, 2023 and of its financial performance, and its cash flows for the year then ended in accordance with Ind AS. The special purpose financial information may, therefore, not be suitable for another purpose.

Our report is intended solely for the use of Delta Manufacturing Limited (previously known as Delta Magnets Limited) and should not be distributed to or used by any other parties. V Mandhana & Associates shall not be liable to the company or to any other concerned for any claims , liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**Responsibilities of Management and Those charged with Governance for the Special Purpose Financial Information**

Management is responsible for the preparation of this special purpose financial information in accordance with the instructions issued by Delta Manufacturing Limited's (previously known as Delta Magnets Limited) management and group accounting policies as per Indian Accounting Standards (Ind AS) and; and this includes design , implementation and maintenance of such internal control as management describes is necessary to enable the preparation of the special purpose financial information that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial information, management is responsible for assessing the company' ability to continue as a going concern, disclosing, as applicable, matters relating 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 to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose financial information 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 ISAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial information.

We give in "Annexure A" a detailed description of Auditor's responsibilities for audit of the special purpose financial information.

For **V Mandhana & Associates**

**Chartered Accountant**

ICAI Firm Registration No. **0148565W**

Vaibhav Mandhana

Proprietor

Membership No**. 142514**

UDIN: **2**3142514BGSLTT9970

Place: **Mumbai**

Date: **2**3 **May 202**3

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL INFORMATION OF Rhine Estate Limited (previously known as Magdev Limited)**

Auditor's responsibilities for the Audit of Special Purpose Financial Information

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

- Identify and assess the risk of material misstatement of the special purpose financial information, 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 the one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the company has internal financial controls with reference to special purpose financial information in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of going concern basis of accounting and , based on the audit evidence obtained, whether a material uncertainty exists related to events and 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 special purpose financial information or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit'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 special purpose financial information, including the disclosures, and whether the special purpose financial information represent the underlying transactions and events in a manner that achieves fair presentation.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have compiled 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.

For **V Mandhana & Associates**

**Chartered Accountant**

ICAI Firm Registration No. **0148565W**

Vaibhav Mandhana

Proprietor

Membership No**. 142514**

UDIN:**2**3**142514BGSLTT**99**70**

Place: **Mumbai**

Date: **2**3 **May 202**3

**Rhine Estates Ltd (previously known as Magdev Limited)**
**Balance sheet as at March 31, 2023** (INR in '000)

| | Notes | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | - | - |
| Intangible assets | | - | - |
| **Total non-current assets** | | **-** | **-** |
| **Current assets** | | | |
| **Financial assets** | | | |
| Trade receivables | 5 | 303.55 | 2,753.87 |
| Cash and cash equivalents | 6 | 4,588.63 | 1,46,324.03 |
| Other current assets | 7 | 36,916.04 | 36,286.60 |
| **Total current assets** | | **41,808.22** | **1,85,364.50** |
| **Total assets** | | **41,808.22** | **1,85,364.49** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 8 | 45.63 | 23,687.73 |
| Other equity | 9 | 40,039.13 | 1,13,117.33 |
| **Total equity** | | **40,084.76** | **1,36,805.06** |
| **Liabilities** | | | |
| **Total Non-current liabilities** | | **-** | **-** |
| **Current liabilities** | | | |
| **Financial liabilities** | | | |
| Trade payables | 10 | 1,723.46 | 4,718.41 |
| Other financial liabilities | 11 | - | 376.95 |
| Other current liabilities | 12 | - | 22,001.20 |
| Current income tax liabilities (net) | 13 | - | 21,462.88 |
| **Total current liabilities** | | **1,723.46** | **48,559.44** |
| **Total liabilities** | | **1,723.46** | **48,559.44** |
| **Total equity and liabilities** | | **41,808.22** | **1,85,364.50** |

For **V Mandhana & Associates**
Chartered Accountants

V MANDHANA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI MEM. NO. 142514

per **Vaibhav Mandhana**
**Place:** Mumbai
**Date:** 23 May 2023
**UDIN: 23142514BGSLTT9970**

**For Rhines Estate Limited**

**Yvonne Mills**
Director

Director

**Rhine Estates Ltd (previously known as Magdev Limited)**
**Profit & Loss for the year ended March 31, 2023** **(INR in '000)**

| | Notes | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 14 | - | 2,76,465.29 |
| Other income | 15 | - | 4,009.36 |
| **Total income** | | **-** | **2,80,474.65** |
| | | | |
| **Expenses** | | | |
| Purchase of stock-in-trade | 16 | - | 1,00,842.67 |
| Changes in inventories of stock-in-trade | | - | 65,438.31 |
| Employee benefits expense | 17 | 27.38 | 52,584.74 |
| Finance costs | 18 | 21.34 | 1,587.90 |
| Depreciation and amortization expense | | - | 3,897.92 |
| Other expenses | 19 | 1,018.16 | 28,507.31 |
| **Total expenses** | | **1,066.88** | **2,52,858.85** |
| | | | |
| **Profit before extraordinary / exceptional item** | | (1,066.88) | 27,615.80 |
| Extraordinary / Exceptional Item | | - | 69,671.93 |
| **Profit / (loss) before tax** | | **(1,066.88)** | **97,287.72** |
| | | | |
| **Income tax expense** | | | |
| Current tax | | (3,511.37) | 21,553.12 |
| Deferred tax (including MAT credit entitlement) | | - | (1,161.76) |
| **Total income tax expense** | | **(3,511.37)** | **20,391.36** |
| | | | |
| **Profit / (loss) after tax** | | **2,444.49** | **76,896.37** |
| | | | |
| **Other comprehensive income** | | | |
| a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | - | - |
| b) Other comprehensive income to be reclassified to profit or loss in subsequent periods | | | |
| Foreign currency translation reserve | | (27,256.46) | (52,693.78) |
| c) Income tax effect on above | | - | - |
| **Other comprehensive income for the year** | | **(27,256.46)** | **(52,693.78)** |
| | | | |
| **Total comprehensive income for the year** | | **(24,811.97)** | **24,202.59** |

For **V Mandhana & Associates**
Chartered Accountants

V MANDHANA & ASSOCIATES
MUMBAI
MEM. NO.
142514
CHARTERED ACCOUNTANTS

per **Vaibhav Mandhana**
**Place:** Mumbai
**Date:** 23 May 2023
**UDIN: 23142514BGSLTT9970**

**For Rhines Estate Limited**

Yvonne Mills
Director

Director

**1. General Information**

Rhine Estates Ltd (previously known as Magdev Limited)is a Company incorporated on 6th November 1943 under the provisions of the Companies Act 2006, Registration Number 00383732 (England and Wales). The Company is incorporated and domiciled and having a principal place of Business in the United Kingdom (UK). The registered office of the Company is at Unit 23, Ash Industrial Estate, Kembrey Park, Swindon, SN2 8UN. The principal business of the Company and its subsidiary is in the trading of Permanent Magnets, Soft Magnetics, Silicon Powder, FeMo and other metal powders.

These financial statements were authorized for issue by the Board of Directors on May 17, 2023.

**2. Significant Accounting Policies**

**Basis of preparation of Financial Statement**

These financial statements have been prepared in accordance with the Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the Historical Cost Convention.

Accounting policies have been consistently applied to all the years presented 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.

**Use of Estimates**

The preparation of financial statements in conformity with the law requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. (Refer Note below for detailed discussion on estimates and judgments.)

**Basis of Measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

**Current/Non-Current Classification**

The Company has ascertained its operating cycle as twelve months for the purpose of current / non - current classification of its assets and liabilities. The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

• Expected to be realised or intended to be sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period, or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period, or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

**Going Concern**

The Company meets its day to day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the Company's products.

The Company's forecasts and projections taking account of reasonable possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves and borrowings. The Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

**Rounding off of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand, unless otherwise stated.

### 2.2 Property, Plant & Equipment

Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

| **Property, Plant and Equipment** | **Estimated Useful Life** |
|---|---|
| Freehold Property Land | **Not depreciated** |
| Freehold Property | 2% per annum straight line |
| Motor Vehicle | 25% Straight line |
| Plant & Machinery | 3-10 Years |
| Right-of-use Assets Motor | Over the life of the lease |
| Furniture & Fixtures | 6-7 Years |
| Office Equipment | 3 Years |

Tangible Fixed Assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses (if any). Cost includes costs directly attributable to making the asset capable of operating as intended by the Management.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

### Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

### 2.3 Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

| **Intangible Assets** | **Estimated Useful Life** |
|---|---|
| Software | 3 Years |
| Computers | 3 Years |

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

### 2.4 Impairment of Non-Financial Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non- financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

**2.5 Foreign Currency Translation**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

**2.6 Financial Instruments**

The Company only enters into basic financial instruments transactions that results in the recognition of financial assets and liabilities like trade and other accounts receivables and payables, loans from banks and loans from related parties.

Debt Instruments (other than those wholly repayable or receivables within one year), including loans and other accounts receivables and payables are initially measures at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undisclosed amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**2.7 Revenue Recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Revenue from sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from sale of services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from home solution operations/ painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

**2.8 Inventories**

Inventories are valued at the lower of cost and net realisable value (the comparison of cost and net realizable value is made on item by item basis), after making due allowance for obsolete and slow moving items.

Provision of obsolescence on inventories is considered on the basis of management’s estimate based on demand and market of the inventories.

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

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

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

**2.9 Taxation**

Taxation for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Tax is recognized in the Income Statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current or Deferred Taxation assets and liabilities are not discounted.

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.10 Leases**

Leases are recognized as Right-to-use assets. The lease liability is initially recognized at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-to-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the Right-to-use asset transfers to the lessee at the end of the lease term, the right-to-use asset is depreciated over the assets remaining useful life. If ownership of the right-to-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

**2.11 Provisions and Contingent Liabilities**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

As on the date there are no Contingent Liability.

**2.12 Government Grant**

Government grants are recognized based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognized in Income over the period in which the related cost is recognized. Grants relating to assets are recognized over the expected useful life of the asset. Where part of a Grant relating to an asset is deferred, it is recognized as deferred income.

The Government Grant received in the previous year for Covid-19 during the year has been netted off against the Wage Cost.

**2.13 Employee Benefit Costs**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charges to the Income Statement in the period to which they relate.

**2.14 Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**2.15 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Directors of the Company. The Directors are responsible for allocating resources and assessing performance of the operating segments of the Company.

(Amounts in '000 INR)

| Segment | 31 March 2023 | 31 March 2022 |
|---|---|---|
| United Kingdom | Nil | 194,944 |
| Europe | Nil | 25,031 |
| India | Nil | 3,535 |
| Rest of the World | Nil | 52,900 |

**3. Critical Accounting Judgements and Key sources of Estimation Uncertainty**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**3.1 Taxation**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**3.2 Useful life of Property, Plant & Equipment**

The annual depreciation charge for the assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. The actual useful lives might be shorter or longer depending on technological innovations and other factors.

**3.3 Lease Accounting**

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

**4. Financial risk management objectives and policies**

The Company is exposed to various financial risks. These risks are categorized into credit risk, capital risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**4.1 Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:
The ageing of trade receivable is given in below table:

(Amounts in ‘000 INR)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **0-30 Days** | - | 2,753.87 |
| **30-60 Days** | - | - |
| **60-90 Days** | - | - |
| **90-180 Days** | - | - |
| **More than 180 Days** | 303.55 | - |

**4.2 Capital Risk**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term and short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(Amounts in ‘000 INR)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Total Equity** | **40,084.76** | **1,36,805.06** |
| **Current Borrowing** | | |
| Lease liability | - | - |
| Deferred tax liability | - | - |
| Current maturities of non - current borrowings | - | - |
| Non-current Borrowing | - | - |
| **Total Debt** | - | - |
| Current Investments | - | - |
| Cash and Cash Equivalent | 4,588.63 | 1,46,324.03 |
| Other Bank Balances | - | - |
| **Net Debt** | **-4,588.63** | **-1,46,324.03** |
| **Debt Equity Ratio** | **0.00** | **0.00** |

**4.3 Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of:

Maturities of Financial Liabilities as at March 31, 2023

(Amounts in ‘000 INR)

| Particulars | Carrying Value | Upto 1 Year | 1 to 5 Years | 5 Years Above |
|---|---|---|---|---|
| Borrowing | - | - | - | - |
| Trade Payables | 1,723.46 | 1,723.46 | - | - |
| Other Financial Liability | - | - | - | - |

| | | | | |
|---|---|---|---|---|
| **Total** | **1,723.46** | **1,723.46** | **-** | **-** |

Maturities of Financial Liabilities as at March 31, 2022

| **Particulars** | **Carrying Value** | **Upto 1 Year** | **1 to 5 Years** | **5 Years Above** |
|---|---|---|---|---|
| Borrowing | - | - | - | - |
| Trade Payables | 4,718.41 | 4,718.41 | - | - |
| Other Financial Liability | - | - | - | - |
| **Total** | **4,718.41** | **4,718.41** | **-** | **-** |

**4.4 Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

**Interest Rate Sensitivity**

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year would decrease / increase by amount as stated below.

(Amounts in ‘000 INR)

| **Particulars** | **Financial Liability** | **Change in Interest Rate** | **Impact on profit & loss with Increase in 1%** | **Impact on profit & loss with Decrease in 1%** |
|---|---|---|---|---|
| **March 31, 2023** | - | 1% | - | - |
| **March 31, 2022** | - | 1% | - | - |

Rhine Estates Ltd (previously known as Magdev Limited)
Notes forming part of financial statement for the year ( (INR in '000)

| 5 | Trade receivable | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| | **Unsecured** | | |
| | - Considered good | 303.55 | 2,753.87 |
| | - Considered doubtful | - | - |
| | | **303.55** | **2,753.87** |
| | Less : Allowance for bad and | - | - |
| | | **303.55** | **2,753.87** |

| 6 | Cash and bank balances | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| | **Cash and cash equivalents** | | |
| | Balances with banks | | |
| | - On current accounts | 4,529.95 | 1,46,262.21 |
| | - Fixed deposits with maturit | - | - |
| | Cash on hand | 58.69 | 61.82 |
| | | **4,588.63** | **1,46,324.03** |

| 7 | Other assets | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| | **Unsecured, considered good** | | |
| | Advance to Creditors | 36,916.04 | 36,286.60 |
| | Prepaid Expenses | - | - |
| | Advance to Employees | - | - |
| | | **36,916.04** | **36,286.60** |

Notes forming part of financial statement for the year ended March 31, 2023 (INR in '000)

| 8 Equity share capital | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| **Authorized** | | | | |
| Ordinary shares of GBP 1/- each | 7,62,500 | 54,881.75 | 7,62,500 | 54,881.75 |
| Deferred shares of GBP 1/- each | 2,500 | 143.86 | 2,500 | 143.86 |
| | **7,65,000** | **55,025.61** | **7,65,000** | **55,025.61** |
| **Issued, subscribed and paid up** | | | | |
| Ordinary shares of GBP 1/- each | 634 | 45.63 | 3,27,107 | 23,543.87 |
| Deferred shares of GBP 1/- each | - | - | 2,500 | 143.86 |
| **Total** | **634** | **45.63** | **3,29,607** | **23,687.73** |

| 9 Other equity | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Capital redemption reserve | 1,56,042.05 | 2,36,214.51 |
| Less: utilised during the year | (48,266.23) | (80,172.46) |
| **Capital redemption reserve** | **1,07,775.82** | **1,56,042.05** |
| Retained earnings | (67,736.69) | (42,924.72) |
| **Total** | **40,039.13** | **1,13,117.33** |

| (a) Retained earnings | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Opening balance** | (42,924.72) | (67,127.31) |
| Add: Net profit / (loss) for the current year | 2,444.49 | 76,896.37 |
| Item of OCI for the year, net of tax | | |
| Add: Foreign currency translation reserve | (27,256.46) | (52,693.78) |
| **Closing balance** | **(67,736.69)** | **(42,924.72)** |

**Notes forming part of financial statement for the year ended March 31, 2023** (INR in '000)

| 10 | Trade payables | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| | Total outstanding dues of micro enterprises and small enterprises | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises* | 1,723.46 | 4,718.41 |
| | | **1,723.46** | **4,718.41** |

| 11 | Other financial liabilities - current | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| | Employee related payable | - | 376.95 |
| | | **-** | **376.95** |

| 12 | Other liabilities | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|---|
| | | Non - Current | Current | Non - Current | Current |
| | Statutory due payable | - | - | - | 22,001.20 |
| | Advance received from customers | - | - | - | - |
| | Lease liability | - | - | - | - |
| | | **-** | **-** | **-** | **22,001.20** |

| 13 | Current income tax liabilities (net) | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| | Current tax payable | - | 21,462.88 |
| | | **-** | **21,462.88** |

**Notes forming part of financial statement for the year ended March 31, 2023** **(INR in '000)**

| 14 Revenue from operations | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Sale of products:** | | |
| - Trading | - | 2,76,465.29 |
| | **-** | **2,76,465.29** |

| 15 Other income | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Rental Income | - | 2,951.43 |
| Dividend Income | - | - |
| Carriage & Freight | - | 1,057.93 |
| | **-** | **4,009.36** |

| 16 Purchase of stock-in-trade | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Purchase of stock-in-trade | - | 1,00,842.67 |
| | **-** | **1,00,842.67** |

| 17 Employee benefits expense | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Salaries, wages, bonus and other allowances | - | 44,494.25 |
| Contribution to provident & other funds | 27.38 | 7,693.29 |
| Staff welfare expenses | - | 397.20 |
| | **27.38** | **52,584.74** |

| 18 Finance costs | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Lease interest | - | - |
| Interest Expenses | - | 785.63 |
| Other Borrowing Costs | 21.34 | 802.27 |
| | **21.34** | **1,587.90** |

| 19 Other expenses | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Consumption of Stores & Spares, Consumables and Packing Materia | - | 2,166.50 |
| Repairs & maintenance | | |
| - Plant & machinery | - | 1,153.49 |
| - Building | - | 557.69 |
| - Others | - | 72.84 |
| Power and Fuel | 23.20 | 1,562.63 |
| Insurance | (11.97) | 2,099.21 |
| Audit expenses | 825.68 | 4,931.64 |
| Professional Fees | - | 1,410.51 |
| Rates and taxes | - | 2,141.28 |
| Rent | - | 0.10 |
| Carriage and freight | - | 718.43 |
| Travel and conveyance | - | 1,991.39 |
| Selling & distribution cost | - | 899.99 |
| Legal & professional charges | 181.25 | 5,133.91 |
| Computer Maintenance | - | 1,521.32 |
| Car rental expenses | - | 129.52 |
| Printing & stationery | - | 355.62 |
| Provision for doubtful debts | - | 62.80 |
| Foreign exchange fluctuation (net) | - | 182.48 |
| Other Expenses | - | - |
| Miscellaneous expenses | - | 1,415.95 |
| | **1,018.16** | **28,507.31** |

Notes forming part of financial statement for the year ended March 31, 2023 (INR in '000)

## 20 Employee benefits

### (a) Defined contribution plans

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charges to the Income Statement in the period to which they relate.

| Charge to the Statement of Profit and Loss based on contributions | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Employers contribution to NIC | | |
| Employers contribution to Pension Fund | 27.38 | 2,128.31 |
| | **27.38** | **2,128.31** |

## 21 Earnings / loss per share

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| The following reflects the income and share data used in the basic and diluted EPS computations: | | |
| Profit attributable to equity holders | (24,811.97) | 24,202.59 |
| Add: Impact of dilutive potential equity shares | | - |
| Profit attributable to equity holders adjusted for the effect of dilution | **(24,811.97)** | **24,202.59** |
| Weighted average number of equity shares for basic and diluted EPS | 634 | 3,29,607 |
| Basic loss per share (INR) | (39,135.60) | 73.43 |
| Diluted loss per share (INR) | (39,135.60) | 73.43 |

**22 Related party disclosures**

**(a) List of related parties**

**(i) Subsidiary Companies**
Pilamec Limited (Pilamec)

**(ii) Key management personnel's (KMP's)**
Mrs. Y P Mills
J Tapia
J Mody
R H Shroff

**(iii) Holding Company**
Delta Manufacturing Limited

Notes forming part of financial statement for the year ended March 31, 2023 (INR in '000)

**(b) Details of transaction carried out with related parties in the ordinary course of business for the year ended**

**(iii)**

| | Holding Company | | KMPs | | Subsidiary | | Total | |
|---|---|---|---|---|---|---|---|---|
| **Transactions during the year** | **31-Mar-23** | **31-Mar-22** | **31-Mar-23** | **31-Mar-22** | **31-Mar-23** | **31-Mar-22** | **31-Mar-23** | **31-Mar-22** |
| Purchase of Goods | | 9,710.08 | | | | | | 9,710.08 |
| Remuneration Paid | | | 27.38 | 7,809.70 | | | | 7,809.70 |
| **Sub Total** | **-** | **9,710.08** | **27.38** | **7,809.70** | **-** | **-** | **-** | **17,519.78** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Closing Balance** | **31-Mar-23** | **31-Mar-22** | **31-Mar-23** | **31-Mar-22** | **31-Mar-23** | **31-Mar-22** | **31-Mar-23** | **31-Mar-22** |
| Advances Given | 36,916.04 | 36,286.60 | | | | | 36,916.04 | 36,286.60 |
| **Sub Total** | **36,916.04** | **36,286.60** | **-** | **-** | **-** | **-** | **36,916.04** | **36,286.60** |

Notes forming part of financial statement for the year ended March 31, 2023 (INR in '000)

**23 Revenue from contracts with customers**

**Disaggregate revenue information**

Set out below is the disaggregation of the Company revenue from contracts with customers and reconciliation to the statement of profit and loss:

| | Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| (a) | **Type of product** | | |
| | Sale of Hard Magnets | - | 1,51,804.15 |
| | Sale of Soft Magnets | - | 37,219.56 |
| | Assembly | - | 55,802.63 |
| | Sale of Silicon Powder | - | 18,570.93 |
| | Sale of Ferro Sulphide & Ferro Phosphorus | - | |
| | Sale of Trading Material | - | 4,121.40 |
| | Sale of FeMo | - | 5,120.20 |
| | Other sales | - | 3,834.37 |
| | Interest Income | | |
| | | **-** | **2,76,473.23** |
| (b) | **Geographical Market** | | |
| | India | - | 3,534.63 |
| | Outside India | - | 2,72,924.96 |
| | | **-** | **2,76,459.59** |
| (c) | **Timing of revenue recognition** | | |
| | Performance obligation satisfied at a point in time | - | 2,76,473.23 |
| | Performance obligation satisfied over time | - | - |
| | | **-** | **2,76,473.23** |
| (d) | **Contract balances** | | |
| | Trade receivables | 303.55 | 2,753.87 |
| | Contract assets | - | - |
| | Contract liabilities | - | - |

**(f) Significant changes in contract liability during the year are as follows:**

| Movement in contract liabilities | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Contract liabilities at the beginning of the year** | - | 32,230.45 |
| Increase due to cash received and decrease as a result of changes in the measure of progress, change in estimate | - | - |
| Changes due to reclassification from deferred income | - | (32,230.45) |
| **Contract liabilities at the end of the year** | **-** | **-** |

Notes forming part of financial statement for the year ended March 31, 2023 (INR in '000)

**24 Ratios**

| Ratios | Unit | Basis (Restated Numbers) | Explanation | March 31, 2023 | March 31, 2022 | Variance |
|---|---|---|---|---|---|---|
| Current Ratio | Times | Current Assets / Current Liabilities | Current ratio has been computed as current assets divided by current liabilities. | 24.26 | 3.82 | 535% |
| Debt – Equity Ratio* | Times | Debts / Shareholder's equity | Debt - equity ratio has been computed as total debt divided by shareholder's equity. Total debt is defined as current and non current borrowings and lease liabilities. Shareholder's equity includes equity share capital and other equity. | - | - | 0% |
| Debt Service Coverage Ratio | Times | Earning of debts service / Debts Service | Debt service coverage ratio has been computed as earning for debt service divided by debt service. Earning for debt service represents net profit after tax after adjusting certain non cash items and interest expense. Debt service includes interest expense. | 115.55 | 8.00 | 1344% |
| Return on Equity Ratio (ROE) | Percentage | Profit after tax / Shareholder's equity | ROE has been computed as net profits after tax divided by average shareholder's equity. | 6% | 5% | -15% |
| Trade Payables turnover ratio | Times | Net Credit Purchase / Average Trade Payables | Trade payables turnover ratio has been computed as net purchases divided by average trade payables. Net purchases represents all the purchases for goods and services except employee costs, finance costs, depreciation and non-cash expense. | - | 1.34 | -100% |
| Trade Receivable turnover ratio | Times | Revenue from Operation / Average Trade Receivable | Trade receivables turnover ratio has been computed as revenue from operation divided by average trade receivables | - | 1.87 | -100% |
| Net Capital turnover ratio | Times | Revenue from Operation / Working Capital | Net capital turnover ratio has been computed as revenue from operation divided by working capital. Working capital is calculated as current assets minus current liabilities. | - | 2.02 | -100% |
| Inventory Turnover Ratio | Times | Cost of Goods Sold / Average of Inventories | Inventory turnover ratio has been computed as cost of goods sold divided by average of opening and closing inventory. | - | 1.71 | -100% |
| Net profit ratio | Percentage | Net profit / Revenue from Operation | Net profit ratio has been computed as net profit divided by revenue from operation. | 0% | 3% | -100% |
| Return on Capital Employed Ratio (ROCE) | Percentage | Earnings before Interest and Tax / Capital Employed | ROCE has been computed as earnings before interest and taxes divided by capital employed where capital employed represents net worth, total debt, lease liability and deferred tax liability. | -3% | 21% | -112% |
| Return on investment Ratio | Percentage | Finance Income / Investments | Return on investment has been computed as Finance Income divided by Investments. Finance income represents Interest income from bank deposits, Net gain on sale of current investments and Marked to market gain on current investments.Investments includes Investments in mutual funds, Bank deposits, Cash and cash equivalents and Bank balances. | 0% | 0% | 0% |

**Reasons for more than 25% variance**

The Company has sold entire stake in Pilamec Limited (its wholly owned subsidiary incorporated in England) to Bunting Magnetics Europe Limited on 11th October, 2021 and is in the process of liquidation. Hence the ratios show a huge variance. There has been no business in the current year, the entire profit for the current year is on account of tax reversal made in the previous period.
As there was no sales in the current year, all the turnover ratio show a negative variance of 100%.

Notes forming part of financial statement for the year ended March 31, 2023 (INR in '000)

**25 Fair value disclosures**

**(a) Categories of financial instruments:**

| Particulars | March 31, 2023 | | | March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| **Financial assets** | | | | | | |
| Trade receivables | - | - | - | - | - | 2,753.87 |
| Cash and cash equivalents | - | - | - | - | - | 61.82 |
| Bank balances other than cash and cash equivalent | - | - | - | - | - | 1,46,262.21 |
| Other financial assets - current | - | - | - | - | - | 36,286.60 |
| | **-** | **-** | **-** | **-** | **-** | **1,85,364.50** |
| **Financial liabilities** | | | | | | |
| Borrowings - current | - | - | - | - | - | - |
| Trade payables | - | - | - | - | - | 4,718.41 |
| Other financial liabilities | - | - | - | - | - | 22,001.20 |
| | **-** | **-** | **-** | **-** | **-** | **26,719.61** |

**(b) Fair value hierarchy and method of valuation**

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.
Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
The fair value of other financials assets and financial liabilities are approximate to their carrying values.

For **V Mandhana & Associates**
Chartered Accountants

per **Vaibhav Mandhana**
**Place:** Mumbai
**Date:** 23 May 2023
**UDIN: 23142514BGSLTT9970**

V MANDHANA & ASSOCIATES MUMBAI MEM. NO. 142514 CHARTERED ACCOUNTANTS

**For Rhine Estates Ltd**

**Yvonne Mills**
Director

Director