Azadi Ka Amrit Mahotsav

यंत्र इंडिया लिमिटेड
YANTRA INDIA LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE, MINISTRY OF DEFENCE)

EMPOWERING THE ARMED FORCES

2ND ANNUAL REPORT

2022-2023

G20 भारत 2023 INDIA

सशस्त सेनाओं का सशक्तिकरण

EMPOWERING THE ARMED FORCES

Azadi Ka Amrit Mahotsav

आत्मनिर्भर भारत

OUR INSPIRATION

Shri Narendra Modi

Hon'ble Prime Minister of India

"After Independence, we needed to upgrade these factories, adopt new-age technology. But it was not given much attention. Over time, India became dependent on foreign countries for its strategic needs. These new seven defence companies will play a big role in bringing change in this situation,"

"In the 21^{st} century, whether a country or a company, its growth and brand value is determined by its research and innovation. From software to the space sector, India's growth, India's new identity is the biggest example of this,"

"Therefore, I also make a special request to all the seven companies that research and innovation should be a part of your work culture....You not only have to match the world's biggest companies, but also take the lead in future technology,"

- Prime Minister Shri Narendra Modi

CELEBRATE

75

Azadi Ka Amrit Mahotsav

FLAG

LOGO

सशस्त्र सेनाओं का सशक्तिकरण

उद्यमेन हि सिध्यन्ति कार्याणि

EMPOWERING THE ARMED FORCES

CONTENT

FROM THE CHAIRMAN AND MANAGING DIRECTOR's DESK

Dear Shareholders, Board Members, and Esteemed Colleagues,

I am honoured to address you today as we reflect upon another eventful and successful year at Yantra India Limited. As we gather to discuss our annual report, it's evident that our collective dedication and strategic vision have propelled us forward despite the challenges that have arisen.

The past year has been a testament to our resilience and adaptability in navigating a dynamic and ever-evolving business landscape. Despite the uncertainties stemming from global economic fluctuations and shifting market dynamics, we have persevered and achieved commendable milestones.

Our commitment to innovation remains unwavering. We've continued to invest in cutting-edge technologies, fostering a culture that encourages creativity and forward-thinking solutions. This commitment has not only enhanced our operational efficiency but has also positioned us at the forefront of industry advancements.

At Yantra India Limited, we recognize the significance of sustainability and responsible corporate citizenship. Our endeavours toward sustainability go beyond mere compliance; they reflect our genuine concern for the environment and society. Through sustainable practices and initiatives, we aim to make a positive impact on the world while ensuring long-term value creation for our stakeholders.

None of our achievements would have been possible without the dedication and hard work of our talented workforce. I extend my heartfelt gratitude to each member of the Yantra family for their unwavering commitment and relentless pursuit of excellence.

As we look ahead, we remain committed to our core values of integrity, innovation, and inclusivity. We will continue to adapt, evolve, and seize opportunities in an ever-changing business landscape.

To our shareholders, your trust and confidence in our vision drive us to achieve greater heights. We remain steadfast in our commitment to delivering sustained value and growth, ensuring that your investments yield promising returns.

In closing, I express my deepest gratitude to the Board of Directors for their guidance and support throughout this transformative journey. Together, we will continue to chart a course that ensures Yantra India Limited remains a beacon of success and a paragon of ethical business practices.

Thank you for your unwavering support, and here's to another year of innovation, growth, and prosperity.

Best Regards,

SHRI RAJEEV PURI, I.O.F.S., ndc
CHAIRMAN & MANAGING DIRECTOR
YANTRA INDIA LIMITED
AMBAJHARI, NAGPUR

SHRI RAJEEV PURI, I.O.F.S., ndc
CHAIRMAN & MANAGING DIRECTOR

Shri Rajeev Puri, IOFS '87, is Electrical Engineer with BE from Punjab Engineering College, Chandigarh.

With 34 years working in various production units of Ordnance Factory Board (OFB), he has hands on experience in handling various Ammunition and Military Hardware production units connected with support to armed forces. Trained at Cranfield University UK, and National Defence College, New Delhi in the field of Explosive Ordnance Technology and subsequently headed Propellant and Explosive Division at HQ of erstwhile OFB.

Exposure to finance function with Diploma in Business Management Degree in Masters in Management Studies (MMS) from the prestigious Symbiosis Institute of Business Management (SIBM), Pune. The course completed with distinction with Finance as specialisation.

Selected for undergoing one year course in National Security Requirements of Defence at National Defence College (NDC), New Delhi. This course gave an opportunity to interact with Service Officers from Army, Navy, Air Force along with Joint Secretary rank officers from Civil and Allied Services. This course gave an exposure to understand the user perspective in the Defence manufacturing area and also nuances involved in the administration of the country at a senior level.

He headed successfully the Production Units of Ordnance Factory Bhusawal and Ordnance Factory Chanda during his stint in erstwhile OFB. Within the organisation, the contribution was recognized many times at the Unit level and subsequently, awarded prestigious **"Santnu Swahney Award" during Kargil War** and also the **"Best Manager Award" amongst 41 Production Units** of OFB at the national level.

As a part of erstwhile OFB, he was exposed to various technologies in the field of Defence Manufacturing in Ordnance Factories setup and training in India & Abroad. Having acquired the requisite domain knowledge in the field of Defence Manufacturing, he presently holds charge as CMD of Yantra India Limited with 8 production units under its aegis.

SHRI S.K. YADAV, I.O.F.S.
DIRECTOR

Shri Sharad Kumar Yadav, I.O.F.S. 1987, is an Engineering Graduate (Mech) from Indian Institute of Technology, Roorkee. Shri S. K. Yadav has served in State Electricity Board, UP before joining I.O.F.S.

During more than 34 years of service in Ordnance Factories, he served in many units of Ordnance Factories in different capacity and expertise in area of small & large caliber ordnance, manufacturing, melting & forging of steels, fabrication of Tail Units, manufacturing of Ammunition Hardwares e.g. Shells, Fuze, Tail Units, etc.

In Armored Vehicle group, he has indigenized many devices such as Command Thermal Sight & Drive Night Sight for Tank T-90 & T-72 as an important step towards self reliance in manufacturing of Fire Control Systems & other electronic devices of Tanks & BMPs in India.

He has visited several foreign firms in Austria twice for PDI of P&Ms.

In Yantra India Limited as Director/Operations, he is directing & guiding for manufacturing of Billets & other input materials in-house so that timely delivery & competitiveness is ensured for domestic as well as international market.

On 23rd June 2022, Shri Sharad Kumar Yadav asumed the charge of Director (Operation), Yantra India Limited.

SHRI GURUDUTTA RAY, I.O.F.S.
DIRECTOR

Shri Gurudutta Ray, an officer of the Indian Ordnance Factories Service (IOFS) Cadre, belongs to the 1988 batch of the Indian Civil Services Examination. Shri Ray's academic achievements and qualifications are rich and diverse. He received Post Graduate diploma in management from NIPM Kolkata and degree in LLB (Bachelor of Law) from Sambalpur University , Odisha. Moreover, Shri Ray also attained Master of Technology in Mineral Exploration, Master of Science and Technology in Applied Geology from IIT (ISM) Dhanbad and Bachelor of Science in Geology (Honours) from Ravenshaw college, Odisha.

Shri Ray's work Experience, spanning over more than 34 years, is equally varied. Shri Ray is a career bureaucrat, who joined Ordnance Factory Board as Assistant Works Manager on 27th February 1989. Subsequently, he rose through the ranks and served in various capacities in Gun &Shell Factory, Cossipore Kolkata; Ordnance Factory Badmal, Bolangir, Odisha; Unique Identification Authority of India (UIDAI) Regional Office Mumbai and Ordnance Factory Ambarnath, Maharashtra . He also served as General Manager at Ordnance Factory Katni, Madhya Pradesh.

Shri Ray, a doyen in the field of Administration, possesses exposure in diverse domains as Communication and Information Technology, Personnel Management & General Administration, Training and HRD, Recruitment, Industrial Relation, Joint Consultative Machinery, Planning and Programme Implementation, Project Management, Safety and Security.

On 1st October'2021, Shri Ray assumed the charge of Director/HR, Yantra India Limited.

SHRI RAKESH SINGH LAL, I.O.F.S.
DIRECTOR

Shri Rakesh Singh Lal, an officer of the Indian Ordnance Factories Service (IOFS) Cadre, belongs to the 1988 batch of the Indian Engineering Service Examination. He is a Mechanical Engineer from Devi Ahilya University Indore M.P.

Shri Rakesh Singh Lal's work Experience, spanning over more than 33 years, is equally varied. He joined Grey Iron Foundry, Ordnance Factory Board as Assistant Works Manager on 29^{th} June 1989. Subsequently, he rose through the ranks and served in various capacities in Ordnance Factory Itarsi, Ordnance Factory Dehuroad, Pune, Ordnance Factory Chanda, Chandrapur.

He joined Central Deputation as Director, Ministry of Social Justice and Empowerment in August 2013. In November 2016, he was selected as Additional Director General in Archaeological Survey of India, Ministry of Culture. He served as DDG in O.F. Board and as General Manager at Cordite Factory Aruvankadu, Tamilnadu.

On 23rd May 2022, Shri Rakesh Singh Lal assumed the charge of Director (Finance), Yantra India Limited.

SHRI SURENDRA YADAV, I.Fo.S.
NOMINEE DIRECTOR

A 1996 Batch Indian Forest Service Officer from the West Bengal Cadre, Shri Surendra Prasad Yadav is presently holding the appointment of Joint Secretary (Land Systems) in the Ministry of Defence, Department of Defence Production.

At present, he is responsible for all defence production matters related to the Land Systems. Earlier in this Ministry, he was looking after all defence production matters related to the Navy and Maritime systems. A Mechanical Engineer from HBTI, Kanpur and a Post Graduate in Aerodynamics Engineering from IIT, Mumbai, the Officer has held various appointments in the Government of India.

Few crucial appointments held by him during posting in West Bengal Government under the Forest Department during which he oversaw the Management of forest and wildlife and took up several schemes aimed at social and economic development of weaker tribal population. He was also posted in the West Bengal Industrial Development Corporation as Executive Director for more than 07 years. During his long tenure there he looked after the development of industrial infrastructure and parks including the execution of different industrial projects in the state of West Bengal.

YIL's CONTRIBUTION TOWARDS ATMANIRBHAR BHARAT AND GREEN ENERGY

Post Corporatization of Ordnance Factories and creation of Yantra India Limited, a Defence Public Sector Undertaking under Department of Defence Production, Ministry of Defence, Govt. of India which commenced business w.e.f. 01/10/2021, various initiatives have been taken towards Self-Reliance in production areas.

ATMANIRBHAR BHARAT INITIATIVE

1. YIL has taken steps to achieve Self-Reliance, especially in respect of Railway Axle and Railway Wheels. YIL has successfully manufactured and supplied 15000 Nos LHB axles & BOX-N Axles to Indian Railways and is now further venturing into manufacturing of wheels for Railways. To cater for huge demand of Rail Wheels, YIL is also planning to procure Plant with a Capital Investment of approx Rs. 1900 Crore for manufacturing of the same indigenously.

2. YIL has also developed many Aluminium Alloy component for the Indian defence as well as Indian Aerospace industry like AVNL, HAL & BDL and further exploring possibility of enhancing market base. YIL is venturing into next level of manufacturing at OFAJ Unit to cater the requirement of HAL, BDL and other aerospace industries by installing 10000 Ton Extrusion press with a proposed capital investment of approx. Rs. 700 Cr.

EXPORT INITIATIVE

The journey of YIL as a separate Defence Public Sector Undertaking (DPSU) was not easy particularly in the area of Defence Exports. However, YIL took various initiatives to enhance its export order. A few of them have been listed below:

i) YIL constituted Export Promotion Cell at YIL Headquarter as well as at all 8 units of YIL which dedicatedly work for Export activities.

ii) YIL established regular contacts with Defence Attaches by apprising them with YIL presentations and videos through emails and by submitting reply to DAs through DEFENCEEXIM Portal and emails.

iii) YIL engaged Channel Partners for various geographical regions for promoting export of YIL products in foreign countries (process of continuing their tenure is in progress).

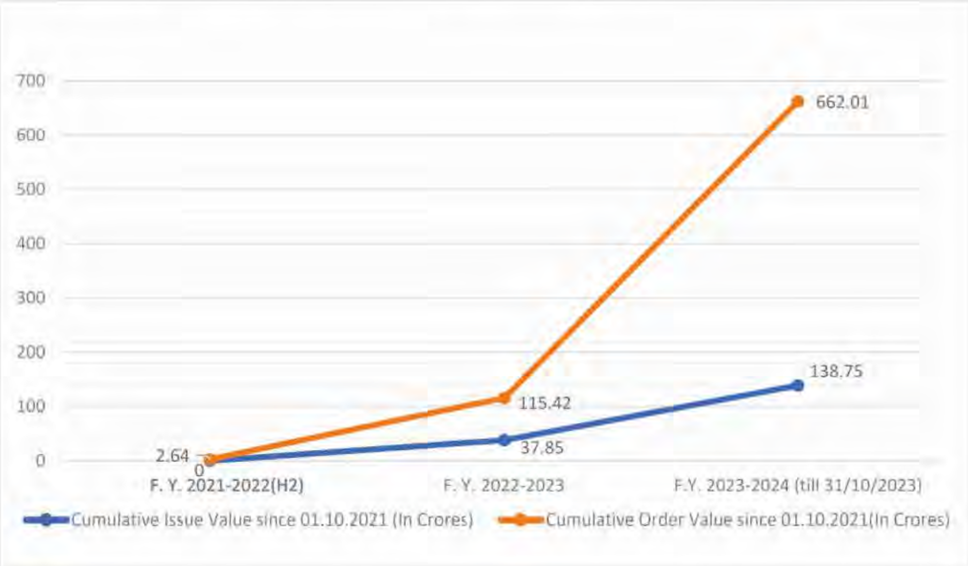
iv) YIL updated its customers regarding submission of Technical Offer, Clarification of Queries.

v) YIL replied to export enquiries received through Private Industries and Channel Partners regularly.

vi) YIL participated in various National and International Defence exhibitions bringing out its wide product range for showcase in an attempt to promote export.

As a result of the aforementioned initiatives and strategies, YIL has been able to export its products like 105mm CC TP-T, Aerial Bomb and Tail Units, 122mm Forged Steel Tube, Shell 155mm M107, Shell 155mm L15A1, CC 105mm 148A1 and CC 105mm 148L to various countries across the globe such as Spain, Israel, Myanmar, Slovakia, Italy covering continents of Europe, Asia and Middle East. From an Order valuing Rs. 2.64 Cr and NIL Exports issue in FY 2021-22(H2), the company increased its business by bagging Orders valuing Rs. 112.78 Cr including 37.85 Crore Export issue in FY 2022-23 & Orders valuing Rs. 546.59 Cr including Rs.100.90 Crore Export issue in FY 2023-24 (till 31/10/2023).

Following export graph speaks about the leap taken by YIL in the field of export.



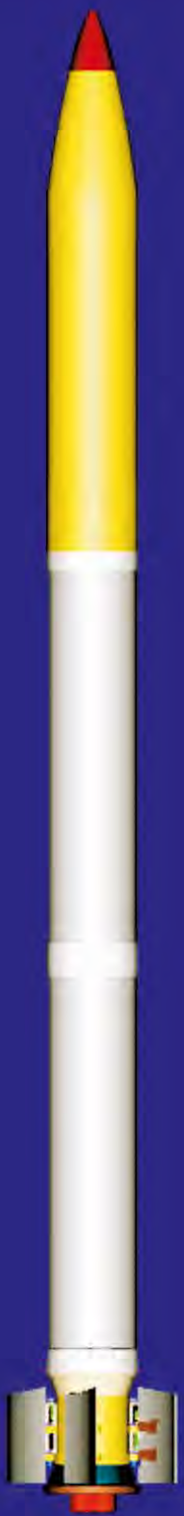
YIL takes pride to announce that it has developed new product viz. Shell 155 mm L15A1 as per the drawings and specification of End User from Italy. The product was not a regular product of YIL. However, necessary design changes were made by YIL and the product was developed and supplied. The product was accepted by the End User. Subsequently, YIL bagged orders valuing Rs.397.33 Crores to supply the newly developed shell.

The aforementioned achievements are testimony to YIL's progress in the field of export which is going to increase in the years to come.

GREEN ENERGY INITIATIVE

YIL has contributed to the Green Energy Initiatives of the Govt. of India by reducing its dependence on non-renewable energy and increasing self-sufficiency in energy needs by installing Solar Panels at its various units thereby reducing the carbon footprint. The energy generated by the installed capacity of Solar Panels is 16309KW. YIL is looking forward to add another 2190KW capacity of Solar Panels by the year 2025-2026. Thus, further contributing towards the Green Energy Initiative.

To motivate the units under YIL to take significant steps towards adopting sustainable manufacturing processes and energy efficient solutions as well as to implement innovative eco-friendly practices, YIL has started distributing Earth Care Awards during the YIL DAY which is celebrated on 1st October of every year. The recipient of the first Earth Care Award was Ordnance Factory Muradnagar.



VISION

To Become a Market Leader, Supplying Highest quality Hardware/ Components to other Defence PSUs that is ultimately used for manufacture of the state-of-the art Ammunition and battlefield equipments for Armed Forces. To promote Export and emerge as a prominent international player in Defence and Aerospace Industry.

MISSION

- To equip our Armed Forces with modern "Defence and Battlefield Equipment"
- To be a prominent patron of Atma-Nirbhar Bharat Abhiyan in the Defence and Aerospace Sector
- To equip ourselves with technologies through Acquisition, Synergy and In-house R & D.
- To continuously improve Quality.
- To improve Operational efficiency by continuously modernising our production facilities & by Training and Motivating our workforce through extensive use of Information Technology.
- To strengthen brand "YANTRA" by providing quality and value for money, increasing customer base in Defence, Non-defence and Export markets and establishing global presence.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Rajeev Puri	:	Chairman & Managing Director
Shri Sharad Kumar Yadav	:	Director (Operations)
Shri Gurudutta Ray	:	Director (Human Resources)
Shri Rakesh Singh Lal	:	Director (Finance)
Shri Surendra Prasad Yadav	:	Nominee Director (GoI)

CORPORATE IDENTITY NUMBER : U35303MH2021GOI365890

VIGILANCE OFFICER :

Shri D. Venkateswara Reddy : Chief Vigilance Officer

REGISTERED OFFICE :

YANTRA INDIA LIMITED
Amravati Road, Nagpur-440021
Maharashtra.

Phone : 0712 - 2391046

Fax : 07104 - 246681

E-mail : yil.hq@yantraindia.co.in

Website : www.yantraindia.co.in

UNITS OF THE COMPANY

Ordnance Factory Ambajhari
Ordnance Factory Ambernath
Ordnance Factory Bhusawal
Metal and Steel Factory Ishapore
Ordnance Factory Dumdum
Ordnance Factory Muradnagar
Ordnance Factory Katni
Grey Iron Foundry Jabalpur
Yantra Institute of Technology & Management, Ambajhari
Yantra Business Development Center, Delhi

STATUTORY AUDITORS

M/s V.R. Inamdar & Co.
Chartered Accountants
(Firm Registration No. 103743W)

SECRETARIAL AUDITORS

M/s Avinash Gandhewar & Associates
Practicing Company Secretary

BRANCH AUDITORS

1. **M/s V.R. Inamdar & Co., Nagpur**
   Charted Accountant (OFAJ)

2. **M/s. Akhilesh Pandey & Co., Thane**
   Charted Accountant (OFA)

3. **M/s. C A K P K & Associates, Jabalpur**
   Charted Accountant (GIF)

4. **M/s Manoj Jain & Co., Jabalpur**
   Charted Accountant (OFKAT)

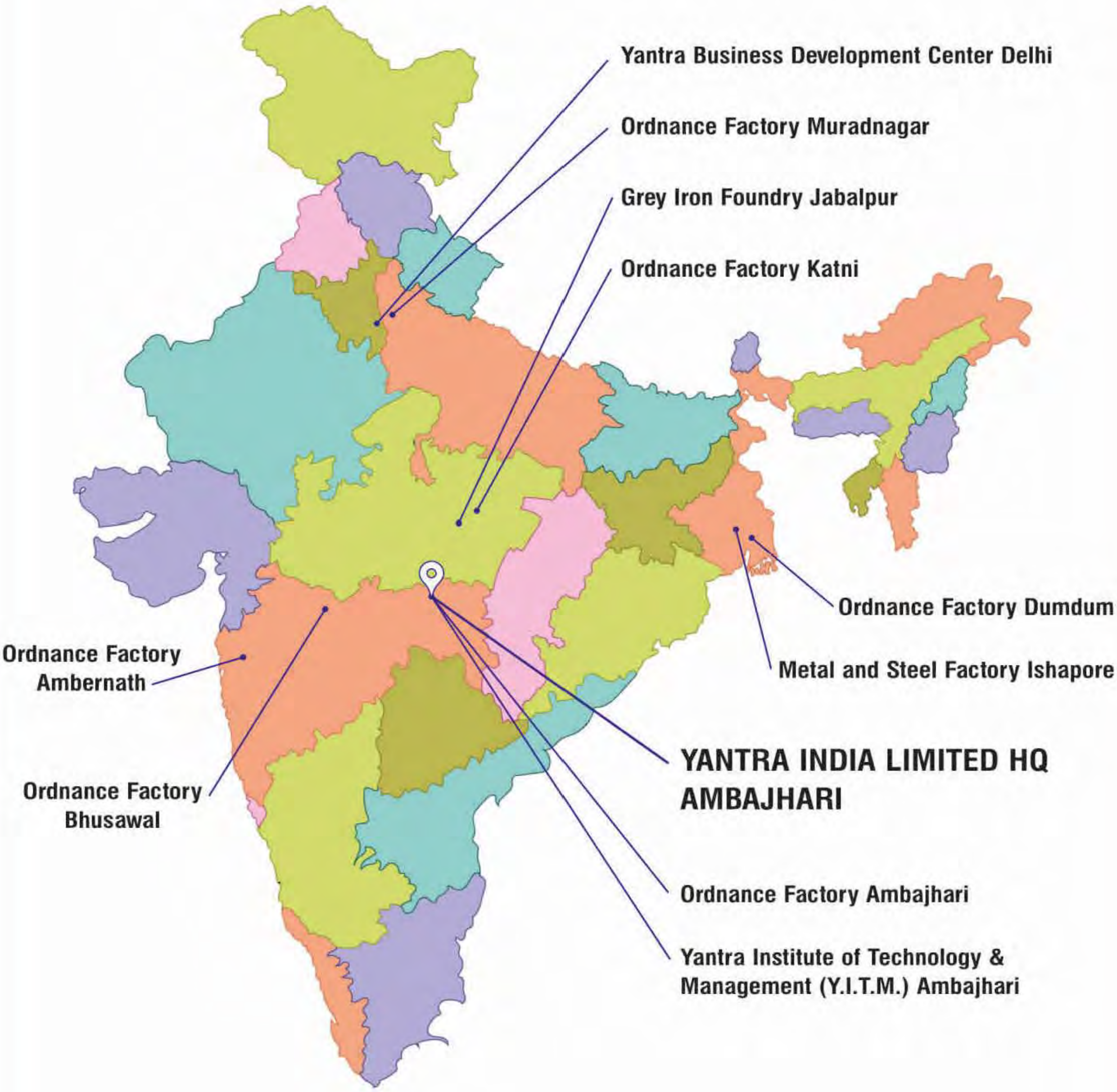
5. **M/s Gaur & Associates, Ghaziabad**
   Charted Accountant (OFM)

6. **M/s Lohariwal & Associates, Kolkata**
   Charted Accountant (OFDC)

7. **M/s B.K. Sarkar & Associates, Barrackpore**
   Charted Accountant (MSF)

8. **M/s Kasat Totala Achaliya & Associates, Jalgaon**
   Charted Accountant (OFBH)

YIL FOOTPRINTS



ORDNANCE FACTORY, AMBAJHARI PRODUCTS

- SHELL 155 MM HEER
- SHELL 125 MM HE
- SHELL 155 ERFB
- SHELL 130 MM HE
- SHELL 130 MM L15 A1

VARIOUS TYPE OF FUZE

AIRCRAFT ROCKET

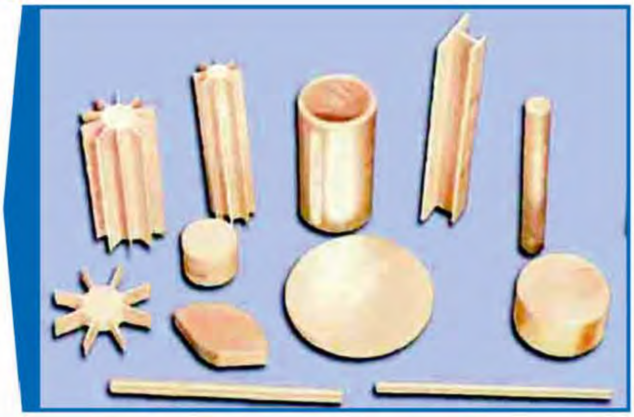
ASSAULT BRIDGE

ORDNANCE FACTORY, AMBERNATH PRODUCTS

- BRASS CUPS
- CARTRIDGE CASE 130 MM

- CARTRIDGE CASE 105 MM IFG
- C.C. SRGM
- SHEATH CC 148A1

- BRASS COIL
- CARTIDGE CASE 84 MM



ALUMINIUM ALLOY
EXTRUDED PROFILE

ORDNANCE FACTORY, BHUSAWAL PRODUCTS

PINAKA POD ASSEMBLY

120 MM FSAPDS

CARRIER FOR PACKING OF BOMB

AMMUNITION PACKING BOXES

METAL & STEEL FACTORY, ISHAPORE PRODUCTS

RAILWAY LHB AXLE

HIGH TO MEDIUM CALIBRE BARREL

30 MM CARTRIDGE CASE

DIFFERENT DIA BRASS RODS

ORDNANCE FACTORY, DUM DUM PRODUCTS

- FUZE 162 MK-8
- FUZE DA - 5A

- STABILIZER ASSEMBLY 125 MM HEAT
- TAIL UNIT 8A WITH CAP

- MAGAZINE 20 RDS ASSEMBLY
- BALLISTIC TAIL UNIT TB 450

BALLISTIC TAIL
UNIT NO. TB 250
(BN250)

ORDNANCE FACTORY, MURADNAGAR PRODUCTS

CASTING FOR ARJUN TANK

AERIAL BOMB 1000 LBS

AERIAL BOMB 250 KG

AERIAL BOMB 450 KG HSLD & 81 MM HE (PWP)

ORDNANCE FACTORY, KATNI
PRODUCTS

BRASS CAP 5.56 MM

BRASS COILS

GM TUBES

CARTRIDGE CASE 105 MM

GREY IRON FOUNDRY, JABALPUR PRODUCTS

BUTTERFLY VALVE (BHEL)

AUTOMOBILE CASTING

HAND GRENADE AND LIFTING PLUG

AUTOMOBILE CASTING

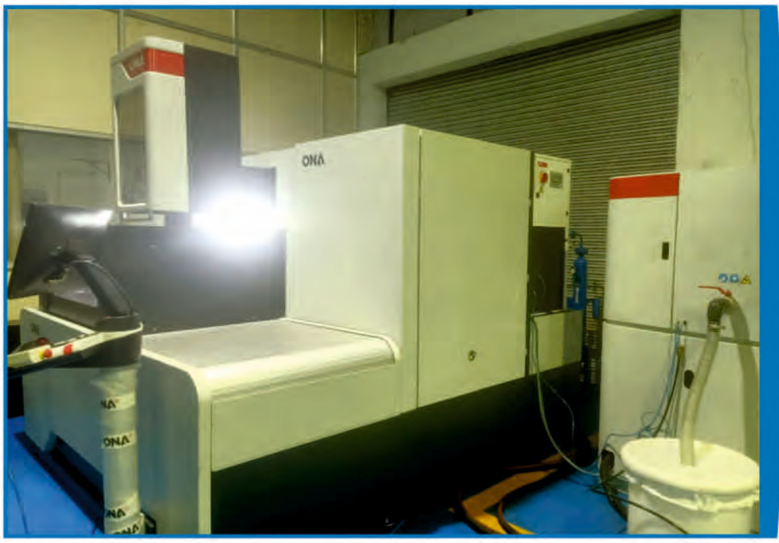
FACILITIES AVAILABLE
METAL CUTTING & FORMING MACHINE

VERTICAL
MILLING CENTRE

RADIAL
FORGING PLANT

VMC 1050 APC

FACILITIES AVAILABLE
METAL CUTTING & FORMING MACHINE



CNC WIRE CUT
EDM MACHINE

CNC SLIDING HEAD
STOCK MACHINE

HORIZONTAL BORING
AND
MILLING MACHINE

FACILITIES AVAILABLE
METAL CUTTING & FORMING MACHINE

CNC TURNING CENTRE
(BED LENGTH 5 M)

MULTI AXIS
CNC MACHINE
WITH AUTO LOADING
& GAUGING

MULTI AXIS
MULTI SPINDLE
CNC MACHINE

FACILITIES AVAILABLE
MECHANICAL / HYDRAULIC PRESSES

ROBOTIC
NOSING PRESS

6500 TON
EXTRUSION PRESS

AUTOMATIC
ROBOTIC FORGING
PLANT

FACILITIES AVAILABLE
MECHANICAL / HYDRAULIC PRESSES

ROBOTIC FORGING PLANT
CZ - II

FLOW FORMING
MACHINE

1250 TON
DIRECT EXTRUSION
PRESS

FACILITIES AVAILABLE
MECHANICAL / HYDRAULIC PRESSES

10 TON
ESR PLANT

ROBOTIC
NUB WELDING

2000 TON
EXTRUSION PRESS

FACILITIES AVAILABLE
HEAT TREATMENT

- 20 MT ELECTRIC ARC FURNACE - USED FOR INGOT CASTING

- 20 MT LADLE FURNACE & VACUUM DEGASING - USED FOR SECONDARY REFINING

BARREL HEAT TREATMENT FURNACES USED FOR HEAT TREATMENT OF BARRELS

CERTIFICATIONS


Certificate of Registration

This is to certify that compliance of Occupational Health & Safety Management System of

ORDNANCE FACTORY AMBAJHARI

Defence Project, Amravati Road, Nagpur- 440 021, Maharashtra,India.

has been assessed and found to conform the requirements of

ISO 45001 : 2018

For the scope of activities :

Manufacture and Supply of Forged Products, Machined Shells, Aluminum Billets, Extruded Aluminum Products, Aluminum Die Cast Products, Fabrication Items, Fuze & Fuze Components, Cartridge Cases, and Design & Manufacture of Tools, Gauges, Jigs & Fixtures, Assault Bridges, AN-32 Air Drop Platforms, Rocket 68 mm & Pinaka and Rendering Associated Medical Services Through Dispensary and Hospital

Certificate No. RQ91/NB/IC/040 Issue Date 17.12.2021 Valid Date 16.12.2024

Quest Certification (P) Ltd


National Accreditation Board for Testing and Calibration Laboratories

CERTIFICATE OF ACCREDITATION

MATERIAL TESTING LABORATORY, ORDNANCE FACTORY AMBERNATH, A UNIT OF YANTRA INDIA LIMITED

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2017

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

ORDNANCE FACTORY AMBERNATH, KALYAN - BADLAPUR ROAD, AMBERNATH, MAHARASHTRA, INDIA

in the field of

TESTING

Certificate Number: TC-11246

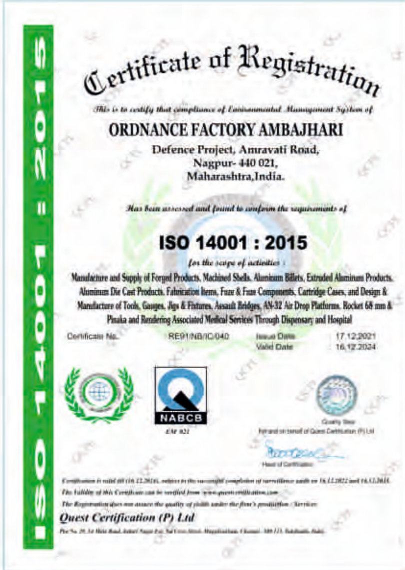
Issue Date: 30/12/2022 Valid Until: 29/12/2024

This certificate remains valid for the Scope of Accreditation as specified in the annexure subject to continued satisfactory compliance to the above standard & the relevant requirements of NABL.

Name of Legal Identity : Yantra India Limited

Signed for and on behalf of NABL

N. Venkateswaran
Chief Executive Officer


Certificate of Registration

This is to certify that compliance of Environmental Management System of

ORDNANCE FACTORY AMBAJHARI

Defence Project, Amravati Road, Nagpur- 440 021, Maharashtra,India.

Has been assessed and found to conform the requirements of

ISO 14001 : 2015

For the scope of activities :

Manufacture and Supply of Forged Products, Machined Shells, Aluminum Billets, Extruded Aluminum Products, Aluminum Die Cast Products, Fabrication Items, Fuze & Fuze Components, Cartridge Cases, and Design & Manufacture of Tools, Gauges, Jigs & Fixtures, Assault Bridges, AN-32 Air Drop Platforms, Rocket 68 mm & Pinaka and Rendering Associated Medical Services Through Dispensary and Hospital

Certificate No. RE91/NB/IC/040 Issue Date 17.12.2021 Valid Date 16.12.2024

Quest Certification (P) Ltd


भारतीय मानक ब्यूरो

BUREAU OF INDIAN STANDARDS

OHSMS

IS/ISO 45001:2018

Signed, Sealed and dated this Eighth day of Apr 2022

(Dr R K Tyagi)
Deputy Director General (Central)
For BUREAU OF INDIAN STANDARDS

Page 1 of 2


Certificate of Registration

This is to certify that compliance of Quality Management System of

ORDNANCE FACTORY AMBARNATH

Kalyan Badlapur Road, Ambarnath, Dist: Thane, Pincode - 421 502, Maharashtra, India.

Has been assessed and approved to the requirements of

ISO 9001 : 2015

For the scope of activities :

Manufacturing and Supply of Copper and Aluminium Base Alloy Products to Defence Services and Civil Market

Certificate No RQ91/NB/RE/033 Issue Date 19.07.2017
NABCB Accreditation No QM 058 Re-issue Date 08.08.2020 Valid Date 07.08.2023

Quest Certification (P) Ltd


BSCIC

Certificate

QUALITY MANAGEMENT SYSTEM

This is to certify that:

ORDNANCE FACTORY KATNI

(A UNIT OF YANTRA INDIA LIMITED, A GOVT. OF INDIA ENTERPRISE)
MINISTRY OF DEFENCE
KATNI - 483 503
MADHYA PRADESH, INDIA

hereby granted the certificate number: BN16495/16765

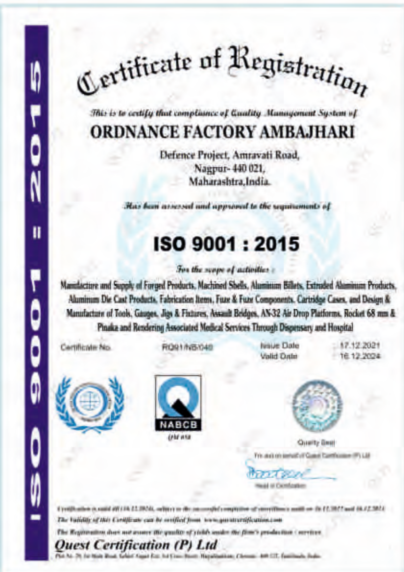
ISO 9001:2015

Manufacture and Dispatch of Copper and Copper Based Alloys, Slabs Ingots, Rolled Strips, Extruded Products, Small Arms Ammunition Cups, Deep Drawn Components of Brass, Steel, Zinc & Aluminium Based Die Casting

IAF Scope: 17a

For BSCIC CERTIFICATIONS PVT LTD.

Page 1 of 1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For the scope of activities :

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has been assessed and accredited in accordance with the standard

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"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

ORDNANCE FACTORY, KATNI, MADHYA PRADESH, INDIA

in the field of

TESTING

Name of Legal Identity : ORDNANCE FACTORY BOARD, MINISTRY OF DEFENCE, GOVERNMENT OF INDIA

Signed for and on behalf of NABL

N. Venkateswaran
Chief Executive Officer


National Accreditation Board for Testing and Calibration Laboratories

CERTIFICATE OF ACCREDITATION

ORDNANCE FACTORY MURADNAGAR

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2017

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

MURADNAGAR, GHAZIABAD, UTTAR PRADESH, INDIA

in the field of

TESTING

Certificate Number: TC-5535

Issue Date: 15/06/2022 Valid Until: 14/06/2024

This certificate remains valid for the Scope of Accreditation as specified in the annexure subject to continued satisfactory compliance to the above standard & the relevant requirements of NABL.

Name of Legal Identity : Yantra India Limited

Signed for and on behalf of NABL

N. Venkateswaran
Chief Executive Officer

CERTIFICATIONS


INTEGRATED MANAGEMENT SYSTEM

Certificate of Registration

This is to certify that compliance of Integrated Management System of

ORDNANCE FACTORY AMBARNATH

Kalyan Badlapur Road, Ambarnath
Dist: Thane, Pincode - 421 502,
Maharashtra, India.

Has been assessed and found to conform to the requirements of

INTEGRATED MANAGEMENT SYSTEM
(ISO 14001:2015 & ISO 45001:2018)

for the scope of activities :

Manufacturing and Supply of Copper and Aluminium Base Alloy Products to Defence Services and Civil Market

Certificate No. : RI91/JA/IC/RE/2038
JAS-ANZ Accreditation No : M4430310IC
Issue Date : 19.07.2017
Re-Issue Date : 08.08.2020
Valid Date : 07.08.2023

Quest Certification (P) Ltd


National Accreditation Board for Testing and Calibration Laboratories

CERTIFICATE OF ACCREDITATION

MATERIAL TESTING LABORATORY

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2017

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

ORDNANCE FACTORY AMBAJHARI, NAGPUR, MAHARASHTRA, INDIA

in the field of

TESTING

Certificate Number: TC-7029
Issue Date: 16/01/2022 Valid Until: 15/01/2024

Name of Legal Identity : ORDNANCE FACTORY AMBAJHARI NAGPUR

Signed for and on behalf of NABL

N. Venkateswaran
Chief Executive Officer


NVT QUALITY CERTIFICATION INTERNATIONAL

CERTIFICATE

Certificate Number: 189201
This is to certify that

ORDNANCE FACTORY MURADNAGAR
(A unit of Yantra India Limited)
MURADNAGAR, Delhi Meerut Road
Ghaziabad, UP 201206, India.

has implemented and maintains a Quality Management System for its

SCOPE :
MANUFACTURE AND SUPPLY OF EMPTY SHELL OF AERIAL BOMBS FOR INDIAN AIR FORCE

Certification structure: Single

AS 9100D
(Based on and including ISO 9001:2015)

Quality Management Systems – Requirements for Aviation, Space and Defence Organisation.

Date of Initial Certification : August 03, 2022
Date of Current Revision : August 03, 2022
Certification Expiry Date : August 02, 2025

K.G. Garg
Chairman & Chief Executive

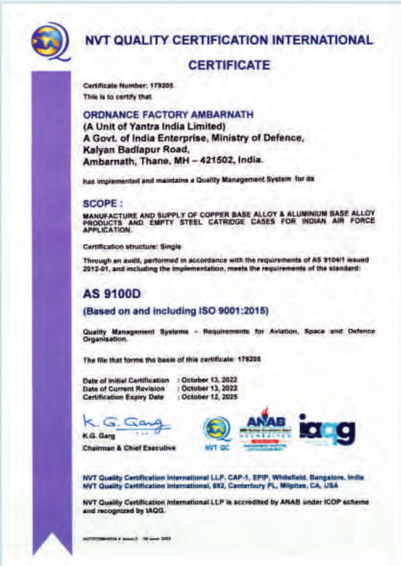

EMS

भारतीय मानक ब्यूरो
BUREAU OF INDIAN STANDARDS

LICENCE FOR THE ENVIRONMENTAL MANAGEMENT SYSTEMS CERTIFICATION

M/s Ordnance Factory,
Muradnagar, Distt. - Ghaziabad,
(UP) - 201 206.

IS/ISO 14001:2015


NVT QUALITY CERTIFICATION INTERNATIONAL

CERTIFICATE

Certificate Number: 179205
This is to certify that

ORDNANCE FACTORY AMBARNATH
(A Unit of Yantra India Limited)
A Govt. of India Enterprise, Ministry of Defence,
Kalyan Badlapur Road,
Ambarnath, Thane, MH – 421502, India.

has implemented and maintains a Quality Management System for its

SCOPE :
MANUFACTURE AND SUPPLY OF COPPER BASE ALLOY & ALUMINIUM BASE ALLOY PRODUCTS AND EMPTY STEEL CARTRIDGE CASES FOR INDIAN AIR FORCE APPLICATION.

Certification structure: Single

AS 9100D
(Based on and including ISO 9001:2015)

Quality Management Systems – Requirements for Aviation, Space and Defence Organisation.

Date of Initial Certification : October 13, 2022
Date of Current Revision : October 13, 2022
Certification Expiry Date : October 12, 2025

K.G. Garg
Chairman & Chief Executive


QMS

भारतीय मानक ब्यूरो
BUREAU OF INDIAN STANDARDS

IS/ISO 9001:2015


National Accreditation Board for Testing and Calibration Laboratories

CERTIFICATE OF ACCREDITATION

GAUGE CALIBRATION LABORATORY

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2017

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

ORDNANCE FACTORY AMBAJHARI (A UNIT OF YANTRA INDIA LIMITED, GOVT. OF INDIA ENTERPRISE, MINISTRY OF DEFENSE, AMARAVATI ROAD, NAGPUR, MAHARASHTRA, INDIA

in the field of

CALIBRATION

Certificate Number: CC-3023
Issue Date: 21/11/2022 Valid Until: 17/08/2023

Name of Legal Identity : YANTRA INDIA LIMITED

Signed for and on behalf of NABL

N. Venkateswaran
Chief Executive Officer


वैमानिक गुणवत्ता आश्वासन महानिदेशालय
Directorate General of Aeronautical Quality Assurance

GOVERNMENT OF INDIA, MINISTRY OF DEFENCE

APPROVAL / RENEWAL OF THE FIRM & ITS QUALITY MANAGEMENT SYSTEM (AFQMS)

This is to certify that ORDNANCE FACTORY DUMDUM, KOLKATA & its Quality Management System has been approved as per DGAQA-AFQMS 2018 document with validity up to 30-09-2025 as per the scope and other terms & conditions stipulated in HQ DGAQA Letter No. 56/I/24/AFQMS-OFDC/DGAQA/ARMT dated 29-09-2022

(DIRECTOR GENERAL)


CERTIFICATE

Certificate Number: 179183
This is to certify that

ORDNANCE FACTORY AMBAJHARI
(A Unit of Yantra India Limited)
Govt. of India Enterprise
Ministry of Defence
Nagpur,
MH 440 021, India

Scope : MANUFACTURES AMMUNITION HARDWARE AND ASSEMBLIES FOR AIR ARMAMENT AND EXTRUDED PRODUCTS OF ALUMINUM ALLOYS FOR AEROSPACE AND DEFENCE APPLICATION

AS 9100D
(Based on and including ISO 9001:2015)

Date of Initial Certification : December 13, 2021
Date of Current Revision : December 13, 2021
Certification Expiry Date : December 12, 2024

K.G. Garg
Chairman & Chief Executive

CERTIFICATIONS

Sl. No. 278

वैमानिक गुणवत्ता आश्वासन महानिदेशालय
Directorate General of Aeronautical Quality Assurance

GOVERNMENT OF INDIA, MINISTRY OF DEFENCE
7th Floor, 'A' BLOCK, Defence Office Complex, K G Marg, NEW DELHI-110001

APPROVAL / RENEWAL OF THE FIRM & ITS QUALITY MANAGEMENT SYSTEM (AFQMS)

This is to certify that ORDNANCE FACTORY, AMBAJHARI & its Quality Management System has been approved as per DGAQA-AFQMS-2018 document with validity up to 30APR2025 as per the scope and other terms & conditions stipulated in HQ. DGAQA Letter No. 512/AFQMS-OF AMBAJHARI/DGAQA/ARMT dated 20APR2022

सं/No.1415/DGAQA/TECH COORD
दिनांक/Date: 20 / 04 / 2022

महानिदेशक
(DIRECTOR GENERAL)

Sl. No. 281/2022

वैमानिक गुणवत्ता आश्वासन महानिदेशालय
Directorate General of Aeronautical Quality Assurance

GOVERNMENT OF INDIA, MINISTRY OF DEFENCE
7th Floor, 'A' BLOCK, Defence Office Complex, K G Marg, NEW DELHI-110001

APPROVAL / RENEWAL OF THE FIRM & ITS QUALITY MANAGEMENT SYSTEM (AFQMS)

This is to certify that MSF, ISHAPORE & its Quality Management System has been approved as per DGAQA-AFQMS-2018 document with validity up to 30JUNE25 as per the scope and other terms & conditions stipulated in HQ. DGAQA Letter No. 561/4/24/AFQMS-MSF/DGAQA/ARMT dated 14JUNE2022

सं/No.1415/DGAQA/TECH COORD
दिनांक/Date: 14 / 06 / 2022

महानिदेशक
(DIRECTOR GENERAL)

Sl. No. 292

वैमानिक गुणवत्ता आश्वासन महानिदेशालय
Directorate General of Aeronautical Quality Assurance

GOVERNMENT OF INDIA, MINISTRY OF DEFENCE
7th Floor, 'A' BLOCK, Defence Office Complex, K G Marg, NEW DELHI-110001

APPROVAL / RENEWAL OF THE FIRM & ITS QUALITY MANAGEMENT SYSTEM (AFQMS)

This is to certify that ORDNANCE FACTORY DUMDUM, KOLKATA & its Quality Management System has been approved as per DGAQA-AFQMS-2018 document with validity up to 30-09-2025 as per the scope and other terms & conditions stipulated in HQ. DGAQA Letter No. 561/4/24/AFQMS-OFDC/DGAQA/ARMT dated 28-09-2022

सं/No.1415/DGAQA/TECH COORD
दिनांक/Date: 28 / 09 / 2022

महानिदेशक
(DIRECTOR GENERAL)

Sl. No. 302/2023

वैमानिक गुणवत्ता आश्वासन महानिदेशालय
Directorate General of Aeronautical Quality Assurance

GOVERNMENT OF INDIA, MINISTRY OF DEFENCE
7th Floor, 'A' BLOCK, Defence Office Complex, K G Marg, NEW DELHI-110001

APPROVAL / RENEWAL OF THE FIRM & ITS QUALITY MANAGEMENT SYSTEM (AFQMS)

This is to certify that GREY IRON FOUNDARY JABALPUR & its Quality Management System has been approved as per DGAQA-AFQMS-2018 document with validity up to 31-01-2026 as per the scope and other terms & conditions stipulated in HQ. DGAQA Letter No. 561/4/24/AFQMS-GIF/DGAQA/ARMT dated 31-01-2023

सं/No.1415/DGAQA/TECH COORD
दिनांक/Date: 31 / 01 / 2023

महानिदेशक
(DIRECTOR GENERAL)

Sl. No. 303/2023

वैमानिक गुणवत्ता आश्वासन महानिदेशालय
Directorate General of Aeronautical Quality Assurance

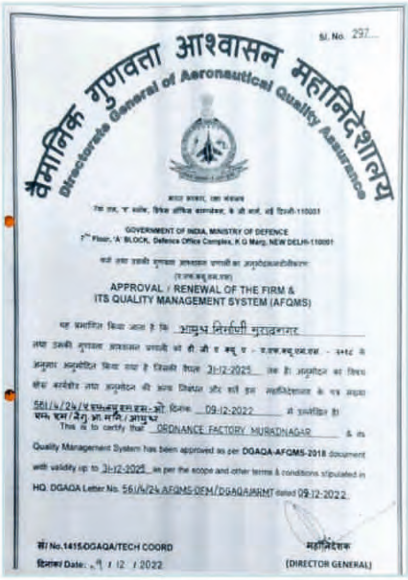
GOVERNMENT OF INDIA, MINISTRY OF DEFENCE
7th Floor, 'A' BLOCK, Defence Office Complex, K G Marg, NEW DELHI-110001

APPROVAL / RENEWAL OF THE FIRM & ITS QUALITY MANAGEMENT SYSTEM (AFQMS)

This is to certify that ORDNANCE FACTORY AMBERNATH & its Quality Management System has been approved as per DGAQA-AFQMS-2018 document with validity up to 28-02-2026 as per the scope and other terms & conditions stipulated in HQ. DGAQA Letter No. 561/4/24/AFQMS-OFA/DGAQA/ARMT dated 02-02-2023

सं/No.1415/DGAQA/TECH COORD
दिनांक/Date: 02 / 02 / 2023

महानिदेशक
(DIRECTOR GENERAL)



Sl. No. 297

वैमानिक गुणवत्ता आश्वासन महानिदेशालय
Directorate General of Aeronautical Quality Assurance

GOVERNMENT OF INDIA, MINISTRY OF DEFENCE
7th Floor, 'A' BLOCK, Defence Office Complex, K G Marg, NEW DELHI-110001

APPROVAL / RENEWAL OF THE FIRM & ITS QUALITY MANAGEMENT SYSTEM (AFQMS)

This is to certify that ORDNANCE FACTORY MURADNAGAR & its Quality Management System has been approved as per DGAQA-AFQMS-2018 document with validity up to 31-12-2025 as per the scope and other terms & conditions stipulated in HQ. DGAQA Letter No. 561/4/24 AFQMS-OFM/DGAQA/ARMT dated 09-12-2022

सं/No.1415/DGAQA/TECH COORD
दिनांक/Date: 9 / 12 / 2022

महानिदेशक
(DIRECTOR GENERAL)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 2nd Directors' Report together with the Financial Statement from 01st April, 2022 to 31st March, 2023 along with annexure thereto and Report of Auditors thereon.

1. FINANCIAL RESULTS :

In compliance with the provisions of Section 133 of the Companies Act, 2013 and the Rules made thereunder, your Company has prepared its financial statement as per the Indian Accounting Standards ('Ind AS') for the FY 2022-23. The financial highlights of the Company's operations are as follows :

(In Crores)

Particulars	2022-23	2021-22 (H2)
Revenue from Operations (I)	2391.01	956.31
Other incomes (II)	137.89	74.43
Total Income (III = I + II)	**2528.90**	**1030.74**
Total Expenditure (IV)	2477.56	1153.86
Net Profit/(Loss) Before Tax (V = III IV)	**51.34**	**(123.12)**
Total Tax Expense	**8.98**	**0**
Net Profit/(Loss) After Tax	**42.36**	**(123.12)**
Earnings per share (Basic and Diluted)	**0.03**	**(2.97)**

2. PERFORMANCE & STATE OF AFFAIRS OF THE COMPANY :

Yantra India Limited has been incorporated as Government Company (wholly owned by Government of India) with Limited liability of shares under the Companies Act - 2013 with Registered and Corporate Office at Ordnance Factory Ambajhari, Amravati Road, Nagpur, Maharashtra, India - 440021. The Corporate Identity Number (CIN) of Yantra India Limited is U35303MH2021GOI365890. Yantra India Limited was incorporated on 14th August, 2021 and commenced its business w.e.f. 1st October, 2021.

YANTRA INDIA LIMITED : Yantra India Limited (YIL), one of the 7 new DPSUs, was incorporated on 14.08.2021, consisting of 8 Ordnance Factories and a Training Institute. YIL not only aims to bolster Nation's Defence preparedness, but also lend muscle to the operational readiness of the Armed Forces. YIL envisions itself as the vanguard, promoting ***"Atmanirbharta"*** in the sphere of India's Defence Manufacturing Industry.

YIL has established itself as the market leader in the domain of military grade components & ancillary products, aluminium alloys, components for small arms and artillery ammunitions, artillery guns, main battle tanks etc. What propels YIL as an indispensable cog in the process of ensuring India's war-readiness is its role as the supreme supplier of critical components for small arms and artillery ammunitions.

Endowed with the state-of-the art technology, YIL boasts itself of having latest machineries, vast infrastructure and an eminently skilled and dedicated workforce meeting the stringent international standards.

Yantra India Limited can be termed as an agile and ambitious behemoth with the drive, passion and potential to emerge as the most competitive force in the field of global Defence Manufacturing. Presently, YIL occupies the position of niche player and is determined to advance to the forefront of Defence Manufacturing Universe.

Yantra India Limited with its Headquarter at Nagpur, having eight production units, one non-production unit and one training institute located in different States of India. Brief description for each unit is appended below :-

Yantra India Limited headquarter is situated at Nagpur which is the Registered office of the Company and comprises of CMD Office, Office of the Directors and offices of other divisions, with a strength of 70 people.

1. ORDNANCE FACTORY, AMBAJHARI

Ordnance Factory Ambajhari is situated in the outskirts of Nagpur city, at a distance of 16 kms from Nagpur Railway Station, on Nagpur-Amravati Road (National Highway No.- 6).

Main Capabilities:

- Shell Forging (84 to 155 mm)
- Flow Forming - Pinaka Rocket Tubes, 84 m, Cu Liners.
- Machining - Shells, Fuzes, Rockets (Pinaka) Components.
- Melting and Heat Treatment- Al Billets.
- Aluminum Extrusion (6500 Ton)
- Robotic Welding, Electron Beam Welding.
- Automatic Surface Treatment.
- Modern Testing Equipment.

Manpower : 3303 Nos.

Major Products:

- Artillery / Tank Ammunition Hardware.
- Rockets (Pinaka), Fuzes, Cartridge Cases.
- Aluminium Alloy Rods, Profiles, Flats & Tubes of Aerospace Grade
- Assault Bridges

Customers : ARMY, NAVY, AIRFORCE, Munitions India Limited (MIL), Advanced Weapons and Equipment India Limited (AWEIL), Hindustan Aeronautics Limited (HAL), Bharat Dynamics Limited (BDL), Exports.

2. ORDNANCE FACTORY, AMBARNATH

Ordnance Factory Ambernath is situated in Thane District of Maharashtra.

Main Capabilities :

- Melting &Casting (Non- Ferrous)
- Hot & Cold Rolling
- Blanking and Cupping
- Deep Draw- Medium and High Calibre Cartridge Cases
- Extrusion (2500 Ton) Aluminium Alloy

Manpower : 1411 Nos.

Major Product

- Steel and Brass Cartridge Cases (30 to 130 mm)
- Brass Cups for Small Arms Ammunition (SAA).
- Brass coils for SAA.
- Aluminum castings and Extrusions.
- Aluminium Cartridge case 26 mm IR Flare
- Medak profile Arm MC/ARM/25
- SHEATH Cartridge case 148 A1 for 105mm ammunition
- Zn-Al-Cu Alloy Chilled cast cylinder

Customers : MIL, Civil Trade, Exports.

3. METAL AND STEEL FACTORY, ISHAPORE

Metal & Steel Factory, Ishapore is situated in West Bengal on the Eastern Bank of River Hooghly (Ganga) at a distance of 28 kms from Kolkata.

Main Capabilities :

- Melting- 20 Ton Arc Furnace
- ESR Melting
- Radial Forging
- Open Die Forging
- Heat Treatment of Barrels & other components
- Machining
- Testing Facilities

Manpower : 1692 Nos.

Major Products:

- Artillery / Tank Gun PYT forgings (Medium and Large Calibre), Barrels, Breech Ring, Breech Block etc.
- Track Assembly components for Tanks.
- Steel Cone, Ballistic Caps.
- Brass Rods

- Steel Cartridge cases.
- Forgings for Pinaka
- Railway Axles

Customers : AWEIL, MIL, AVNL, Railways, MIDHANI, NFC, Exports.

4. ORDNANCE FACTORY, BHUSAWAL

Ordnance Factory Bhusawal is situated in Jalgoan district of Maharashtra.

Capabilities :

- Fabrication of Engineering Items.
- State of Art Coating Facilities.
- Machining
- Welding

Manpower : 785 Nos.

Major Products:

- Rocket Pinaka Pod.
- Ammunition packing boxes.
- Fabricated and Machined Components.
- Unit Load for Shell 155mm EPRB BB/BT
- Cont. for Akash Sustainer
- Steel Crate for 155mm BMCS

Customers : MIL, Armoured Vehicles Nigam Limited (AVNL)

5. ORDNANCE FACTORY, MURADNAGAR

Ordnance Factory, Muradnagar (UP) is a Metallurgical unit of Yantra India Limited, engaged in the production of Steel Castings to meet the requirement of Sister Ordnance Factories.

Main Capabilities:

- Melting.
- Foundry & Casting.
- Heat Treatment.
- Welding.
- Machining.
- Testing Facilities- Radiography, Fatigue etc.

Manpower : 1442 Nos.

Major Products :

- Aerial Bombs Hardware.
- Track Assembly for Armoured Vehicles.
- Special alloy steel castings
- Armoured Steel Casting for T-72, T-90 Tanks.
- Castings of Dhanush and Sharang Guns

Customers : MIL, AWEIL, AVNL, Exports.

6. ORDNANCE FACTORY, KATNI

Ordnance Factory, Katni is situated in Katni district of Madhya Pradesh.

Main Capabilities :

- Melting & Casting (Non - Ferrous).
- Hot & Cold Rolling.
- Blanking and Cupping.
- Deep Draw - Medium and High Caliber Cartridge Cases.
- Extrusion (2500 Ton) Copper Alloy
- Die Casting

Manpower : 718 Nos.

Major Products :

- Brass Cartridge Cases (105 & 130 mm)
- Brass and Guilding Metal cups for Small Arms Ammunitions (SAA).
- Brass slabs & coils.
- Copper Alloy Extruded Products
- Zinc based die cast products

Customers : MIL, AWEIL, Civil Trade.

7. ORDNANCE FACTORY, DUMDUM

Ordnance Factory Dum Dum (OFDC) is located at Jessore Road, Kolkata about 2-km south of Netaji Subhas Chandra Bose International Airport, Kolkata.

Main Capabilities :

- Machining.
- Fabrication.
- Laser Cutting.
- Welding.
- Surface Treatment.
- Injection Moulding.
- Testing.

Manpower : **957 Nos.**

Major Products :

- Tail Units for various Bombs.
- Stabilizers 125 mm - Tank Ammunition.
- Magazines- 20 & 30 Rds.
- Fuzes.
- Steel Cup
- 120mm Ammunition
- Depth Charge MK-11
- TAR Polymer based Components

Customers : MIL, AVNL, IAF, Navy, Exports.

8. GREY IRON FOUNDRY, JABALPUR

This factory is situated in Jabalpur district of Madhya Pradesh.

Main Capabilities:

- Melting (3 Ton).
- Foundry & Casting.
- Heat Treatment.
- Welding.
- Machining.
- Testing Facilities.

Manpower: **441 Nos.**

Major Products:

- Air Bombs.
- Hand Grenade
- Castings of Dhanush Gun System.
- Up gunning of 155/45 mm Sharang Gun.
- Fabrication of Hull of Mine Protection Vehicle.

Customers : MIL, AVNL, AWEIL, Army.

9. YANTRA INSTITUTE OF TECHNOLOGY & MANAGEMENT, AMBAJHARI

Yantra Institute of Technology & Management, Ambajhari is located at a distance of 16 KMs from Nagpur Railway Station, on Nagpur — Amravati Road (National Highway No.-6)

This Institute was established in 1996 for development of Human resource of Gr. B and Gr. C categories of employees of erstwhile Ordnance Factory Board and Allied establishments viz. (DGQA, SQAE, CDA, AQAW, DRDO, ARDE, MES, DONA, NAD) to enable the trainees to perform their duties effectively and meet professional challenges by enhancing their Knowledge, Skill and Attitude.

The Core Competence areas of this Institute are

i) Electrical Engineering & PLC (Programmable Logic Controllers).
ii) Fire Fighting.
iii) Ammunition Hardware.
iv) Post Corporatisation, Skill Development initiatives have been emphasised.

Emphasis has been laid on Skill development of existing employees in partnership with academia and industry. With a view to achieve the level of skill which can promote R&D, Innovation and taking up new product development for YIL, Yantra Institute of Technology and Management is geared up to set up a Centre of Excellence (CoE) in close coordination with Vidarbha Defence Industries Association, Nagpur and start technical courses (vocational & certificate) in association with Rashtrasanth Tukadoji Maharaj Nagpur University. It is noteworthy that as a part of endeavour towards revenue generation, customized programmes/courses are being offered to other Pvt/Govt/Semi Govt Institutions. Five courses of 3 months duration have been identified (1. Mechanic- Auto, Electrical and Electronics, 2. Basic Skills in Electronics and Application, 3. Machinist - CNC, VNC, UNC. 4. Cyber Security and Ethical Hacking & 5. Cyber Forensic Investigator) with 8 credit scores from RTMNU. The courses on Advance Diploma on IoT and Diploma on Fire Service Engineer are also conceived with registration with Maharashtra State Board of Technical Education (MSBTE).

The institute also deals with the following training courses :

i) Administration & Human Resource Management
ii) Information Technology, Industry 4.0, IoT, SCADA and IPR
iii) ISO Management System (QMS, EnMS, EMS, OHSMS)
iv) Quality Control related courses (SPC, SQC, 7 QC Tools, SIX SIGMA)
v) Induction courses for JWM(T), Chargeman(T) and NIEs
vi) Industrial Safety
vii) Community Development Programmes
viii) Customized courses as per the requirement of end-user.

Manpower : 13 Nos.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY :

Your Company has not changed the nature of Business during the financial year under review.

4. SHARE CAPITAL AS ON 31 MARCH, 2022 :

- The Board of Directors of the Company by way of Circular Resolution No. YIL 01/2022-23 passed on 23rd May, 2022 resolved to increase the Authorised Share Capital of the Company from existing Rs. 13,500,00,00,000/- (Rupees Thirteen Thousand Five Hundred Crores only) divided in to 1,350,00,00,000 (One Thousand Three Hundred and Fifty Crores) equity shares of Rs. 10/- (Rupees ten only) each to Rs.15,500,00,00,000/- (Rupees Fifteen Thousand Five Hundred Crores only) divided in to 1,550,00,00,000/- (One Thousand Five Hundred and Fifty Crores) equity shares of Rs. 10/- (Rupees Ten only) each.

- The increase in Authorised Share Capital was approved by the Shareholders by way of passing Ordinary Resolution in the Extra-Ordinary General Meeting held on 14th June, 2022.

- The Board of Directors of the Company at the 13th Board meeting held on 27.01.2023 have resolved to issued 35,28,60,000 Equity Shares of Rs. 10/- each on right basis to the Hon'ble President of India, New Delhi through the Joint Secretary to Government of India, Ministry of Defence (Department of Defence Production).

- The Board of Directors of the Company at the 13th Board meeting held on 27.01.2023 have resolved to issue 12,07,24,10,117 (One Thousand Two Hundred Seven Crores Twenty-Four Lakhs Ten Thousand One Hundred Seventeen) Equity Shares of face value Rs. 10/- each corresponding to the NAV of Assets of the Company on fair value basis to the Hon'ble President of India, New Delhi, through the Joint Secretary to Government of India, Ministry of Defence (Department of Defence Production).

Summary of Authorised, Issued, Subscribed, &Paid-up Share Capital as on 31st March, 2022 is as follows :

Authorised Share Capital : **15,500 Crores (In INR)**

Equity Shares:	
15,50,00,00,000 Equity shares of INR10/- each	1,55,00,00,00,000/-

Issued, Subscribed, & Paid-up Share Capital : **(In INR)**

Equity Shares:	
12,83,94,60,117 shares of INR10/- each.	1,28,39,46,01,170/-

5. RESERVES :

During the financial year, the Company has not transferred any amount to the reserves.

6. DIVIDEND :

The Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDC) decided to grant exemption to the company from payment of dividend for FY 2021-22, FY 2022-23 and FY 2023-24 vide letter no. F. No. 4/27/2019-DIPAM-II-A(E) dated 13th June, 2023 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

The members of the Company's Board are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and they devote adequate time to the meetings. The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board business items. As on 31 March 2023, the Board & Key Managerial Personnel of your Company comprised of the following:

S. No	Name	Designation
01	Shri. Rajeev Puri	Chairman & Managing Director
02	Shri. Sharad Kumar Yadav	Director (Operations)
03	Shri. Gurudutta Ray	Director (Human Resource)
04	Shri. Rakesh Singh Lal	Director (Finance)
05	Shri. Surendra Prasad Yadav	Nominee Director (GOI)
06	Ms. Rachana Dixit	Company Secretary

The details relating to Directors and Key Managerial Personnel (KMPs) and the changes during the financial year are mentioned herein below :

- Board of Directors of the Company at the 7th Meeting held on 14.06.2022 took note of cessation of Shri. Vivek Balwantrao Umap, (DIN:09282324) as Director of the Company with effect from 23.05.2022
- Board of Directors of the Company at the 7th Meeting held on 14.06.2022 has appointed Shri. Rakesh Singh Lal, as Director (Finance) (DIN: 09622284) of the Company with effect from 23.05.2022.
- Board of Directors of the Company by way of circular resolution took note the resignation of Shri Adityanand Srivastava, (DIN: 03547253) as Director of the company with effect from 27.06.2022.
- Board of Directors of the Company at the 8thMeeting held on 24.06.2022 has appointed Shri. Sharad Kumar Yadav, as Director (Operations) (DIN: 09676262) of the Company with effect from 23.06.2022.
- Company Secretary was appointed on 28.09.2022.

Post the closure of the financial year ended 31.03.2023 the following changes took place in Board of Directors and Key Managerial personnel :

- Board of Directors of the Company at the 17th Meeting held on 02.08.2023 has taken note of superannuation of Shri. Sharad Kumar Yadav, Director (Operations) on 30.06.2023.

As on the date of signing this report, the Board & Key Managerial Personnel of your Company comprised of the following :

S. No	Name	Designation
01	Shri. Rajeev Puri	Chairman & Managing Director
02	Shri. Gurudutta Ray	Director (Human Resource)
03	Shri. Rakesh Singh Lal	Director (Finance)
04	Shri. Jayant Kumar	Nominee Director (GOI)

8. APPOINTMENT AND STATEMENT OF DECLARATION FROM INDEPENDENT DIRECTORS :

According to Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and qualifications of Directors) Rules, 2014 there is a requirement of appointment of at least two Independent Directors on the Board of the Company.

The Board was informed by the Government of India Nominee Director Shri Surendra Prasad Yadav in the 13th Meeting of Board held on 27.01.2023 that appointment of Independent and Woman Directors is already underway and YIL would be soon informed about it.

9. AUDITORS:

A. Statutory Auditor:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s V R Inamdar & Co., Chartered Accountants, (Firm Registration No. WR0517) were appointed as the Statutory Auditors of the Company by Comptroller and Auditor General of India (C & AG) vide letter dated 29.08.2022 for a conducting the statutory audit for the first financial year 2022-23.

B. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Avinash Gandhewar & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditors of the Company at the Board meeting held on 02.08.2023 for conducting the secretarial audit for the financial year 2022-23.

10. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR UNDER SECTION 143(12) :

During the year under review, there were no frauds reported by the Auditors as provided under Section 143(12) of the Companies Act, 2013.

11. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY STATUTORY AUDITOR AND SECRETARIAL AUDITOR

A. Statutory Auditor :

The Auditor's submitted their Report in respect of the Financial Statement of the Company for the Financial Year ended March 31, 2023, which is annexed to the Directors Report and forms part of this Report.

B. Comptroller & Auditor General Audit :

The Comptroller & Auditor General of India, have conducted a supplementary audit of the financial statements for financial year 2022-23 of Yantra India Limited under Section 143 (6) (a) of the Companies Act, 2013.

The Comptroller & Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of Yantra India Limited for financial year 2022-23 has given **"NIL"** comments. The Report of Comptroller & Auditor General of India is annexed.

C. Secretarial Auditor:

The Secretarial Auditors have submitted their report. The Secretarial Audit Report for the Financial Year ended 31st March, 2023 in Form MR-3 is annexed.

12. COMPLIANCE TO SECRETARIAL STANDARDS:

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs, GOI.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 :

During the period under review the Company has not granted any loans, nor made any investments nor given guarantee(s) given and securities under section 186 of the Companies Act, 2013.

14. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which this financial statement relates and the date of this report.

15. THE WEB ADDRESS WHERE ANNUAL RETURN REFERRED TO IN SUB-SECTION (3) OF SECTION 92 HAS BEEN PLACED :

www.yantraindia.co.in

16. DETAILS OF SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES

During the year under review, no subsidiary/Joint venture/Associate Companies have become or ceased to be its Subsidiary/ Joint Venture/ Associates Companies as per the provisions of Companies Act, 2013.

17. NUMBER OF BOARD MEETINGS:

The Board meetings were held at regular intervals to discuss and decide on strategies apart from other regular Board related items. However, in case of a special and urgent business need, the Board's approval was taken by passing resolutions through circulation, as permitted by law, which were noted in the subsequent Board meetings.

The intervening gap between any two Board Meetings is within the period prescribed by the Companies Act, 2013.

The Meetings of the Board of directors were held Eight (08) times during the year on the following dates:

S. No	Date of Meeting	Board Strength	No of Directors Attended
01	14.06.2022	5	4
02	24.06.2022	5	5
03	10.08.2022	5	4
04	06.09.2022	5	5
05	29.09.2022	5	5
06	22.11.2022	5	5
07	27.01.2023	5	5
08	14.03.2023	5	4

18. EXTRA-ORDINARY GENERAL MEETING :

The Extra-Ordinary Meetings of the Members of the Company were held on following dates :

S. No	Date of Meeting
01	14.06.2022
02	31.03.2023

19. ANNUAL GENERAL MEETING :

During the Financial year 2022-23, the Company has held Annual General Meeting on :

1st AGM	26.12.2022
1st Adjourned AGM	28.02.2023

20. COMMITTEES :

1. AUDIT COMMITTEE

Since, the Independent Directors are a quintessential part of Audit Committee and the appointment of Independent Directors at YIL is underway, the constitution of the Committees is still pending at YIL.

2. NOMINATION AND REMUNERATION COMMITTEE ("NRC")

Since, the Independent Directors are a quintessential part of NRC Committee and the appointment of Independent Directors at YIL is underway, the constitution of the Committees is still pending at YIL.

3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Since, the Independent Directors are a quintessential part of CSR Committee and the appointment of Independent Directors at YIL is underway, the constitution of the Committees is still pending at YIL.

21. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The Company has adopted zero tolerance for sexual harassment at workplace and has formulated a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, there were no complaints pending as on March 31, 2023. The Management has adopted the policy of Prevention of Sexual Harassment at Work Place and ensures the adequate implementation of the same.

22. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company adopted Vigil Mechanism Policy for all its directors, officers, employees, agents, representative, and other associate persons of the Company (which may include consultants, advisors and temporary employees) (hereinafter referred to as "Covered persons") to report concerns about unethical behaviour, actual or suspected fraud, or violation of Company's Policies, or Code of Conduct and Ethics.

Covered persons have numerous ways to voice their concerns and are encouraged to report the same internally for resolution.

During the financial year under review, there are no whistle blower complaints received by the Company.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT :

Necessary disclosure in respect of Internal Control Systems and their adequacy has been made in **Annexure-C** to the Independent Auditors' Report dated 06th October, 2023 which forms part of the Annual Report.

24. DIRECTORS' RESPONSIBILITY STATEMENT :

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors and External Consultants, including the audit of Internal Financial Controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant Board Committees, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during FY 2022-23.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that :

a) In the preparation of the accounts for the financial year ended 31st March 2023, the applicable accounting standards have been followed and that there are no material departures;

b) The Directors had selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the period;

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

d) The Directors had prepared the annual accounts on a going concern basis; and

e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. RELATED PARTY TRANSACTIONS :

During the year 2022-23, your Company did not enter into any material Related Party Transactions. Accordingly, disclosure with respect to the Related Party Transactions in the Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not applicable.

26. DEPOSITS FROM PUBLIC :

Your Company has not accepted any deposits from public during the financial year as per Section 73 of the Companies Act, 2013 and the Rules made thereunder and no amount of principal or interest is outstanding at the end of the financial year 2022-23.

27. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS :

During the year under review, there were no significant material orders passed by the Regulators, Courts and Tribunals.

28. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS :

As per Ministry of Corporate Affairs notification no. G.S.R. 463 (E) dated 05th June, 2015 provision of clause (p) of Sub-section (3) of Section 134 with respect to annual evaluation of the Boards, its Committees and Individual Directors, shall not apply to the Government Companies, in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government, as per its own evaluation methodology.

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO UNDER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 :

The disclosures required under Section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2023 are as follows :

A. CONSERVATION OF ENERGY

Company's operations require electric energy for its industrial use, computer systems, air conditioners and offices equipment etc. However, adequate measures have been taken to reduce energy consumption, wherever possible.

Steps taken on Conservation of Energy and their impact thereof :	a) Maximising Power Factor- Rebate on energy bill. b) Revision of Contract Demand- Saving electricity bill. c) Adopting Energy Efficient Modular units For cooling & compressed air. d) Conservation of fuel/oil- recycling of oil by filtration, arresting leakages. e) Rain water harvesting- for recharging of ground water. f) Conventional lights/equipment- replaced with LED lights, energy efficient lights/equipment.

Steps taken by the YIL for Utilizing Alternate Sources of Energy:	Maximum utilization of green energy sources like Solar energy: a) Grid connected Solar Plants (Ground & Roof mounted) - Installed in all production units. Total capacity of Solar Plants installed is around 16 MW. b) Oil fired furnaces Being modified with PNG fired furnaces to reduce fuel cost as well as Carbon Emission.
Capital Investment on Energy Conservation Equipment:	60 Lakhs.

B. TECHNOLOGY ABSORPTION:

01	Efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution.	NA
02	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
03	The details of technology imported;	NA
04	Whether the technology been fully absorbed;	NA
05	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
06	R&D Expenditure	INR 7.36 Crores

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year the Company has the following Foreign Exchange Earnings & Outgo :

(In INR Lakhs)

S. No	Particulars	As on 31st March, 2023
01	Foreign Exchange Earnings	3785
02	Foreign Exchange Outgo	1940

30. A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY ;

The Board periodically reviews the risks/concerns associated with the Company and devises measures to resolve/mitigate such concerns/risks.

However, Company has not come across any element of risk which may threaten the existence of the Company.

31. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

The Company has not made any application nor any petition and no proceeding are pending under the Insolvency and Bankruptcy Code, 2016 (31 OF 2016) at the end of financial year 2022-23.

32. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not made any one-time settlements during the financial year 2022-23.

33. GENERAL DISCLOSURES :

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of sweat equity shares;
- Your Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- There was no revision in the Financial Statement of the Company.

34. ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The Board also desires to place on record its sincere appreciation for the support and co-operation that the Company received from the customers, strategic partners, bankers, auditors, consultants and all others associated with the Company.

FOR AND ON BEHALF OF THE BOARD OF
YANTRA INDIA LIMITED

	- sd -	- sd -
Date :	**RAJEEV PURI**	**RAKESH SINGH LAL**
	CHAIRMAN & MANAGING DIRECTOR	DIRECTOR (FINANCE)
Place : NAGPUR	DIN:09282232	DIN: 09622284

VISIT OF DIGNITARIES

Meeting with Hon'ble Raksha Mantri Rajnath Singh at Dr. Babasaheb Ambedkar International Airport, Nagpur

Visit of Shri Jaideep Sarkar, Indian High Commissioner of South Africa at Indian Pavilion during AAD-2022 South Africa On 21 September, 2022

VISIT OF DIGNITARIES

Delegates of Sudan Visits YIL stall at Gujarat Defence Expo

Shri Rajeev Puri, CMD, welcomes Shri P.K. Mishra, Principal Secretary to the Prime Minister of India, & Shri Sanjay Jaju, Additional Secretary (DP) at Gujarat Defence Expo

VISIT OF DIGNITARIES

Shri Rajesh Chowdhary, Chairman & Managing Director, AWEIL Visited YIL HQ On 10th December, 2022

Shri Ravi Kant, Chairman & Managing Director, Munition India Limited Visited YIL HQ On 19th January, 2023

V.R.Inamdar & Co.
Chartered Accountants
502, Paul Commercial Complex,
Ajni Square, Wardha Road,
Nagpur: 440015
Phone: 0712-2242729

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Yantra India Limited

A. Qualified Opinion: -

We have audited the accompanying financial statements of Yantra India Limited, Nagpur ("the company") which comprise the Balance Sheet as at March 31, 2023 , Statement of Profit & Loss then ended the Cash Flow Statement, Statement of Changes in Equity, notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements'), including financials statement of eight production branches of the company out of which financial statements of seven such branches are audited by other branch auditors listed in Appendix 1.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects / possible effects of the matters described in the "Basis for Qualified Opinion" section of our report the aforesaid Ind AS financial statements give the information (other than mentioned at paragraph of Emphasis of Matters & Key Audit Matter)** 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 (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, its cash flows and the changes in equity for the year.

B: Basis for Qualified Opinion

We conducted our audit on Ind-AS Financial statement in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the institute of Chartered Accountants of India long ether with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act. 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and that obtained by the branch auditors, in terms of their reports referred to in the "other Matter" paragraph section below is sufficient and appropriate to provide a basis for our qualified opinion on Ind-AS Financial statements.

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

V.R.Inamdar & Co.
Chartered Accountants
502, Paul Commercial Complex,
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Phone: **0712-2242729**

1. As referred in Schedule '06(B)': Following adjustments have been made in opening balances (as at 31-03-2022) of the reserves and surplus. The details of the quantum changes in opening balances are given herewith, but there is no explanation / detail for changes carried out. As can be observed the difference in the opening balances brough forward is Rs. 415.19 crores.

(Rs. crores)

Particulars	Balances as per Last audited Balance Sheet as at 31-03-2022 (A)	Changes in Equity due to change in Accounting Policy or prior period errors (B)	Restated Opening Balances as adopted in the Balance Sheet as at 31-03-2023 (C)	Difference (A-C)
Revaluation Reserve	604.43	------Nil----	18.20	586.23
Reserve of OFIL	1.30	------Nil----	------Nil----	1.30
YIL Outlay	673.61	------Nil----	------Nil----	673.61
General Reserve	1681.32	------Nil----	2317.74	-636.42
Retained Earnings	-192.53	2.69	17.00	-209.53
Total	**2768.13**	**2.69**	**2352.94**	**415.19**

Some changes in the "Other Equity" under the main head of Reserves and Surplus were carried out during the year, however in case of the following changes carried out there is no explanation / detail made available.

The "Current year transfer" resulting into reduction of Other Equity / reserves by Rs. 9.04 crores.

The "Utilization Transfer" resulting into decrease of Other Equity / reserves by Rs. 41.94 crores.

The "Changes in Equity due to changes in accounting policy or prior period errors" resulting into increase of Other Equity / reserves by Rs. 2.69 crores.

The "Transfer to General Reserves" resulting into increase of Other Equity / reserves by Rs. 4.46 crores

The "Inter-Unit Transfer" resulting into increase of Other Equity / reserves by Rs. 542.98 crores

The "Addition during the year" represents an amount of Rs. (-) 12,069.68 crores reducing the Other Equity / reserves to that extent. It was explained that, the amount is arising out the Share Capital of Rs. 12,072.41 crores issued against the fair value of the Property Plant and Machinery and the Equity / Reserves as at 01-10-2021. Even with this explanation there remains a difference of Rs. 2.73 crores (12072.41-12069.68).

In absence of details for the above adjustments made, we are unable comment on the same and head wise possible impact on standalone financial statement.

Page **2** of **43**

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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2. The branch balance with head office is not reconciled and there is a difference of Rs.131.51 cr. (Including the committed lability Receivable from HO) in the intra branch accounts. We have not received the details for the adjustment made and reconciliation thereof, therefore we are unable comment on the same and head wise possible impact on standalone financial statement cannot be commented upon. (Unit Wise Difference is as Follows)

Inter Branch Reconcilation 22-23						
Head office Balance	YIL HO	Commited Liability Receivable	Total	As per Head office Books		Difference
OFA	-3,59,19,24,652.00		-3,59,19,24,652.00	-3,63,61,76,402.13	Dr	4,42,51,750.13
OFDC	9,52,93,654.00		9,52,93,654.00	6,12,28,295.00	Cr	3,40,65,359.00
OFM	64,10,31,527.00	36,39,20,000.00	1,00,49,51,527.00	60,44,43,926.00	Cr	40,05,07,601.00
Katni	38,28,71,104.00		38,28,71,104.00	44,32,97,670.00	Cr	6,04,26,566.00
OFBH	-1,29,57,74,710.00		-1,29,57,74,710.00	-1,29,57,74,710.58	Dr	-0.58
MSF	83,72,61,809.00	39,84,41,553.00	1,23,57,03,362.00	1,03,27,53,094.00	Cr	20,29,50,268.00
GIF	-46,43,40,676.00	14,74,15,136.00	-31,69,25,540.00	-30,62,83,952.17	Dr	-1,06,41,587.83
Ambajhari	1,15,10,78,427.00	1,91,90,61,621.00	3,07,01,40,048.00	2,48,39,19,705.00	Cr	586220343
OFIL			-	26,73,455.00	Cr	-26,73,455.00
						1315106844

During verification of intra unit balances from the audited statements of branches, particularly in case of Ordnance Factory Muradnagar (OFM), it was observed that there is a Suspense Account appearing in the audited trial balance with a closing credit balance of Rs. 9,87,906.73. The matter was brought to the notice of the management, but no details and explanation was offered in this regard. In absence of any detail or explanation, we are unable to comment on the same and head wise possible impact on standalone financial statement.

3. During verification of consolidation working at Head Office, it was observed that, there is a difference in the amounts mentioned at audited branch Balance Sheets in case of certain heads versus the Consolidated Balance Sheet (Standalone Balance Sheet with consolidation of branch results) prepared at Head Office.
The details of the differences so observed are as follows:

Other Financial Assets:	Rs. 4.89 Crore
Other non-Current Assets:	Rs. 4.94 Crore
Loan (assets)	Rs. 0.24 Crore
Other Financial Assets	Rs. 0.05 Crore
Other Current assets:	Rs. 397.19 Crore
Current Tax Liability	Rs. 0.13 Crore
Other current Liabilities:	Rs. 941.24 Crore
Other equity:	Rs. 544.19 Crore

The matter was brought to the notice of the management. In its reply the management stated that, changes have occurred due to regrouping and rearrangement of some of the account balances during the process of consolidation for the sake of maintaining uniformity and proper presentation. However, as stated at paragraph number 2 above, in absence of agreement of the intra unit balances with each other and with HO and any reconciliation thereof, we are unable to comment on the same and head wise possible impact on standalone financial statement.

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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4. As referred at Note No: 1 of 'Property, Plant and Equipment (PPE) of **OFAJ** to the accompanying financial statement, the branch OFAJ has accounted the land at Rs. 30,28,620/-. Such value was accounted on the basis of information from erstwhile Ordnance Factory Board (OFB). **The branch / company does not hold any formally registered title deed for such land.** While adopting such value, the exact area of the land representing such value is not ascertained. In terms of the Board of Officers (BOO) proceedings held in Jul-2022 and document of handing over of erstwhile ordnance factory land dated 05-07-2022 forming Annexure "B" of such proceedings mentioned the following details in respect of the land:

   Area reported by the Directorate of Ordnance (Co-ordination & Service) : 3491.85 acres

   Area as per GLR/MLR entry of the DEO : 3416.77 acres

   Area under actual occupation as per the survey done by DEO : 3353.83 acres

   Area transferred to (Name of the concerned DPSU) i.e. **YIL** : **2791.45 acres**

   Further the mutation as well as the physical land area reconciliation with the State Land Records and Military Land Register is pending. On account of pendency of mutation, the burden of local municipal / gram panchayat / municipal council taxes remains to be assessed.

   In view of above, we are unable to state the correctness of the historical value adopted in the financial statements.

   As explained by management through representation, the company had issued share capital against the land and other property plant and equipment items and therefore as contended by the management the handover of the land was not in the form of grant and hence the provisions of IND AS 20 are not applicable in the case.

   In this regard, observation / comment of branch auditor of MSF is reproduced as follows: Value of Land has been considered at Rs. 1161013.59 as on 31.03.2023. after adjusting the value of portion of land transferred to Rifle Factory Ishapur , In this regard we are of the opinion that land should have been re-valued by certified valuer in full and final form and necessary effect should have been given into financial statements in the view of following reasons.

   I. During the year under audit useful life of plant and machinery in certain cases have been increased and as result there was as enhancement of value of P & M

   II. Provision for Municipal Taxes of Rs. 23,37,31,710/- from 01/04/1954 to 31/03/2023. Has been provided in books of accounts F Y2022-23 but the value of land has been arrived at Rs.11,61,013.59.

Page 4 of 43

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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III. As per Valuation report of valued R K Patel & Co. the market price was determined at Rs.22,90,126/Acre and Land value was assessed by DEO in august 2017 at Rs.11,63,63,560/Acre

As per proper accounting practices the Municipal tax amount for the portion of land (61.18 Acre) handed over to Rifle Factory , Ishapore should be directly debited to Rifle Factory Ishapore accounts instead of debiting to Municipal Taxes the value of portion of land handed over to Rifle factory , Ishapore has been adjusted in the books of Accounts F Y 2022-23

It is pertinent note that the company has made preferential allotment of shares against the transfer of assets to it at fair value as at 01-10-2021, which was higher than the carrying cost of the assets by Rs. 1025810.25 Lakhs. However, in absence of the asset wise and branch wise break up available to us the fair value of the land could not be stated here.

5. **In OFAJ** : During the year branch has written off Spares used for Plant and Equipment of Rs. 74,03,696/-. Prior to write off such spares were reflected under the head "Property Plant and Equipment" (PPE). The branch has reduced the balance of "Capital Reserve Account" by the amount written off instead of Profit and Loss Account. Thus, the profit of the branch is overstated by Rs. 74,03,696/-.

   In this regard, observation / comment of branch auditor of OFDC is reproduced as follows: We have observed during the course of audit that the branch has written off machinery amounting to Rs.26,73,760.00 and Vehicle amounting Rs.44,451.00 and same has been adjusted against reserve and surplus. It was explained that the assets were not available on physical verification and thus they have written of the same with boks of accounts.

6. **In OFAJ** : During the year branch has introduced following assets valued at Rs. 6434.94 Lakhs under the head of "Buildings" mentioned at Note No: 1 of 'Property, Plant and Equipment (PPE). The details of the assets incorporated are as follows:

Particulars of Asset	Value at which Incorporated (Rs. Lakhs)	Year of Completion of Asset	Date of Accounting
Compound Wall around type VI Qtr At OFAJ Estate	25.22	2019	22-11-2022
External Telephone Cabling	239.31	2019	22-11-2022
Road	676.80	2019	22-11-2022
Sewage Disposal System	30.55	2019	22-11-2022
Area Drainage Work	140.86	2019	22-11-2022
External Water Supply	7.02	2019	22-11-2022
Addition & Alteration in Admin Bldg, SM, SF, FS & External Shop	2805.57	2019	22-11-2022

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V.R.Inamdar & Co.
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502, Paul Commercial Complex,
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Nagpur: 440015
Phone: **0712-2242729**

External Power Supply & Area Lighting	1547.17	2019	22-11-2022
Consultancy of Civil Work	417.38	2019	22-11-2022
Other Consultancy Charges	434.28	2019	22-11-2022
TOTAL (Rs. In Lakhs)	**6434.94**		

The value or any part of value of these assets was not in the opening balance of the Capital Work in Progress at the beginning of the year. Also, there was no expenditure incurred on these assets during the year prior to its capitalization. Thus, the company / branch had not incurred any expenditure on construction and completion of this structure. The assets were introduced by correspondingly increasing the value of "Capital Reserve Account". All the above assets were completed by 31st January, 2019 as per the underlying documents and records. The branch accounted for these assets on 01st April, 2022.

It was also observed that branch had adopted and accounted the above assets at Rs. 62,14,87,744/- in following manner:

Value of Buildings handed over on 22-11-2022	Rs. 64,34,93,301/-
Less: Depreciation deducted but not accounted by the branch for the period From 01-02-2019 to 30-09-2021	Rs. 1,69,27,213/-
Less: Depreciation deducted but not accounted by the branch for the period From 01-10-2021 to 31-03-2022	Rs. 50,78,344/-
Value at which the branch has introduced the assets in the accounts of FY 2022-23	Rs. 62,14,87,744/-

The branch has provided for current depreciation comprising of the period from 01-04-2022 to 31-03-2023. But has not provided and accounted for any depreciation pertaining to prior period that is 01-10-2021 to 31-03-2022 of Rs. 50,78,344/-. It is pertinent to note that the branch is using these assets from 01-10-2021 and are still used. Also, the branch has not restated the prior period depreciation as required under the provisions of IND AS 8, which otherwise would have affected the other account heads in the current year.

In this regard, observation / comment of branch auditor of OFA is reproduced as follows: We draw attention to note no 34(3) regarding capitalization of Plant & Machinery and Computers and Furniture and Fixture of the period before corporatization

Computers: Rs. 0.82 Crore

Furniture and Fixture: Rs. 0.14 Crore

P &M: Rs.0.99 Crore.

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These assets were expensed off in the year of purchase however on the observation of the company the same has been capitalized n the books of account during the year .and resulted effect has been recorded in retained earnings.

7. **In OFAJ:** The book value in respect of some of the buildings included under the main head of PPE were increased by Rs. 8,07,46,048/-. Such structures were already capitalized by erstwhile Ordnance Factory Board OFB on 08th May, 2019 and was adopted by the present branch of the company Yantra India Ltd at the time of handover.

   During the year on 21st November, 2022 this value was increased by Rs. 8,07,46,048/- to correct the difference between the cost of completion as reported by DRDO vide their communication dated 27-11-2020 and cost of completion as adopted in the accounts by erstwhile OFB.

   Such difference in the value was not accounted by the branch under the head of Capital Work in Progress at the time of takeover. Therefore, in the current year for increase in the value of the building, the branch correspondingly increased the balance of Capital Reserve. It was also observed that depreciation on such increased amount was provided only for the period from 21-11-2022 to 31-03-2023, whereas the all the costs were incurred till the date of completion i.e. 08-05-2019. Thus, prior period depreciation of Rs. 37,18,713/- for the period from 08-05-2019 to 31-03-2022 and current depreciation of Rs. 7,97,334/- 01-04-2022 to 21-11-2022 remained to be provided in the current year accounts, since there was no difference in the date of completion. Finally total depreciation, which remained to be provided in the accounts is Rs. 45,16,047/-. Consequently, the profit has been overstated to an extent of Rs. 7,97,334/-. Also, the branch has not restated the prior period depreciation as required under the provisions of IND AS 8, which otherwise would have affected the other account heads in the current year.

8. **In OFAJ:**
   a) The branch has not carried out any physical verification of the items under the head "Property Plant and Machinery" during the current financial year. Also, reconciliation of various items of PPE with its corresponding book value was not done in the year. The Property Plant and Equipment register was not maintained by the branch. Instead, various departments of the branch maintain item-wise records of PPE.

   b) The assets of the branch are not insured.

9. **(i) In Case of OFAJ**: The branch, after review of various assets and liabilities pertaining to previous year, has carried out changes in the opening balance (01-04-2022) value of some of

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Phone: 0712-2242729

the assets and liabilities. The items of assets and liabilities already commented upon are not included in the table below.

Particulars of Asset / Liability	Amount (Rs.) of Increase / decrease	Remark
Security Deposits (Dr) Increased	91,608/-	Electricity & Telephone deposit increased
CGST TDS Payable (Cr) decreased	1,80,557/-	Reversal of CGST TDS Liability
Income tax TCS payable (Cr) increased	24,324/-	Increase in TCS liability
Security deposit of supplier (Cr) decreased	78,81,900/-	Reduction in liability
EMD of Supplier (Cr) increased	4,29,067/-	Increase in liability
Advance for Medical Purpose (Dr) Increased	8,99,564/-	Increase in Assets
Advance for Travelling Exp on duty & LTC (Dr) decreased	32,79,259/-	Decrease in Assets
Inter-unit Balance Dumdum (Cr) increase	5,85,221/-	Increase in Liability
CGST Input Credit (Dr) decrease	1,55,74,400/-	Decrease in Assets
Building WIP (Dr) increased	14,598/-	Increase in Asset
Imported Machinery WIP (Dr) decreased	70,770/-	Decrease in Asset
Net Effect of above items	**1,09,12,815/-**	**Decrease in liabilities**

The net effect of entire changes made in the opening balances has resulted into an increase in the balance of "Capital Reserve Account" by Rs. 67,04,64,943/-

In our opinion and in terms of IND AS 8 on prior period errors and omissions, the figures pertaining to various heads indicated above, particularly in respect of prior period need to be restated. However, the branch has not followed the same. In absence of such restatement the effects on the other account heads in the current year is not ascertainable.

(ii) In this regard, observation / comment of branch auditor of OFKAT is reproduced as follows: In respect of expenses debited to statement of P& L, company unit has accounted and paid following expenses for the F Y 21-22 in financial year 2022-23. Total Rs. 0.97 Cr

Company has not restated in its financial statement in the year 2022-23 for 21-22 for above expenses because in view of the management these are not prior period expenses considering their nature and size, Therefore, to that extent financial statement are not in accordance with IND-As 8 and profit for the year understated by the amount of expenses mentioned above which pertain to the earlier year 21-22

(iii) In this regard, observation / comment of branch auditor of OFM is reproduced as follows: The company expenses for the Financial Year 2022-23 include prior period expenses amounting Rs.3.07Crore.

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(iv) In this regard, observation / comment of branch auditor of OFDC is reproduced as follows: The branch has recorded electricity deposit with CESC of Rs.79,63,072.12.During the F Y 22-23 y crediting the reserve and surplus which was earlier not recorded / reflected in the books of accounts . This entry passed on the basis of electricity bill and adjusted against reserve and surplus Interest received on Such deposit was also duly recorded as "interest on security deposits.

10. **In OFAJ: Valuation of Inventory (IND AS 2):** In terms of the policy of company management, the finished goods and Work in Progress (WIP) at this branch are valued at cost of production. Such cost is determined through the PPC software engaged by the company. In terms of the policy followed, the inventory of Finished Goods and WIP as at 31st March, 2023 was valued as follows:

WIP	Rs. 112,85,79,386/-
Finished Goods	Rs. 46,70,274/-
Total (Rs.)	Rs. 113,32,49,660/-

Further, the branch has to sell its finished goods at the rate prescribed by the Government. During our test check it was observed that, the cost of production in respect of some of the items of Finished Goods exceeded the sale value prescribed. On the basis of such observation, the valuation done on basis of cost of production would exceed the net realizable value that is the sale value of the Finished Goods. However, on the basis of data furnished by the branch officials in the matter it was observed that, there are no items under the finished goods category where the selling price was less than the cost of production /sales.

It was also observed from the submissions of the branch that production loss worth Rs. 4,62,63,601/- (4,56,12,690/- + 6,50,612) was a crystallized before the year end but no effect of the same was given to reduce the value of the inventory at the branch or no provision was made for such production loss in the accounts for the year under audit. Thus, in total closing value of inventory was overstated by Rs. 4,62,63,601/-. Consequently, the profit of the branch as well as closing value of inventory stands overstated to that extent for the above.

The branch officials regularly carry out physical verification of inventory items on sampling basis as observed from the records maintained by the branch. However, the branch has not conducted any third party audit and physical verification of inventory during the year under audit and immediately preceding financial year. No reconciliation of

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physical stock of inventory with the relevant stock register / physical balances mentioned has been carried out by branch during the year. The branch is mainly engaged in production activity and therefore there should be no delay in determining and accounting of production loss.

Other Production Branches: No other branch has reported for any production loss which was crystallized during the year and remained to be accounted for in the current financial year.

10. **Non- Production Fixed Overheads:(Ind AS-2) OFAJ**: According to information and explanation provided to us and based on our review, it was noted that some Fixed Overheads amounting to Rs. 96,59,20,925/- that did not contribute to bringing inventories to the present location and condition have been included in valuation of inventory. In absence of information regarding the production capacity we are unable to comment on the impact of same on valuation of inventory as well as profitability.

11. **Items of Stock of Inventory:**

(i) In case of OFAJ: During verification of inventory records maintained by the costing department of the branch, it was observed. that the branch has included value of following items in its closing inventory.

Non-Moving Items:	Rs. 1909.81 Lakhs
Blocked Inventory	Rs. 466.66 Lakhs
Total (Rs.)	Rs. 2376.47 Lakhs

In this regard, the branch has represented as follows: *"The nomenclature "Non-Moving Items" and "Blocked Inventory" may not be interpreted in its common parlance. The nature of the products of the company and quantum thereof warrants use of all these items so classified. Only since the frequency of use / consumption of these items being very much on lower side, it is classified so but are very much usable and therefore not eligible for scrapping."*
The explanation offered by the branch management may be technically correct, but in absence of reconciliation and mapping between the physical balance and book balance of inventory items and corrections being carried out based on such reconciliation, it is not possible for us to quantify the effect on profitability.

(ii) In this regard, observation / comment of branch auditor of OFM is reproduced herewith: Non Moveable inventory valued at NIL in the F Y 2021-22 has been revalued at Rs.4.71 Crore by OFM Management in the financial year 2022-23.

12. **Statement on Contingent Liabilities and Commitments:**

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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i. In case of OFAJ: The company in its financial statements has disclosed Contingent Liability in respect of contracts of Rs.116.26 crore remaining to be executed on capital account. The details of advances paid if any, against such contracts is not disclosed. Though the same is required to be stated in terms of clause "U" of the Sch III to the Companies Act, 2013. Moreover, the branch financial statements reflect a balance of Rs. 62,36,99,955/- under the head of "Capital Work in Progress" representing the amount spent till the year end for contracts on capital account.
The branch has not disclosed contingent liability in respect of unexpired period of warranty issued by it in respect of the value contained in the goods sold by the branch. As stated by the management there is no claim reported till the year end in this regard, and therefore has further stated that, no provision has been made for such un expired warranties for goods supplied.

The branch has not mentioned contingent liability in respect of the legal litigations against it. Also, in such cases and in respect of any other transactions, the branch has not mentioned the amount in respect of the claims not acknowledged as debts by the branch / company.

13. **Provision towards Retirement Benefits:** As observed from the records and informed by the branch management, entire personnel working at this branch of Yantra India Ltd. is on deputation to the company but are originally the employees of Central Government.

Presently the branch is bearing the cost of short-term employee benefits in terms of IND AS 19 as observed from the accounts and the explanation from branch management in case of above-mentioned employees who are on deputation.

In case of Short-term paid absences, as informed by the branch management, only benefit upto 10 days of earned leave is allowed and paid only when such claim is also accompanied by the LTC request application.

In respect of the defined contributions such as Provident Fund contribution and NPS contribution of such employees is borne by the branch of the company and is accounted so till they remain on deputation with the company.

As regards post-employment benefits in respect of such employees on deputation, no provision has been made in the accounts, particularly in respect of Gratuity and accumulated balance of leave encashment. It was also stated that, company / branch is not

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liable to pay for such post-employment benefits and liability would be borne by Central Government.

In its reply the branch management has quoted the reference of central government as follows " *As per Paragraph No. 05 of Department of Defence Production, Ministry of Defence, Government of India letter No.1(5)/2021/OF/DP(Plg-V)/02 dated-24.09.2021 " Till such time the employees remain on deemed deputation to the new DPSUs, they shall continue to be subject to all the extant rules, regulations and orders as are applicable to the Central Government servants, including related to their pay scales, allowances, leave, medical facilities, career progression and other service conditions".*
Further, as per Paragraph No. 7 of same letter it is mentioned that "The pension liabilities of the retirees and existing employees will continue to be borne by the Government from the Ministry of Defence ("MoD") budget for Defence Pensions. For the employees recruited after 01.01.2004, National Pension Scheme applicable to the Central Government employees is in vogue and the same may be adopted by the New DPSUs, including continuation of all special provisions applicable to Central Government employees under the National Pension System".

In view of above explanation, the branch has not made any provision in respect of the post-employment benefits for Central Government employees presently on deputation with the branch / company.

Further as informed by the branch management there is no employee on the roll of Yantra India Ltd precluding any need to make any provision for post-employment benefits relating thereto.

14. **Provision for Defence Security Corps:**

In Case of OFAJ: On scrutiny of the accounts, it was observed that opening balance of the account was Rs. 3,16,38,852/- (Cr). No payment during the year was observed against such opening liability. The branch has further provided a sum of Rs. 7,78,45,758/- in the year on monthly basis. Again, there was no payment against such further provision during the year. Finally, the yearend balance was Rs.10,94,84,610/-. In view of the forgoing observation and in absence of confirmation and account reconciliation, whether the branch is liable to pay to the concerned organization or the payment is withheld for some reason cannot commented upon. The branch officials, in their reply have stated that the payment is overdue and the same is very much payable. It was further assured that the process of clearance of these outstanding dues is in process.

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15. **Other Provisions:**

a. The company has identified the suppliers and service providers covered under the provisions of Micro, Small and Medium Enterprises Development Act, 2006. However, interest payable on account of payment delayed beyond the stipulated time prescribed under the Act to such creditors has not been determined by the company as informed by the company officials and therefore no provision has been made for such interest payable in the accounts. In the circumstances we are unable to quantify the impact on profitability of the branch so far as the non-provision of the interest payable component is concerned.

b. On verification of the accounts and records and on the basis of information and explanations given by the production branch officials, certain items are sold to other DPSU's at a price less than the relevant cost. The sale price being prescribed by the Government in such cases is one of the reasons. In case of supply of such items, wherever the production branch has entered into deemed contract with the other DPSU's, the production branch has not made provision towards estimated loss or has mentioned the same as an off Balance-Sheet item on unexecuted portion of deemed contracts. In view of non-quantification and in absence of accounting of provision relating thereto, we are unable to comment on quantum effect of such non provision on profitability of the company.

16. **Interunit Balances: In Case of OFAJ**: The branch has transacted business with other Defense Public Sector units (DPSU's). In terms of the Office Memorandum dated 24-09-2021, these units are formed from the demerger of the erstwhile Ordnance Factory Board (OFB). The balances outstanding as at the year end, whether payable or receivable by this branch could not be confirmed. In absence of such confirmation and no account statements from such DPSU's on record, there was no reconciliation of the balances between such DPSU's and the branch and therefore we are unable to comment upon the difference if any, between such balances and also its effect on the accounts of the branch and its profitability.

17. **Confirmation from Debtors:** The company has not obtained / received account confirmation from Sundry Debtors as at 31st March, 2023 to whom it has sold goods. As a consequence, there is no reconciliation of balance with any of Sundry Debtors balance as at 31-03-2023. In view of this, we are unable to comment on the following matters:

Value of Goods Returned / rejected during the year, since company accounts do not reflect any accounting entry for goods rejected.

Value of un-reconciled remittances from the Sundry Debtors.

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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Phone: 0712-2242729

Value of any claims acknowledged or not acknowledged as Debts in respect of warranties issued to the Sundry Debtors in respect of goods sold to them.

Any difference in value of the advance received from the Sundry Debtors and as accounted by Company.

18. **Loan from Bank**

The company has not disclosed the borrowing facility availed from the State Bank of India, neither in current year nor in the previous year. Notwithstanding the fact that, the company has not utilized any funds from such facility as informed by the management, it is mandatory to mention the following facts at the notes forming part of the Financial Statements. The details of the facts required to be mentioned in terms of Sch III of the Companies Act, 2013 read with section 129 of the said Act but not mentioned are as follows:

The company has renewed Cash Credit facility of Rs. 550 crores and Letter of Credit Facility of Rs. 50 crores from the State Bank of India. The bank holds hypothecation of entire current assets of the company including raw materials, finished goods, stock in process, consumable stores, spares, Other materials, stock in transit, receivables, claims, bills and other current assets present and future at the company's factory premises of all its production branches or at any other places as may be approved by the bank from time to time. The company has not mentioned the fact of charge of bank on the current assets of the company, a requirement of Sch III.

The company has also not disclosed any information regarding the submission of any quarterly returns or statements to the bank in its financial statements, which is required to be disclosed as per Schedule III to the Companies Act, 2013. The schedule also requires the company to disclose any difference between the returns so furnished and books of accounts. In absence of any such disclosure, we are unable to comment whether such quarterly returns, if furnished are in agreement with the books of accounts of the company.

19. **Confirmation from Sundry Creditors:** The company has not obtained / received account confirmation from any of the Sundry Creditors as at 31st March, 2023 from whom it has purchased goods or availed services. As a consequence, there is no reconciliation of balance with any of Sundry Creditor balance as at 31-03-2023. In view of this, we are unable to comment on the following matters:

Value of any claims acknowledged or not acknowledged as Debts in respect of goods supplied / services rendered by the Sundry Creditors.

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

V.R.Inamdar & Co.
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Phone: 0712-2242729

Confirmation of Security Deposit / Earnest Money Deposit balance in respect of Sundry Creditors as reflected in the accounts of the branch.

Whether the Company has correctly stated the dues payable to suppliers, being an enterprise covered under Micro, Small and Medium Enterprises Development Act, 2006, as at the year end.

20. **Debit Balance of Creditors in the Accounts: In Case of OFAJ:** In terms of the policy followed by the company no advance payment is made to any of the suppliers or service providers except DPSU's and PSU. Despite such policy, the branch accounts reflect debit balances of Rs. 43,94,597/- as at the year end, included in the list of creditors. In absence of any confirmation from such parties and reconciliation with their statement of accounts, we are unable to comment on correctness of such balances and effects of such balances on the profitability or other aspects relating to the branch.

21. **Goods and Service Tax (GST):**

(i)In case of OFAJ: The branch has reconciled its various relevant heads of accounts with the statements and returns hosted on the GST portal in respect of the branch as at 31st March, 2023. We give herewith our observations and comments on the differences between such statement and returns vis-à-vis the accounts of the branch:

Sales as mentioned at GSTR-1 return statement were 825,76,69,950/- for FY 2022-23

Sales as per accounts of branch were 846,16,55,415/- for FY 2022-23

The difference of Rs. 20,39,85,465/- is on account of sales bills raised in March 2022, however the goods relating thereto were dispatched after March 2022. Due to this timing difference, the revenue recognition was postponed to current financial year.

The accounts of the branch have a balance of Rs. 6,42,269/- under the head of GST TDS divided into sub heads of CGST TDS Cash Ledger, IGST TDS cash ledger and SGST TDS cash ledger. These are old cash balances receivable. These balances pertain to erstwhile Ordnance Factory Board. Refund application has been made for the above-mentioned amount.

(ii) In this regard, observation / comment of branch auditor of OFKAT is reproduced herewith:

GST payable under RCM on Security Guard Services Rs.3724730 From April to Sept 222 are outstanding 31/03/2023.

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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Phone: 0712-2242729

(iii) In this regard, observation / comment of branch auditor of OFBH is reproduced herewith:

Other current assets to accompanying financial statement includes the GST input tax credit of Rs.3.69 Cr whereas balance in the electronic Credit ledger as per GST Portal is Rs.0.54 Cr. There ids Difference of Rs.3.15 Cr for which no reconciliation has been provided Also GST Input Credit is available when payment is made to vendor whereas input credit is eligible at the time of booking of invoice due to this policy working capital is blocked.

(iv) In this regard, observation / comment of branch auditor of OFM is reproduced herewith:

GST Portal credit Balance shows NIL balance as on 31/03/2023 as against Rs.0.93 Crore showing Books as GST Input Receivable.

22. **Default in Tax Deduction at Source:**

(i) **In case of OFAJ**: The branch has made short deduction of income tax from the payments disbursed by it during the financial year 2021-22. On verification of relevant Income Tax portal (TRACES) it was observed that, a notice mentioning the amount short deduction at Rs. 1,15,502.71 and penal interest of Rs. 27,758/- has been issued requiring the branch to make the payment towards rectification of the defect.

(ii) In this regard, observation / comment of branch auditor of GIF is reproduced as under: Opening balance shown in Tally, Income tax Penalty Payable amount of Rs. 54,720/- belong to GIF (Pre incorporation) TAN. It will be written off after surrender TAN.

TDS Deduction : Branch has made provision of Various Expenses But NO TDS has been provided on all such provisions viz:

Provision for AMC Rs. 1,10,000/- Provision for Component of GUN Rs. 1,70,00,000/-, Provision for Contract Labour Rs. 12,00,000/-, Provision for Repair and Maintenance Rs. 14,02,500/-, Provision for Statutory Audit Fees Rs. 50,000/-.

23. **Leases: In this regard, observation / comment of branch auditor of OFA is reproduced as under**
The company has not followed the IND AS 116, on leases for recording the revenue from rent receipt.

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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Phone: 0712-2242729

24. **Deferred Tax Asset:** As per Note 19, Deferred Tax Asset (Net of deferred tax liability) is calculated at Rs.72.22 crore However, the same is not recognized in the standalone financial statements of the current year.

C: Emphasis of Matter:

a) Matters referred in Independent Audit Report on Financial statements of OFAJ are reproduced as under

i) Financial Statement included the apportioned expenses of YIL (HO) of Rs.4,64,56,093.66 and Income of Rs.2,50,65,829.00 and expenses of YITM Rs.3,12,311,69.51 and Income of Rs.1,23,41,234.00. These amounts mentioned are as per the accounts of this branch and are subject to intra-unit reconciliation. Please refer paragraph 15 of Section B of this report.

ii) The branch has installed solar electricity generation system under net metering system. But on account of ongoing dispute with Electricity company of Maharashtra, the net metering consumption is not yet effected. The matter is stated to invite attention to the fact that, though the asset is in use there is no financial benefit received by the branch against it during the year under audit.

(b) Matters referred in Independent Audit Report on Financial statements of OFKAT are reproduced as under:

Regarding transaction of Job work done by RCI Ltd, The NCLT appointed IRP vide mail dated 20th May 2023 has admitted the claim of Rs.10,72,66,733.00. Details of the same are explained in Notes of Individual Financial Statement.

(c) Matters referred in Independent Audit Report on Financial statements of of OFA is reproduced as under:

"PPL item of 130mm blanks of 26.238 no's having value of Rs.16.25 crores is under board of Enquiry (BOE) due to difference in stock quantity and inventory package quantity. Management is awaiting the final report on the same. This item is part of the PPL inventory in the financials and is not written off pending BOE report."

(d) The segment reporting as envisaged under the IND AS 108 has not been done by the company. It was explained that, the company is exempt from the segment reporting by the Ministry of Corporate Affairs vide its notification no. S.O. 802 (E) dated 23rd February, 2018.

(e) The branch auditors for the current financial year that is FY 2022-23 were directly appointed by the Comptroller and Auditor General of India (C & AG) and not through the Annual General Meeting as informed by the company.

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D: Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sr no	Key Audit Matters	How our Audit Addressed the Key Audit Matters
1)	The company has made preferential and rights allotment of further Equity Share Capital of Rs. 1242527.01 Lakhs during the year, through private placement.	The details of the equity shares allotted during the year are given paragraph-wise as follows: Out of the equity shares of allotted, 1207,24,10,117/- shares of Rs. 10/- each fully paid up have been issued for consideration other than cash under preferential allotment and balance 35,28,60,000 shares of Rs. 10/- each have been issued for consideration received in cash under rights allotment. The consideration for issue of equity share capital of Rs. 1207241.01/- Lakhs was based on the net asset value acquired by the company from erstwhile Ordnance Factory Board in terms of Office Memorandum dated 24-09-2021 issued by Ministry of Defence. The net asset value as at 01-10-2021 of the assets and liabilities taken over was determined by the registered valuer M/s R.K. Patel & Co. vide their report dated 16th January, 2023. The shares issued was sum total of the equity / reserve that existed as on 01-10-2021 of Rs. 181430.76 Lakhs and Rs. 1025810.25 Lakhs (1192208.13-166397.88) being the difference between the fair value of the Property, Plant and Equipment and its book value as on 01-10-2021. Thus, though the assets and liabilities were transferred on 01st October, 2021, the preferential allotment of the shares was made on 31st March, 2023 in this regard. Also, there was no formal agreement of transfer of assets. The management has represented that, no stamp duty was payable on such transaction.

Page 18 of 43

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		The company has a policy of disclosing the items of Property Plant and Machinery (PPE) at carrying cost and has therefore not created any Revaluation Reserve for the higher value of Rs. 1025810.25 Lakhs at which the PPE was considered. This has resulted into Reserves and Surplus being reported negative. The company also issued paid share capital of Rs. 35286/- Lakhs for consideration received in cash under rights allotment. These shares were issued against the amounts received for Capital Expansion (CAPEX) Rs. 20300 Lakhs and Emergency Authorization Fund (EAF) Rs. 14986 Lakhs from Ministry of Defence. These funds were credited to the regular bank account of the company and not a separate bank account on 29th September, 2023 and the shares against the same were allotted on 29th March, 2023. The management has represented that in absence of clarity about the amount for which capital was required to be issued, there was a delay in the issue and allotment of shares. It was also represented that no stamp duty was payable on this transaction. The management has offered no explanation in respect of the money not being received in a separate bank account.
2)	**Accounting Software**: The company does not have its own inbuilt software system for recording accounting entries under double entry book keeping system. The company only has inventory management computerised system and other modules for payment to personnel etc. inherited by it from erstwhile Ordnance Factory Board. Therefore, to prepare the accounts under double entry book keeping system, basic financial data generated from the existing system and other records was entered into Tally accounting software. The books so generated from Tally Software contained financial information only and were not integrated with the corresponding inventory values. Also, the accounts so generated were normal accounts and not the type as usually maintained by a manufacturing concern. Therefore, the opening and closing inventory values have only been entered as obtained from the inventory system of the company. The company presented before us such books of accounts generated from Tally software.	Our audit Procedure Include, but were limited to the certain aspects as stated below: We addressed the issue by comparing on random basis the data generated by the erstwhile system with the entries made in the tally system to ensure correctness of the entries made in tally system. Voucher checking was also carried out concurrently on random basis with accounting entries made in tally to ensure correctness of the entries with the basic data. The entries pertaining to bank were compared with the bank statements of the branch on sample basis and it was noted that all such entries examined were found in the bank statement. Internal Audit report was also referred, to ensure such correctness, but it was observed that no such exercise was carried out during the internal audit procedure (Executive summary paragraph-1 of such report) The limitation was, such accounts not being integrated with inventory it was not possible to examine the various aspects pertaining to inventory such as issues, shortages / excesses, scrapping etc. concurrently with the relevant financial impact. For reporting the various aspects such as inventory lost due to production, we were required to rely on the data provided by the branch officials. Similar is the case with assessment of valuation of the cost of scrap generated in the year. The other limitation was recording of the accounting entries in tally were under batch processing environment and not on real time basis.
3) (i)	**In case of OFAJ :Introduction of value new assets in Opening balances of PPE through Capital Reserve in financial statement** The company during the year has introduced certain new assets (buildings & structures) in its accounts by making an addition to the existing opening	Our audit Procedure Include, but were not limited to the following:

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	balance and correspondingly increasing balance of Capital Reserve. The value or part of value of such buildings / structures was not included in the balance of Capital Work in Progress account maintained by the company. These assets existed and were in use of the company. The detailed information as well as our opinion and remarks regarding the manner in which such balances were introduced are given at paragraph number 4 of Part B of this report.	Obtained an understanding of the management process of amendment of opening balances through capital reserve account and evaluated the accounting policies adopted by the branch in accordance with the requirement of AS. Reviewed the judgement made by the management in determining of corrected value and adjusting the balances through capital reserve account.
(ii)	**Adjustment to Opening Balances as per Erstwhile balance sheet as at 31st March 2022.** The Branch has modified / updated the opening balances. which were not as per branch internal records maintained As on 01/04/2022 branch has made Net adjustment of Rs. **1,09,12,815/.** Similar upward valuation of Rs. 8,07,46,048/- was done in respect of the value of the existing buildings, which were already accounted for in the opening balances as at 01st April, 2022. (The detailed information as well as our opinion and remarks regarding the manner in which such balances were introduced are given at paragraph numbers 4 and 6 of Part B of this report)	Evaluated the working papers and examined the documents which supports the claim for amendment of particular account balances.
3.	**Trade Receivable and Trade Payable :** As on 31st March 2023, Trade payable of Rs.328.67Cr and trade receivable of Rs.559.60 crore of Note no 7(a) "Trade Payable" and Note No 3(b) "Trade Receivable" accompanying the financial statement .The Ledger confirmations for major debtors & creditors in accordance with SA 505 External Confirmation is not provided by management.	Our audit Procedure Include, but were not limited to the following: Obtained understanding of process of recording and recognition of sales and purchase by branch and evaluated the accounting policies adopted by the company . Obtained management's process and internal control of recording and reconciliation of receipt / payments from the trade receivable and trade payable. Majority receipt and payment are done by the head office. Where-as sales and purchase along with applicable taxes are recorded at unit level. Final reconciliation of the same is done at the head office level and based on the same entries are made in branch books of accounts. We have relied on the reconciliation made by the head office.
5.	As referred at Note No: 1 of 'Property, Plant and Equipment (PPE) to the accompanying financial statement, the useful life adopted by the branch for various items under this head is higher than the one mentioned at Part 'C" of Sch-II of Companies Act 2013 for similar item. The branch management has justified such higher life span of buildings of 60 years. In support of the preposition the branch has relied on technical directions issued by "The Principal Controller of Accounts (2014)" under the Defence Accounts Department, which vide its Office Manual (Part VI)	Our audit Procedure Include, but were not limited to the following: Assessment and determination of life of PPE depreciable assets, particularly when it differs from the life assigned to it under Schedule II to the Companies Act, 2013 is entirely a management's decision.

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	paragraph number 800 has directed that the life of the buildings to be taken as 60 years from the date on which the building/s are ready to use. However, such assessment pertains only to the buildings. In case of items of Plant and Machinery thereof, the qualified members of the staff amongst branch officials have determined the life span of assets in this category after due diligence as observed from examination of underlying documents. In case of other classes of assets under PPE wherever higher or lower life span is taken by the company different than the one prescribed under Sch-II has been taken so considering the past history of usage and technical evaluation. The branch management has represented its case for such other classes of assets. The branch at note no. 1 of the financial statements has disclosed the increase of profit at Rs. 16.61 crores/- on account change in life of assets.	Our audit procedure in the matter is restricted to ensure from the records that such change in life is duly supported by adequate technical evidence warranting such change. Apart from above, we verified the depreciation computed based on the stipulated as well as revised life span of the asset and ensured that the impact of such change is appropriately stated.
5A	In case of MSF : is observed that useful life of all Buildings has been taken as 60 years. However as per companies Act the useful life of various building are to be considered as follows 1.. Building (other than factory buildings) other than RCC Frame Structure - 30 years. 2. Factory Buildings - 30 Years 3. Bridges, culverts, bunkers, etc. - 30 years. As per significant accounting policies circulated by the YIL for depreciation on various fixed assets the unit has considered the useful life of factory building Point no 2 as 60 years bases on past history of usage and management estimates which would be 3 years as per companies act. The significant accounting policies remains silent on Building mentioned on point no.1 and point no 3. **We have observed that :** 1.There are so many buildings which are (other than factory buildings) other than RCC Frame Structure. 2. Two khal bridge organisational value of Rs. 658411 and Rs. 19386770 So Useful life for Point NO 1and 3 as stated above should eb 3 Years as per Companie Act 2023 Impact in the profit and loss account for F Y 2022-23 for depreciation accounting sue to deviation of useful life (Accounted for as 60 years instead of 30 years) in respect of Building (other than Factory Building) other than RCC frame structure , Bridges culverts should be Worked out since accounting polices has been remained as silent on bridges and culverts , Building (Other than Factory Building) other than RCC frame structure	

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E: Other Matter:

We did not audit the financial statements / information of seven branches included in the standalone financial statement of the company, whose financial statement / financial information reflect total assets of Rs. 2147.83 crores as at 31st March, 2023 and total revenue (gross income) of Rs. 1811.35 crores for the year ended on that date as considered in the standalone financial statements. The financial statements / information of these branches have been audited by the branch auditors, whose reports have been furnished to us, and our opinion is so far as it relates to the amounts and disclosure included in respect of branches, is based solely on the report of such branch auditors. Also, observation as reported by branch auditors in their report have been reproduced as it is in relevance of our report where-ever applicable:

Further we have communicated to all these seven branch auditors on certain matters which may have material impact on the Standalone financial statements of the company. However, in absence of any communication or proper response from the branch auditors, we are unable to comment & express our opinion of the impact on the standalone financials statement of the company on such matters with respect to these seven branches.

F .Information other than the financial statements and auditor's report thereon.

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, Board's Report including Annexure to Board's Report, Business Responsibility 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.

G. Responsibility of Management for the Financial Statements

The Company's board of directors are 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 Income, Cash flows

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and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (IndAS) specified under section 133 of the Act read with companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities selection and application of appropriate accounting policies; making judgments and estimates that 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

H. Auditor's Responsibility for the Audit of the Financial Statements:

1.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 specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit we also.

- Identify and assess the risks of material misstatement of the financial statement, 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 of our opinion The risk of not detesting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion , forgery intentional omission misrepresentation or the override of internal control .

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act. 2013 we are also responsible for expressing our opinion on whether the

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company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern if we conclude that a material uncertainly 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.

2. We communicate with those charged with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable related safeguards. From the matters communicated with those changed with governance we determine those matters that were of most significance in the audit of the financial statements of financial year ended 31st March, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably by expected to outweigh the public interest benefits of such communication.

I. Report on Other Legal and Regulatory Requirements:

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

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and except for the matters described in paragraph B- Basis for Qualified Opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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(b) Except for the effects / possible effects for the matters described in paragraph-B Basis for Qualified Opinion, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) Except for the effects / possible effects of the matters described in paragraph-B Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) The provisions of Section 164(2) of the Act are not applicable to the company since the Company is a Government company as defined under section 2(45) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the branch as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"** wherein we have expressed a modified opinion on the adequacy and operating effectiveness of company's internal financial control with reference to branch financial statements.

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

i). There are pending litigations related to Employee's compensation which would have impact on financial position. As explained and informed by the branch, in case of any adverse outcome in these cases, the branch will raise claim with Government of India through its Head Office. However, in absence of any documentary evidence establishing the right to receive by the branch / company, we are unable to comment whether the same will be liability of the branch or reimbursable by the Government of India.

ii). According to information and explanation provided and based on our review, the branch has certain long-term contracts with DPSU's under which the branch will have to bear foreseeable material losses. However, against the same the branch has not made any provision.

iii). There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the branch.

iv.

a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the branch to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities

Page 25 of 43

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The branch has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

As required by Sec. 143(5) of the Act, we give in Annexure "C" a statement on the matters specified in the directions issued by the Comptroller and Auditor General of India in respect of the branch.

For V.R.Inamdar& Co.
Chartered Accountants

Place: Nagpur
Date: 06th October, 2023

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

(V.V.Inamdar)
Partner
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INDEPENDENT AUDITOR'S REPORT

(Annexure A referred to in paragraph 1 under the "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Management of **Yantra India Limited)** *on the accounts for the year ended* ***31st March, 2023).***

The Annexure referred to in our report to the members of Yantra India Limited, Nagpur for the period 01 April 2022 to March 31, 2023. We report that:

i. In respect of the company's Property, Plant and Equipment:

a. A. The company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use of assets.

B. The company has not maintained proper records showing full particulars of intangible assets.

b. According to the information provided, the company has performed section-wise physical verification of the property, plant and equipment (PPE) during the reporting period. However, we noted that internal PPE records register were not mapped with the PPE stated at the Financial Statements. Hence, we cannot comment on the veracity of the records maintained. Further, the physical verification process designed by the company does not cover all the items within a reasonable period. Moreover, such physical verification process does not cover the aspect of co-relating the cost / value of each such item of PPE stated in the accounts. In view of this fact, we are not assured as to whether all the physically identified items of PPE are stated in the accounts.

c. As per the information obtained and on the basis of examination of records pertaining to handing and taking over the documents between the Ordnance Factory Board and the company, all the immovable properties are handed over by the Directorate of Ordinance to the branch in accordance with the Office Memorandum. However, as observed from the records and explanation and information provided, no formal registered transfer deed has been executed for transfer of such immovable assets in favour of the company. The format as envisaged in this order would include entire immovable property as disclosed in the financial statements of this company, the gross carrying value of the immovable property comprising of land and buildings as at the year end was Rs. 602.53 crores (Net Value Rs. 566.88 crores after depreciation). The property is still held in the name of erstwhile Ordnance Factory Board. The property is not held in name of any director, promoter or their relative or employee of the company. The company is in possession of the property since its inception that is for last 18 months. The mutation process is still under progress with Revenue

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Authorities on the basis of Office Memorandum dated 24-09-2021 and other relevant documents, particularly in case of the quantum of the land handed over to the company / branch. The matter is elaborated at paragraph 4 under section "B" "Basis for Qualified Opinion" of our main report. It is also pertinent to note that, in absence of physical verification and reconciliation thereof of immovable properties with the properties recorded with the Civil Department of the branch, there are cases of skipping of recording of immovable properties and Capital Work in progress with the Civil Department. The paragraph number 6 under section "B" "Basis for Qualified Opinion" of our report mentioned at our main report may please be referred for such slippage, wherein the properties which remained to be recorded earlier were recorded in the current financial year.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued any of its Property, Plant and Equipment (including right of use of assets) during the year. However, the branch has changed value of some of the buildings contained in PPE during the year. Such change was carried out to include some elements of cost, which were left to be included so at the time of incorporating the said assets in the accounts. The paragraph number 7 under section "B" "Basis for Qualified Opinion" of our report mentioned at our main report may please be referred for such instances.

e. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not hold or own any benami property. Further as informed and on the basis of our examination of the records of the company produced before us, no proceedings have been initiated or are pending against the branch / company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) as amended in 2016 and rules made thereunder.

ii.

a. According to the information provided, the company has performed section -wise verification of the inventories during the year. However, it was noted that the internal inventory records/registers were not mapped with the inventory stated in the financial statements. Hence, we cannot comment on the veracity of the records maintained. Further, the physical verification process designed by the company does not cover all the items within a reasonable period.

b. The company has been sanctioned Cash Credit limit of Rs. 550 crores by the bank on the basis of security of current assets. The company has not disclosed any information regarding the submission of any quarterly returns or statements to the bank in its financial statements, which is required to be disclosed as per Schedule III to the Companies Act, 2013. The schedule also requires the company to disclose any difference between the returns so furnished and books of accounts. In absence

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of any such disclosure, we are unable to comment whether such quarterly returns, if furnished are in agreement with the books of accounts of the company.

iii. In our opinion, and according to the information and explanations given to us, the company has not invested in or has provided any guarantee or security or granted any loans, or advances in nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties. Hence, the clause (iii)(a) to (iii)(f) of the Paragraph 3 of the Order are not applicable to the company.

iv. In our opinion, and according to the information and explanations given to us, the company has not granted any loans, guarantee, security nor invested in the securities of any body corporate. Therefore, provisions of sections 185 and 186 of the Companies Act, 2013 are not applicable and therefore there is nothing to comment upon in the matter.

v. The company has not accepted any deposits from public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under during the year and also the directions issued by the Reserve Bank of India. Accordingly, paragraph 3(v) of the order is not applicable to the company.

vi. Pursuant to the rules made by the Central government of India, the company is required to maintain Cost Records as specified u/s 148(1) of the Act in respect of its products and services. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. As informed by the company, no cost audit was conducted for the preceding financial year that is FY 2021-22 and current year cost audit is in progress, however no draft report was made available in this respect by the company.

vii. a. According to the information and explanations given to us in respect of statutory dues: The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Goods and Service Tax (GST), Cess and any other statutory dues with the appropriate authorities, except for the matters reported at paragraph no. 22 of "Basis for Qualified Opinion" under part B of this report. In the last year's (FY 2021-22) Company Secretary's report it was reported that the company has not paid stamp duty on allotment of shares, however the amount that would be payable was not mentioned. During our verification of records, we did not find any payment in this regard in the current year also. However, in absence of any quantum default

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mentioned, the quantification of the defaulted amount if any, cannot be stated. The company has made allotment of shares in the current year also, in the last week of March 2023. Thus, as on date, the default if any is outstanding for less than six months. Moreover, the Company Secretary's report for the current year is yet to be issued. In view of these facts, we have nothing to comment in the matter. It is also pertinent to state that company has represented that it is exempt from payment of stamp duty, being a Government company. Subject to above, according to the information and explanations given to us, no undisputed statutory dues are outstanding for a period of more than six months, as per the books of accounts and prima facie examination of those books as at March 31, 2023.

c. According to the information and explanations given to us and records of the company examined by us, there are certain dues disputed by the erstwhile Ordnance Factory Board with the revenue authorities. Subsequently, these disputes were continued by the company after its formation. The details of such dues in the format prescribed are detailed herewith.

	UNIT	S No.	Name of Statute	Nature of Dues	Amount (Rs in Lacs)	Period to which amount relates	Forum where dispute pending
1	GIF	1	GST act,2017	Incorrect availment of ITC under Tran-1 Return	78.6	2017-18	Office of the commissioner (Appeals), CGST & Central excise, Bhopal
2	MSF	1	Central Sales Tax,1956	Statutory	5.17	2005-06	West Bengal Commercia Taxes Appellate & Revisional Board
		2	West Bengal Tax on entry of goods 2012	Statutory	230.08	2016-17	West Bengal Commercia Taxes Appellate & Revisional Board
		3	Central Sales Tax,1956	Statutory	560.61	2016-17	West Bengal Commercia Taxes Appellate & Revisional Board
		4	WBVAT 2003	Statutory	67.45	2017-18 (Q1)	West Bengal Commercia Taxes Appellate & Revisional Board
		5	West Bengal Tax on entry of goods 2012	Statutory	N.A.	2017-18 (Q1)	West Bengal Sales Tax, Barrackpore Charge
		6		Service Charge	2337.32	01-04-1954 to 31-03-2023	North Barrackpore Municipality
3	OFM	1	UP VAT	Ex-Party VAT Case liability	150 [Approx]	2016-17 & 2017-18	Deputy commissioner sales tax office, Ghaziab:

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viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. In our opinion and according to the information and explanations, the company has not defaulted in repayment of any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (d) and sub clause (e) and (f) of the Order is not applicable to the company.

x. a. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the company.

b. The company has made any preferential and rights allotment of equity shares during the year. The company has generally complied with the provisions of the section 42 and 62 of the Companies Act, 2013. However, it was observed that, the company has not maintained separate bank account for receipt of the share application money, which was received for the rights issue and has allotted the right shares beyond a period of sixty days from the date of credit of the application money. Similarly in case of the shares issued for consideration other than cash through preferential allotment, the allotment was made 18 months after the receipt of consideration by the company.

xi. a. To the best of our knowledge, belief and according to the information and explanations given to us and based on the audit procedures performed, we report that no case of material fraud by the company or on the branches by its officers or employees has been noticed or reported during the year.

b. No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

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

xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) (a) to (c) of the Order is not applicable.

xiii. The provisions of section 177 of the Companies Act, 2013 are not applicable to this company as it is not a listed company. With regard to section 188, in our opinion and written representation given to us, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 but the details have not been disclosed in the financial statements with regard to other Defence Public Sector Units (DPSU's), as required by the applicable accounting standards.

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xiv. a. In our opinion and based on our examination, the company has an internal audit system, which does not commensurate with the size and nature of its business.

b. We received only one internal audit report for the entire year in respect of OFAJ branch of the company. No internal audit report was provided in respect of Head Office of the company. The internal audit report in respect of other production branches were also not made available. The internal audit of OFAJ branch was carried out by the firm of Chartered Accountants in two phases as stated at such report, the first phase being of 7 days and next review phase after the year end, no time specified for such review. Such report was insufficient and lacked precision in its findings commensurate with the scope defined, which was mentioned at such report itself. The follow up for corrections of deficiencies pointed out was also not available. In view of these facts, the internal audit report has not been entirely considered by us.

xv. In our opinion during the period the company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xvi. In our opinion,

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

b. The company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.

c. The company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

d. The group in which the company is a part of, does not have any Core Investment Company. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The company has not incurred cash loss in the current financial year. Preceding year cash losses were Rs. 7152.34 Lakhs.

xviii. There has been no resignation of statutory auditors of the company during the year and accordingly requirement to report under clause 3(xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date

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of audit report that company is capable of meeting it's liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us by the management that the company has incurred loss in the immediate previous year, which was the first year of the operation of the company consisting a period of only six months of operation and therefore the provisions relating to Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 are not applicable to the Company for the year under review and therefore reporting under sub-clause (a) and (b) of clause xx of paragraph 3 of the order is not applicable in case of the company.

xxi The reporting under paragraph 3(xxi) is not applicable in respect of audit of standalone financial statement of the company. Accordingly, no comment has been included in respect of said clause under this report.

For V.R.Inamdar& Co.
Chartered Accountants

Place: Nagpur
Date: 06th October, 2023

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Vinamdar

(V.V.Inamdar)
Partner
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FRN: 103743W
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ANNEXURE-'B' TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCAL STATEMENTS OF YANTRA INDIA LIMITED, NAGPUR FOR THE PERIOD 1st April 2022 to March 31, 2023.

Report on the Internal Financial Control under clause (1) of section 143 of the Companies

Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Yantra India Ltd ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statement of the company for the year ended on 31st March, 2023.

Management's Responsibility for internal Financial Controls

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

Auditors' Responsibility

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

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Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to information and explanation given to us and based on our audit & issues reported in Basis of qualified opinion, Emphasis of matter and Key Audit matter, following material weaknesses have been identified in operating effectiveness of company's internal financial controls over financial reporting as at March 31, 2023:

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i. The shortcoming in the internal financial control arising through non-integration of the inventory with financial double entry accounting has led to skipping of financial reporting in respect of production losses through accounts. Secondly, reliable real time valuation of opening and closing inventory through the accounts could not be achieved, resulting into delay and lack of accuracy in the periodic financial reports generated for the purposes of assessing the profitability, inventory management etc.

ii. The inadequate internal control on the mapping of physical verification and identification of the items of PPE with those recorded in the accounts has resulted into introduction of assets under some heads of PPE, at much later stage from the date of their respective completion.

iii. The lack of internal control techniques through accounting process has resulted into non agreement of intra-unit (interbranch) balances within the company. The shortcoming in the internal control process of periodic communication of account balances has resulted into non reconciliation of DPSU's balances.

iv. In terms of the internal control policy of company of computing the input tax credits on receipt of material basis / payment basis, instead of accrual basis results into delay in reconciliation of GST information as hosted on the portal versus the information reflected in the accounts. On same lines, the TDS deduction which is required to be made on accrual basis as per the relevant law is made on payment basis. Such practice causes lot of hindrances in preparation of financial reporting in respect of TDS.

v. The internal financial control required through various periodic internal verifications carried out through internal / external agencies such as internal audit / verification, audit of fixed assets, verification and reconciliation of physical inventory and reconciliation are inadequate either due to scope defined in respect of depth and precision of verification or the extent of such verification and timely compliance reporting. As a result of such inadequacy, the financial reporting is delayed and is not error free.

vi. The internal control process through systematic periodic verification, reconciliation and carrying out of corrections on the basis of such reconciliation items identified is inadequate and slow resulting into delay and skipping in financial reporting, particularly in respect of adoption of opening balances, capitalization of items of PPE in accordance with the IND AS 16 norms, valuation of inventory, assessment of contingent liability and commitments, other off balance sheet items such as estimated liability on account of litigations, claims not acknowledged as debts and other aspects as stated at forgoing paragraphs.

vii. The internal financial control lacks in internal co-ordination and effective internal communication within the various departments, particularly with the financial implication

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involved in the transaction. This shortcoming has resulted into non-capitalization / proper provision for such capitalization in the previous year accounts in respect of final cost determined after final measurement of building, or haste in transferring the balance from Capital Work in Progress to PPE in previous year itself, the error is not apparently intentional but is result of improper or lack of communication in the concerned matter between the civil department and accounts department, which transferred the asset value on the basis of completion certificate received by it in previous year. The matter is reported at paragraph 7 section "B" "Basis for Qualified Opinion" of our report. Such lack of proper communication regarding financial aspect also results in other shortcomings as stated above.

viii. Another major weakness in the internal control is the internal audit. In respect of major branch of the company, the report in respect of which was the only report available amongst all the other seven production branches and Head Office of the company, lacked in its scope vis-à-vis the size and nature of the company's business. The periodicity of such report was also annual, whereas given the quantum of operational transactions, the frequency and periodicity of such audit should be monthly or at-least quarterly. The internal audit of OFAJ branch was carried out by the firm of Chartered Accountants in two phases as stated at such report, the first phase being of 7 days and next review phase after the year end, no time specified for such review. Such report was insufficient and lacked precision in its findings commensurate with the scope defined, which was mentioned at such report itself. The follow up for corrections of deficiencies pointed out was also not available. These deficiencies in the internal audit system has resulted into weakness in the internal financial control over financial reporting.

ix. The company has prepared incomplete Risk Control Matrix (RCM), The RCM provided does not cover the areas of Property, Plant and Equipment, Cash and Bank Balances, Sundry Debtors, Sundry Creditors, Other current assets, other current liabilities etc., as per the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

The material weakness is a deficiency or combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of company's annual or interim financial statements will not be prevented or detected on a timely basis.

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In our opinion, except for effect or possible effects of material weaknesses described above on the achievement of the objectives of the control criteria, the company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of standalone financial statements of the company as at and for the year ended on 31-03-2023 and these material weaknesses have affected our opinion on the financial statements of the branch and we have issued a qualified opinion on the financial statements.

For V.R.Inamdar& Co.
Chartered Accountants

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

Place: Nagpur
Date: 06th October, 2023

(V.V.Inamdar)
Partner
M.No.044890
FRN: 103743W
UDIN: 23044890BGZDBN8345

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ANNEXURE- 'C' TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS OF YANTRA INDIA LIMITED, NAGPUR FOR THE PERIOD APRIL 1, 2022 TO MARCH 31, 2023.

In terms of the directions and additional directions received from the Dy. Director of Audit (Hqrs) Kolkata vide letter dated 16th June, 2023 bearing number 648/T-458/FAA/2023-24, we furnish herewith our report paragraph-wise as follows:

Directions of the C & AG:

1. **Whether the company has system in place to process all the accounting transaction through IT system? If no, the implications of processing of accounting transactions outside IT system on the integrity of accounts along-with the financial implications, if any, may be stated?**

   Yes, Yantra India Ltd. HO has implemented the use of ready-made software "Tally Prime" for recording and processing of its financial accounting transactions in **batch processing** environment. Since the HO is not involved in any manufacturing or process activity, there is no other software in use or even there is no maintenance of accounts manually. All other branches are maintaining their financial accounts on tally software. Our observation is based on the limited view access granted to us except in case of OFAJ, wherein we were branch auditors.

   Despite the use of such software, the implementation of such software is not proper, as a result of this amongst other reasons, there is difference in the interbranch accounts that branch versus HO balances (Intra unit), the differences between such balances is reported at paragraph 2 section "B" "Basis for Qualified Opinion" of our report. This adversely affects the integrity of the accounts, since one of the effects in such case goes missing. Technically, such difference should not arise. The intra branch balances must agree for proper and effective consolidation of HO and its branches.

   The accounting results of all the branches are consolidated along-with head office books to prepare the Financial Statements such as Balance Sheet, Profit and Loss Account, Cash Flow Statement and all notes, schedules and annexures annexed / relating thereto. This activity is carried out through Excel software utility, manually.

2. **Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, the lender is a Government Company, then this direction is also applicable for statutory auditor of lender company.**

Page 39 of 43

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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There is no restructuring of any loan. Also, there is no case of waiver / write off of debts / loans / interest made by lender arising out of the company's inability to repay.

3. **Whether funds (grants / subsidy etc) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.**

The Yantra India Limited (the company) head office receives the total grant / subsidy etc, out of this, the share of the branch is transferred to respective branch for further payment.

As per the information and explanations given to us by the Head Office, the details of the funds received and its utilization is given as follows:

Particulars of Funds / Grants Received	Receipts in the year	Utilization in the year	Closing unspent Balance as at 31-03-2023
Capital Expenditure Funds (CAPEX)	203.00	107.48	95.52
Emergency Authorization Fund (EAF)	149.86	----Nil----	149.86
Accrued Committed Liability Fund	341.02	72.008	269.012
Total	**693.88**	**179.488**	**514.392**

The Capital Expenditure and Emergency Authorization fund amounts have been credited to Share Application Money received in advance account in the books of accounts. The utilization of the Capital Expenditure fund of Rs. 107.48 crores and Accrued Committed Liability of Rs. 72.008 is done by transfer of the required funds to the production branches of the company requested by the branches, as stated by the company management. No case of deviation was observed.

4. **Whether the migration of assets and liabilities on the date of transfer (Appointed Date) from erstwhile OFB has been completed? if there is any deviation: the reasons, nature of deviation and its impact on the financial statement may be stated.**

The appointed date of transfer as referred above was 01st of October, 2021. The process of migration was incomplete. During the year under audit that FY 2022-23 following deviations were observed.

a. During the year OFAJ branch has introduced following assets valued at Rs. 6434.94 Lakhs under the head of "Buildings" mentioned at Note No: 1 of 'Property, Plant and Equipment (PPE). As explained by the branch management, the details about the

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buildings were received by accounts department from the civil department during the current financial year. It was case of omission, which arose due to non-mapping of physical existence with the records of related PPE. The impact of the same on financial statements is stated at paragraph B (4) "Basis for Qualified Opinion of our report of OFAJ branch.

b. The OFAJ branch, after review of various assets and liabilities pertaining to previous year, has carried out changes in the opening balance (01-04-2022). Such opening balances were originally migrated on 01-10-2021 and subsequent transactions till 31-03-2022 were accounted therein under the respective heads. Thus, it could be reasonably concluded that originally migrated balances have been changed. The reason for such change is reassessment on review as mentioned by the branch management. The nature of deviation and its impact on the financial statements is stated at paragraph B (7) "Basis for Qualified Opinion of our report.

c. The book value in respect of some of the buildings included under the main head of PPE were increased by Rs. 8,07,46,048/-. Such structures were already capitalized by erstwhile Ordnance Factory Board OFB on 08th May, 2019 and was adopted by the OFAJ branch of the company Yantra India Ltd at the time of handover. As explained by the branch management, the final residual amount after finalization of the measurements and inspection about the buildings were received by accounts department from the civil department during the current financial year. The nature of deviation and its impact on the financial statements is stated at paragraph B (5) "Basis for Qualified Opinion of our report in respect of the OFAJ branch.

5. Whether the company has carried out reconciliation exercise pertaining to inter-company / intra-company balance at the year end? Whether the confirmation have been obtained from the DPSU for balances due to due from them at the year end? The reasons for unreconciled balances, if any, along-with the un-reconciled amount may be stated.

The intra unit balance between branches and Head Office is not in agreement as at 31-03-2023. No reconciliation is available for the same. The unreconciled amount is stated at paragraph 2 under the head "Basis for Qualified Opinion" section B of this report. Reason/s for such un-reconciled balances could not be furnished by the company management.

In respect of interunit balances, the branches (branches of YIL) have balance of other DPSU's receivable / payable, however none of the DPSU's have shared their respective ledger account with any of the branches of the company for the FY 2022-23. In absence of any ledger account copy with the branches in respect of either Sundry Creditors and

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Debtors or even balance confirmation letter as at the year end, there is no reconciliation and also unreconciled amount can not be determined due to non-availability of balance confirmation letter.

6. **Whether the company has revised any of its accounting policies or adopted any new accounting policy? Whether the revisions of accounting policy / adoption of new accounting policy are in accordance with the prudent accounting principles and applicable IND AS? Whether the changes in the accounting policies have been properly disclosed? Inconsistency, if any along-with the impact of the same on the financial accounts may be stated.**

   The company has not adopted any new accounting policy during the year under audit. There was a minor change made in the useful life of the Plant and Machinery, that too in case of some specific class of machineries. The financial impact of such change in useful life is stated by the company at note no. 1 and sub-clause (i) of clause (1.5) of paragraph 3.3 of notes to accounts to the Financial Statements, which mentions that, *"During the year the company has changed the useful life of various categories of Property, Plant & Equipment in its depreciation policy, due to such change the company has reported incremental Net Profit of Rs. 16.61 crores in the current financial year."*

7. **Whether the provision for employee benefits liabilities and their valuation on the date of formation of DPSU have been made in accordance with the provision of IND AS deviation if any may be stated**

   The clause is not applicable to the company, since this is second year of existence and operation of the company. The company was formed and operational with effect from 01st October, 2021.

Place: Nagpur
Date: 06th October, 2023

For V.R.Inamdar& Co.
Chartered Accountants

V. R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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APPENDIX (1) TO THE INDEPENDENT AUDITORS REPORT ON STADALOAN FINANCIAL STATEMENT OF YANTRA INDIA LIMITED FOR THE PERIOD 01/04/2022 TO 31/03/2023

Sl No.	Particulars	Abbreviations used
A	**List of Branched Audited by Branch Auditors**	
1.	Ordnance Factory ,Ambajhari Nagpur Unit	OFAJ
2.	Metal and Steel Factory , Ishapore	MSF
3.	Ordnance Factory, Bhusawal	OFBH
4.	Grey Iron Foundry, Jabalpur	GIF
5.	Ordnance Factory, Katni	OFKAT
6.	Ordnance Factory, Dum Dum	OFDC
7.	Ordnance Factory, Muradnagar	OFM
8.	Ordnance Factory, Ambernath	OFA
B	**List of other Defence Public Sector Units (DPSUs)**	
1.	Munitions India Limited	MIL
2.	Advanced Weapons and Equipment India Limited	AWEIL
3.	Armored Vehicles Nigam Limited	AVNL
4.	India Optel Limited	*IOL*
5.	Troop Comforts Limited	TCL
6.	Gliders India Limited	GIL

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

Page **43** of **43**

Management Remarks against Independent Auditor observations

<table>
<tr><th></th><th>Qualified Opinion: -</th><th>Management Remarks</th></tr>
<tr><td>1.</td><td>
As referred in Schedule '06(B)': Following adjustments have been made in opening balances (as at 31-03-2022) of the reserves and surplus. The details of the quantum changes in opening balances are given herewith, but there is no explanation I detail for changes carried out. As can be observed the difference in the opening balances brough forward is Rs. 415.19 crores.
(Rs. crores)
<table>
<tr><th>Particulars</th><th>Balances as per Last audited balance Sheet as at 31-03-2022 (A)</th><th>Changes in Equity due to change in Accounting Policy or prior period errors (II)</th><th>Restated Opening Balances as adopted in the Balance Sheet as at 31-03-2023 (C)</th><th>Difference (A-C)</th></tr>
<tr><td>Revaluation Reserve</td><td>604.43</td><td>------Nil----</td><td>18.20</td><td>586.23</td></tr>
<tr><td>Reserve of OFIL</td><td>1.30</td><td>------Nil----</td><td>------Nil----</td><td>1.30</td></tr>
<tr><td>YIL Outlay</td><td>673.6 1</td><td>------Nil----</td><td>------Nil----</td><td>673.61</td></tr>
<tr><td>General Reserve</td><td>1681.32</td><td>------Nil----</td><td>2317.74</td><td>-636.42</td></tr>
<tr><td>Retained Earnings</td><td>-1 92.53</td><td>2.69</td><td>17.00</td><td>-209.53</td></tr>
<tr><td>Total</td><td>2768.13</td><td>2.69</td><td>2352.94</td><td>415.19</td></tr>
</table>
Some changes in the "Other Equity" under the main head of Reserves and Surplus were carried out during the year, however in case of the following changes carried out there is no explanation I detail made available.
The "Current year transfer" resulting into reduction of Other Equity I reserves by Rs. 9.04 crores.
The "Utilization Transfer" resulting into decrease of Other Equity I reserves by Rs. 41.94 crores.
The "Changes in Equity due to changes in accounting policy or prior period errors" resulting into increase of Other Equity I reserves by Rs. 2.69 crores.
The "Transfer to General Reserves" resulting into increase of Other Equity I reserves by Rs. 4.46 crores
The "Inter-Unit Transfer" resulting into increase of Other Equity I reserves by Rs. 542.98 crores
The "Add it ion during the year" represents an amount of Rs. (-) 12,069.68 crores reducing the Other Equity I reserves to that extent. It was explained that, the amount is arising out the Share Capital or Rs. 12,072.41 crores issued against the fair value of the Property Plant and Machinery and the Equity I Reserves as at 01-10-2021. Even with this explanation there remains a difference of Rs. 2.73 crores (12072.41-
</td><td>In the working of consolidation, opening balance as at 01-04-2022 of the Reserves and Surplus as per the last year's audited statements is Rs. 2768.13 Cr. These opening balances have been restated by the branches at Rs. 2350.25 Cr during the year. Details will be obtained from the branches.</td></tr>
</table>

12069.68).

In absence of details for the above adjustments made, we are unable comment on the same and head wise possible impact on standalone financial statement.

2

The branch balance with head office is not reconciled and there is a difference of Rs.l31.51 cr. (Including the committed lability Receivable from HO) in the intra branch accounts. We have not received the details for the adjustment made and reconciliation thereof, therefore we are unable comment on the same and head wise possible impact on standalone financial statement cannot be commented upon. (Unit Wise Difference is as Follows)

			I			
Head office Balance	YIL HO	Commited Liability Receivable	Total	As per Head office Books		Difference
OFA	-3,59,19,24,652.00		-3,59,19,24,652.00	-3,63,61,76,402.13	Dr	4,42,51,750.13
OFDC	9,52,93,654.00		9,52,93,654.00	6,12,28,295.00	Cr	3,40,65,359.00
OFM	64,10,31,527.00	36,39,20,000.00	1,00,49,51,527.00	60,44,43,926. 00	Cr	40,05,07,601.00
Katni	38, 28,71,104.00		38,28,71,104.00	44,32,97,670.00	Cr	6,04,26,666.00
OFBH	-1,29,67,74,710.00		-1,29, 57,74,710.00	-1,29, 57,74,710.58	Dr	-4.58
MSF	83,72,61,809.00	39,84,41,553.00	1,23,57,03,362.00	1,03,27,53,094.00	Cr	20,29,50,268.00
GIF	-46,43,40,676.00	14,74,15,136.00	-31,69,25,540.00	-30,62,83,952.17	Dr	-1,06,41,587.83
Ambajhar	1,16,10,78,427.00	1,91,90,61,621.00	3,07,01,40,048.00	2,48,39,19,705.00	Cr	586220343
OFIL			-	26,73,455.00	Cr	-26,73,455.00
						1315106844

During verification of intra unit balances from the audited statements of branches, particularly in case of Ordnance Factory Muradnagar (OFM), it was observed that there is a Suspense Account appearing in the audited trial balance with a closing credit balance of Rs. 9,87,906.73. The matter was brought to the notice of the management, but no details and explanation was offered in this regard. In absence of any detail or explanation, we are unable to comment on the same and head wise possible impact on standalone financial statement.

Reconciliation process is going on and this will be reconciled in FY 2023-24.

3

During verification of consolidation working at Head Office, it was observed that, there is a difference in the amounts mentioned at audited branch Balance Sheets in case of certain heads versus the Consolidated Balance Sheet (Standalone Balance Sheet with consolidation of branch results) prepared at Head Office.
The details of the differences so observed are as follows:

Other Financial Assets:	Rs. 4.89 Crore
Other non-Current Assets:	Rs. 4.94 Crore
Loan (assets)	Rs. 0.24 Crore
Other Financial Assets	Rs. 0.05 Crore
Other Current assets:	Rs. 397.19 Crore
Current Tax Liability	Rs. 0.13 Crore
Other current Liabilities:	Rs. 941.24 Crore
Other equity:	Rs. 544.19 Crore

The matter was brought to the notice of the management. In its reply the management stated that, changes have occurred due to regrouping and rearrangement of some of the account balances during the process of consolidation for the sake of maintaining uniformity and proper presentation. However, as stated at paragraph number 2 above, in absence of agreement of the intra unit balances with each other and with HO and any reconciliation thereof, we are unable to comment on the same and head wise possible impact on standalone financial statement.

The company has regrouped and rearranged some of the account balances during the process of consolidation for the sake of maintaining uniformity and proper presentation. The intra unit sales and purchases also were eliminated during such process from the branch accounts, resulting into increase in profit marginally by Rs. 1.24 crores in the consolidated financial statements

<table>
<tr><th></th><th></th><th></th></tr>
<tr><td>4</td><td>In OFAJ: During the year branch has written off Spares used for Plant and Equipment of Rs. 74,03,696/-. Prior to write off such spares were reflected under the head "Property Plant and Equipment" (PPE). The branch has reduced the balance of "Capital Reserve Account" by the amount written off instead of Profit and Loss Account. Thus, the profit of the branch is overstated by Rs. 74,03,696/-

In this regards, observation / comment of branch auditor of OFDC is reproduced as follows: We have observed during the course of audit that the branch has written off machinery amounting to Rs. 26,73,760.00 and Vehicle amounting Rs. 44,451.00 and same has been adjusted against reserve and surplus. It was explained that the assets were not available on physical verification and thus they have written of the same with books of accounts.</td><td>Entry will be passed in FY 2023-24.</td></tr>
<tr><td>5</td><td>In OFAJ: During the year branch has introduced following assets valued at Rs. 6434.94 Lakhs under the head of "Buildings" mentioned at Note No.: 1 of 'Property, Plant and Equipment (PPE). The details of the assets incorporated are as follows:
<table>
<tr><th>Particulars of Assets</th><th>Value at which Incorporated (Rs. Lakhs)</th><th>Year of Completion of Asset</th><th>Date of Accounting</th></tr>
<tr><td>Compound Wall arount type VI Qtr At OFAJ Estate</td><td>25.22</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>External Telephone Cabling</td><td>239.31</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>Road</td><td>676.80</td><td></td><td></td></tr>
<tr><td>Sewage Disposal System</td><td>30.55</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>Area Drainage Work</td><td>140.86</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>External Water Supply</td><td>7.02</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>Addition & Alteration in Admin Bldg, SM, SF, FS & External Shop</td><td>2805.57</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>External Power Supply & Area Lighting</td><td>1547.17</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>Consultancy of Civil Work</td><td>417.38</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>Other Consultancy Charges</td><td>434.28</td><td>2019</td><td>22-11-2022</td></tr>
<tr><td>Total (Rs. In Lakhs</td><td>6433.94</td><td></td><td></td></tr>
</table>
The Value or any part of value of these assets was not in the opening balance of the Capital work in Progress at the beginning of the year. Also, there was no expenditure incurred on these assets during the year prior to its capitalization. Thus, the company / branch had not incurred any expenditure on construction and completion of this structure. The assets were introduced by correspondingly increasing the value of "Capital Reserve Account". All the above assets were completed by 31st January, 2019 as per the underlying documents and records. The branch accounted for these assets on 01st April, 2022.

It was also observed that branch had adopted and accounted the above, assets at Rs. 62,14,87,744/- in following manner:
Value of Buildings handed over on 22-11-2022 Rs. 64,34,93,301/-

Less : Depreciation deducted but not accounted by the branch for the period
From 01-02-2019 to 30-09-2021 Rs. 1,69,27,213/-
Less : Depreciation deducted but not accounted by the branch for the period
From 01-02-2019 to 30-09-2021 Rs. 50,78,344/-

Value at which the branch has introduced the assts in the accounts of FY 2022-23
Rs. 64,34,93,301/-

The branch has provided for current depreciation comprising of the period from 01-</td><td>The assets have been incorporated in the books by at their written down value as at 01-04-2022 and depreciation for the entire year has also been considered in respect of such assets for the current financial year.</td></tr>
</table>

	04-2022 to 31-03-2023. But has not provided and accounted for any depreciation pertaining for prior period that is 01-10-2021 to 31-03-2022 of Rs. 50,78,344/-. It is pertinent to note that the branch is using these assets from 01-10-2021 and are still used. Also, the branch has not restated the prior period depreciation as required under the provisions of IND AS 8, which otherwise would have affected the other account heads in the current year. In this regards, observation / comment of branch auditor of OFA is reproduced as follows: We draw attention to note no 34(3) regarding capitalization of Plant & Machinery and Computers and Furniture and Fixture of the period before corporatization. Computers : Rs. 082 Crore Furniture and Fixture : Rs. 0.14 Crore P&M : Rs. 0.99 Crore. These assets were expensed off in the year of purchase however on the observation of the company the same has been capitalized in the books of account during the year and resulted effect has been recorded in retained earnings.	
6	**In OFAJ**: The book value in respect of some of the buildings included under the main head of PPE were increased by Rs. 8,07,46,048/-. Such structures were already capitalized by erstwhile Ordnance Factory Board OFB on 08th May, 2019 and was adopted by the present branch of the company Yantra India Ltd at the time of handover. During the year on 21st November, 2022 this value was increased by Rs. 8,07,46,048/- to correct the difference between the cost of completion as reported by DRDO vide their communication dated 27-11-2020 and cost of completion as adopted in the accounts by erstwhile OFB. Such difference in the value was not accounted by the branch under the head of Capital Work in Progress at the time of takeover. Therefore, in the current year for increase in the value of the building, the branch correspondingly increased the balance of Capital Reserve. It was also observed that depreciation on such increased amount was provided only for the period from 21-11-2022 to 31-03-2023, whereas the all the costs were incurred till the date of completion i.e. 08-05-2019. Thus, prior period depreciation of Rs. 37,18,713/- for the period from 08-05-2019 to 31-03-2022 and current depreciation of Rs. 7,97,334/- 01-04- 2022 to 21-11-2022 remained to be provided in the current year accounts, since there was no difference in the date of completion. Finally total depreciation, which remained to be provided in the accounts is Rs. 45,16,047/-. Consequently, the profit has been overstated to an extent of Rs. 7,97,334/-. Also, the branch has not restated the prior period depreciation as required under the provisions of IND AS 8, which otherwise would have affected the other account heads in the current year.	This is not prior period expenses since information regarding increase in asset value was received in Nov 22.

7	**In OFAJ:** a) The branch has not carried out any physical verification of the items under the head "Property Plant and Machinery" during the current financial year. Also, reconciliation of various items of PPE with its corresponding book value was not done in the year. The Property Plant and Equipment register was not maintained by the branch. Instead, various departments of the branch maintain item-wise records of PPE. b) The assets of the branch are not insured.	The company has maintained proper records including quantitative details and situation of fixed assets and section-wise physical verification records of the fixed assets are maintained on a yearly basis at year-end.
8	**In OFAJ**: Valuation of Inventory (IND AS 2): In terms of the policy of company management, the finished goods and Work in Progress (WIP) at this branch are valued at cost of production. Such cost is determined through the PPC software engaged by the company. In terms of the policy followed, the inventory of Finished Goods and WIP as at 31 ^ (st) March, 2023 was valued as follows: WIP Rs. 112,85,79,386/- Finished Goods Rs. 46,70,274/- Total (Rs.) Rs. 113,32,49,660/- Further, the branch has to sell its finished goods at the rate prescribed by the Government. During our test check it was observed that, the cost of production in respect of some of the items of Finished Goods exceeded the sale value prescribed. On the basis of such observation, the valuation done on basis of cost of production would exceed the net realizable value that is the sale value of the Finished Goods. However, on the basis of data furnished by the branch officials in the matter it was observed that, there are no items under the finished goods category where the selling price was less than the cost of production /sales. It was also observed from the submissions of the branch that production loss worth Rs. 4,62,63,601/-(4,56,12,690/-+6,50,612) was a crystallized before the year end but no effect of the same was given to reduce the value of the inventory at the branch or no provision was made for such production loss in the accounts for the year under audit. Thus, in total closing value of inventory was overstated by Rs. 4, 62,63,601/-. Consequently, the profit of the branch as well as closing value of inventory stands overstated to that extent for the above. The branch officials regularly carry out physical verification of inventory items on sampling basis as observed from the records maintained by the branch. However, the branch has not conducted any third party audit and physical verification of inventory during the year under audit and immediately preceding financial year. No reconciliation of physical stock of inventory with the relevant stock register / physical balances mentioned has been carried out by branch during the year. The branch is mainly engaged in production activity and therefore there should be no delay in determining and accounting of production loss. Other Production Branches: No other branch has reported for any production loss which was crystallized during the year and remained to be accounted for in the current financial year.	Physical verification has been carried out by the unit and relevant documents are submitted.

9	**Items of Stock of Inventory:** (i) In case of OFAJ: During verification of inventory records maintained by the costing department of the branch, it was observed. that the branch has included value of following items in its closing inventory. Non-Moving Items: Rs. 1909.81 Lakhs Blocked Inventory Rs. 466.66 Lakhs Total (Rs.) Rs. 2376.47 Lakhs In this regard, the branch has represented as follows: "The nomenclature "Non-Moving Items" and "Blocked Inventory" may not be interpreted in its common parlance. The nature of the products of the company and quantum thereof warrants use of all these items so classified. Only since the frequency of use/consumption of these items being very much on lower side, it is classified so but are very much usable and therefore not eligible for scrapping." The explanation offered by the branch management may be technically correct, but in absence of reconciliation and mapping between the physical balance and book balance of inventory items and corrections being carried out based on such reconciliation, it is not possible for us to quantify the effect on profitability. (ii) In this regard, observation / comment of branch auditor of OFM is reproduced herewith: Non-Moveable inventory valued at NIL in the FY 2021-22 has been revalued at Rs.4.71 Crore by OFM Management in the financial year 2022-23.	The nomenclature of "Slow Moving", "Non-Moving", and "Blocked Inventory" may not be interpreted in its common parlance. The nature of the products of the company and quantum thereof warrants use of all these items so classified. Since the frequency of use/consumption of these items being very much on lower side it is classified so but are very much usable therefore not eligible for scrapping.
10	**Statement on Contingent Liabilities and Commitments:** i. In case of OFAJ: The company in its financial statements has disclosed Contingent Liability in respect of contracts of Rs.116.26 crore remaining to be executed on capital account. The details of advances paid if any, against such contracts is not disclosed. Though the same is required to be stated in terms of clause "U" of the Sch III to the Companies Act, 2013. Moreover, the branch financial statements reflect a balance of Rs. 62,36,99,955/-under the head of "Capital Work in Progress" representing the amount spent till the year end for contracts on capital account. The branch has not disclosed contingent liability in respect of unexpired period of warranty issued by it in respect of the value contained in the goods sold by the branch. As stated by the management there is no claim reported till the year end in this regard, and therefore has further stated that, no provision has been made for such un expired warranties for goods supplied. The branch has not mentioned contingent liability in respect of the legal litigations against it. Also, in such cases and in respect of any other transactions, the branch has not mentioned the amount in respect of the claims not acknowledged as debts by the branch/company.	There is no contingent liability w.r.t capital contracts remaining to be complete as at 31.03.23 The contingent liabilities with respect to pending litigations post corporatization cases is not ascertainable as on 31.03.2023

11	**Provision towards Retirement Benefits:** As observed from the records and informed by the branch management, entire personnel working at this branch of Yantra India Ltd. is on deputation to the company but are originally the employees of Central Government. Presently the branch is bearing the cost of short-term employee benefits in terms of IND AS 19 as observed from the accounts and the explanation from branch management in case of above-mentioned employees who are on deputation. In case of Short-term paid absences, as informed by the branch management, only benefit up to 10 days of earned leave is allowed and paid only when such claim is also accompanied by the LTC request application. In respect of the defined contributions such as Provident Fund contribution and NPS contribution of such employees is borne by the branch of the company and is accounted so till they remain on deputation with the company. As regards post-employment benefits in respect of such employees on deputation, no provision has been made in the accounts, particularly in respect of Gratuity and accumulated balance of leave encashment. It was also stated that, company/branch is not liable to pay for such post-employment benefits and liability would be borne by Central Government. In its reply the branch management has quoted the reference of central government as follows *"As per Paragraph No. 05 of Department of Defence Production, Ministry of Defence, Government of India letter No.1 i(51/2021 / O * F / D * P(PIg - V) 02 dated-24.09.2021 Till such time the employees remain on deemed deputation to the new DPSUs, they shall continue to be subject to all the extant rules, regulations and orders as are applicable to the Central Government servants, including related to their pay scales, allowances, leave, medical facilities, career progression and other service conditions".* *Further, as per Paragraph No. 7 of same letter it is mentioned that "The pension liabilities of the retirees and existing employees will continue to be borne by the Government from the Ministry of Defence (" MoD ") budget for Defence Pensions. For the employees recruited after 01.01.2004, National Pension Scheme applicable to the Central Government employees is in vogue and the same may be adopted by the New DPSUS, including continuation of all special provisions applicable to Central Government employees under the National Pension System".* In view of above explanation, the branch has not made any provision in respect of the post- employment benefits for Central Government employees presently on deputation with the branch/company. Further as informed by the branch management there is no employee on the roll of Yantra India Ltd precluding any need to make any provision for post-employment benefits relating thereto.	No employee on the roll of Yantra India Ltd precluding any need to make any provision for post-employment benefits relating thereto.

12	**Confirmation from Debtors:** The company has not obtained / received account confirmation from Sundry Debtors as at 31st March, 2023 to whom it has sold goods. As a consequence, there is no reconciliation of balance with any of Sundry Debtors balance as at 31-03-2023. In view of this, we are unable to comment on the following matters: Value of Goods Returned / rejected during the year, since company accounts do not reflect any accounting entry for goods rejected. Value of un-reconciled remittances from the Sundry Debtors. Value of any claims acknowledged or not acknowledged as Debts in respect of warranties issued to the Sundry Debtors in respect of goods sold to them. Any difference in value of the advance received from the Sundry Debtors and as accounted by Company.	Letter regarding balance confirmation to Debtors has been sent by units. Balance Confirmation request has also been mailed by Statutory Auditors, however the same is still awaited.
13	**Loan from Bank** The company has not disclosed the borrowing facility availed from the State Bank of India, neither in current year nor in the previous year. Notwithstanding the fact that, the company has not utilized any funds from such facility as informed by the management, it is mandatory to mention the following facts at the notes forming part of the Financial Statements. The details of the facts required to be mentioned in terms of Sch III of the Companies Act, 2013 read with section 129 of the said Act but not mentioned are as follows: The company has renewed Cash Credit facility of Rs. 550 crores and Letter of Credit Facility of Rs. 50 crores from the State Bank of India. The bank holds hypothecation of entire current assets of the company including raw materials, finished goods, stock in process, consumable stores, spares, Other materials, stock in transit, receivables, claims, bills and other current assets present and future at the company's factory premises of all its production branches or at any other places as may be approved by the bank from time to time. The company has not mentioned the fact of charge of bank on the current assets of the company, a requirement of Sch III. The company has also not disclosed any information regarding the submission of any quarterly returns or statements to the bank in its financial statements, which is required to be disclosed as per Schedule III to the Companies Act, 2013. The schedule also requires the company to disclose any difference between the returns so furnished and books of accounts. In absence of any such disclosure, we are unable to comment whether such quarterly returns, if furnished are in agreement with the books of accounts of the company.	The company has been sanctioned / renewed Cash Credit facility of Rs. 550 crores and Letter of Credit facility of Rs. 50 crores by the State Bank of India. The company has hypothecated its entire current assets as a primary security for availing such facility. This fact is not separately disclosed in the financial statements since the company has not availed any of such credit facility during the entire year.
14	**Confirmation from Sundry Creditors:** The company has not obtained / received account confirmation from any of the Sundry Creditors as at 31st March, 2023 from whom it has purchased goods or availed services. As a consequence, there is no reconciliation of balance with any of Sundry Creditor balance as at 31-03-2023. In view of this, we are unable to comment on the following matters: Value of any claims acknowledged or not acknowledged as Debts in respect of goods supplied / services rendered by the Sundry Creditors. MDAR Confirmation of Security Deposit / Earnest Money Deposit balance in respect of Sundry Creditors as	Letter regarding balance confirmation to creditors has been sent by units.

	reflected in the accounts of the branch. Whether the Company has correctly stated the dues payable to suppliers, being an enterprise covered under Micro, Small and Medium Enterprises Development Act, 2006, as at the year end.	
15	**Debit Balance of Creditors in the Accounts: In Case of OFAJ:** In terms of the policy followed by the company no advance payment is made to any of the suppliers or service providers except DPSU's and PSU. Despite such policy, the branch accounts reflect debit balances of Rs. 43,94,597/- as at the year end, included in the list of creditors. In absence of any confirmation from such parties and reconciliation with their statement of accounts, we are unable to comment on correctness of such balances and effects of such balances on the profitability or other aspects relating to the branch.	The company at the time of takeover of the assets and liabilities had also inherited balances of some current liabilities amongst other liabilities from the erstwhile OFB. In which, were included some debit balances being receivable from the creditors. The branch is already in the process of identifying, determining the exact amount recoverable. It is agreed that, there are debit balances under the head of Sundry creditors other than DPSU's, PSU's and others where company has allowed extension of advance. It is assured that process would continue till the entire amount of such advances is recovered / settled and accounted accordingly at the earliest.
16	**Goods and Service Tax (GST):** **(i) In case of OFAJ:** The branch has reconciled its various relevant heads of accounts with the statements and returns hosted on the GST portal in respect of the branch as at 31 March, 2023. We give herewith our observations and comments on the differences between such statement and returns vis-à-vis the accounts of the branch: Sales as mentioned at GSTR-1 return statement were 825,76,69,950/- for FY 2022-23 Sales as per accounts of branch were 846,16,55,415/- for FY 2022-23 The difference of Rs. 20,39,85,465/- is on account of sales bills raised in March 2022, however the goods relating thereto were dispatched after March 2022. Due to this	Revenue recognition was done in line with IND AS.

	timing difference, the revenue recognition was postponed to current financial year. The accounts of the branch have a balance of Rs. 6,42,269/- under the head of GST TDS divided into sub heads of CGST TDS Cash Ledger, IGST TDS cash ledger and SGST TDS cash ledger. These are old cash balances receivable. These balances pertain to erstwhile Ordnance Factory Board. Refund application has been made for the above-mentioned amount. **(ii) In this regard, observation / comment of branch auditor of OFKAT is reproduced herewith:** GST payable under RCM on Security Guard Services Rs.3724730 From April to Sept 222 are outstanding 31/03/2023. **(iii) In this regard, observation/comment of branch auditor of OFBH is reproduced herewith:** Other current assets to accompanying financial statement includes the GST input tax credit of Rs.3.69 Cr whereas balance in the electronic Credit ledger as per GST Portal is Rs.0.54 Cr. There ids Difference of Rs.3.15 Cr for which no reconciliation has been provided Also GST Input Credit is available when payment is made to vendor whereas input credit is eligible at the time of booking of invoice due to this policy working capital is blocked. **(iv) In this regard, observation / comment of branch auditor of OFM is reproduced herewith:** GST Portal credit Balance shows NIL balance as on 31/3 / 2023 as against Rs.0.93 Crore showing Books as GST Input Receivable.	
17	**Leases: In this regard, observation / comment of branch auditor of OFA is reproduced as under** The company has not followed the IND AS 116, on leases for recording the revenue from rent receipt.	Lease is not applicable.
18	**Deferred Tax Asset:** As per Note 19, Deferred Tax Asset (Net of deferred tax liability) is calculated at Rs.72.22 crore However, the same is not recognized in the standalone financial statements of the current year.	As per IND AS 12 "the existence of unused tax losses is strong evidence that future taxable profit may not be available". Hence DTA has not been identified in the books.

Confidential/ Speed Post

No. 81 /T-459/YIL/Accounts/2023-24 Date: 06 /12/2023

सत्यमेव जयते

कार्यालय
महा निदेशक लेखा परीक्षा
आयुध फैक्टरियां
कोलकाता

OFFICE OF THE
DIRECTOR GENERAL OF AUDIT
ORDNANCE FACTORIES
KOLKATA

To

The Chairman & Managing Director,
Yantra India Limited Head Quarter,
Ordnance Factory Ambajhari,
Amravati Road, Wadi, Nagpur-440021.

Sub: Comment under Section 143(6) (b) of the Companies Act, 2013 on the accounts of M/s Yantra India Limited, Ambajhari for the year ended 31st March 2023.

Sir,

I am to forward herewith the Nil comments of the Comptroller and Auditor General of India under section 143 (6) (b) of the Companies Act 2013 on the Financial Statements of M/s Yantra India Limited, Ambajhari for the year ended 31st March 2023.

Receipt of this letter may kindly be acknowledged.

Encl: As stated.

Yours faithfully,

06/12/2023

(Sarat Chaturvedi)
Director General of Audit
(Ordnance Factories)
KOLKATA

'आयुध भवन' १०ए, शहीद खुदीराम बोस रोड, (पूर्वी खंड, ८वा तल्ला), कोलकाता-७०० ००१
"AYUDH BHAWAN", 10-A, SHAHEED KHUDIRAM BOSE ROAD (EAST WING, 8th FLOOR), KOLKATA - 700 001
PHONE : 2248-2857, 2243-6341 • FAX : 2248-3291
E-mail : pdaof@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF YANTRA INDIA LIMITED, AMBAJHARI FOR THE YEAR ENDED 31 MARCH 2023.

The preparation of Standalone Financial Statements of Yantra India Limited, Ambajhari for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (7) of the Act is responsible for expressing opinion on these Financial Statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143 (10) of the Act. This is stated to have been done by him vide his Audit Report dated 6 October 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Financial Statements of Yantra India Limited, Ambajhari for the year ended 31 March 2023 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Audit Report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

06/12/2023
(Sarat Chaturvedi)
Director General of Audit
(Ordnance Factories)
KOLKATA

Place: Kolkata
Date: 06/12/2023.

1

Avinash Gandhewar & Associates
Practicing Company Secretary

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,

The Members,

YANTRA INDIA LIMITED

(**CIN**: U35303MH2021GOI365890)

C/o The General Manager Ordnance Factory Ambajhari

Amravati Road, Ambajhari Nagpur, Maharashtra-440021 India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Yantra India Limited (CIN: U35303MH2021GOI365890) (hereinafter called the company).** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the course of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2023 ("Audit Period") complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

AVINASH GANDHEWAR & ASSOCIATES
COMPANY SECRETARY
COP : 16490

Jagat Housing Society, Sundaram Apartments,
Flat No: C-104, Near Wonderland School,
Opp. ICAD, Byramji Town, Nagpur- 440013
+91 - 9860765203
gpassociates.ngp@gmail.com

We further reported that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and Company, our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31^{st} March, 2023 according to the provisions of;

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

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under; **Not Applicable**

iii. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder; **Not Applicable**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act'); **Not Applicable**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**

AVINASH GANDHEWAR & ASSOCIATES
COMPANY SECRETARY
COP : 16490

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines,2014; **Not Applicable**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfers Agents) Regulations, 1993; **Not Applicable**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **Not Applicable**

vi. Other Laws applicable to the Company;

a. DPE Guidelines on Corporate Governance;

Further, as per the information provided by management, the Company has complied with below mentioned all other laws as specifically applicable to it:

- The Contract Labour (Regulation & Abolition) Act, 1970 and Rules.
- The Factories Act, 1948
- The Employees Provident Fund and Miscellaneous Provisions Act 1952
- The Employees State Insurance Act 1948
- The Equal Remuneration Act, 1976
- Industries (Development and Regulation) Act 1951.
- Arms Act 1959 & Arms Rules 2016
- Atomic Energy Act 1962 and the Atomic Energy (Radiation Protection) Rules, 2004

AVINASH GANDHEWAR & ASSOCIATES
COMPANY SECRETARY
COP : 16490

We have also examined the compliance with the applicable clause of following;

I. Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. ***No Independent Directors appointed on the Board of Company as required under Section 149 (4) of the Companies Act, 2013 read with relevant rules framed thereunder. Since, no Independent Directors appointed on the Board, no Meeting of Independent Directors held during the period under review as required under Section 149 (8) read with Schedule IV of the Companies Act, 2013. As reported by the management, the company has requested the central government for appointment of Independent Directors as covered under the provisions of Companies Act, 2013 and as on date no communication has been received from the central government***

2. ***The Company has not constituted the below mentioned committees as per the requirement of Companies Act, 2013 and DPE Guidelines;***
   - ***Audit Committee***
   - ***Remuneration Committee***
   - ***Corporate Social Responsibility (CSR) Committee.***

3. ***No Woman Director appointed on the Board of Company as required under Section 149 (1) of the Companies Act, 2013 read with relevant rules framed thereunder. As reported by the management, the company has requested the central government for appointment of Woman Director as covered under the provisions of Companies Act, 2013 and as on date no communication has been received from the central government.***

AVINASH GANDHEWAR & ASSOCIATES
COMPANY SECRETARY
COP : 16490

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors***, however there are neither Independent Directors nor Woman Director on the Board of Company***. Further, in our opinion adequate system, process and control exist in the Company to monitor and ensure compliances with the following other applicable laws such as;

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes inspected, the decisions were generally taken unanimously.
We further report that there are adequate systems and processes in the company that commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further, we are of the view that, there were no instances of:

1) Redemption/ buy-back of securities.

2) Public/ debentures/sweat equity, etc.

3) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

4) Merger/ amalgamation/ reconstruction, etc.

5) Foreign technical collaborations.

For M/s Avinash Gandhewar & Associates
Practicing Company Secretaries

AVINASH GANDHEWAR & ASSOCIATES COMPANY SECRETARY COP : 16490

CS Avinash Gandhewar
Proprietor
FCS No: 11197
CP No: 16490
UDIN: F011197E002714964
Peer Reviewed Certificate No: 2718/2022

Date: 29/11/2023
Place: Nagpur

"ANNEXURE A"

To,

The Members,

YANTRA INDIA LIMITED

(**CIN**: U35303MH2021GOI365890)

C/o The General Manager Ordnance Factory Ambajhari

Amravati Road, Ambajhari Nagpur, Maharashtra-440021 India

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

Management's Responsibility:

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

Auditor's Responsibility:

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

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

AVINASH GANDHEWAR & ASSOCIATES
COMPANY SECRETARY
COP : 16490

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s Avinash Gandhewar & Associates

Practicing Company Secretaries

AVINASH GANDHEWAR & ASSOCIATES
COMPANY SECRETARY
COP: 16490

CS Avinash Gandhewar
Proprietor
FCS No: 11197
CP No: 16490
UDIN: F011197E002714964
Peer Reviewed Certificate No: 1004/2020

Date: 29/11/2023
Place: Nagpur

INDEPENDENCE DAY

Flag Hoisting by CMD/YIL

Tree Plantation

ENVIRONMENT DAY

VIGILANCE AWARENESS WEEK

YIL DAY CELEBRATION

YIL BUILDING INAUGURATION

GM CONFERENCE - 2022

ANNUAL GENERAL MEETING

REPUBLIC DAY

YIL NEWS

CONTENT FROM YANTRA INDIA

YANTRA INDIA, Reaching the Globe!

सशस्त्र सेनाओं का सशक्तिकरण
Empowering The Armed Forces

Yantra India Ltd. (YIL) is one of seven Defense Public Sector Undertakings carved out of the former Ordnance Factory Board, Kolkata. The company is wholly owned by the Government of India and is incorporated under the Companies Act 2013 with an authorized share capital of INR 135 billion ($1.6 billion) with an asset valuation of INR 109 billion ($1.3 billion).

Rajeev Puri, CMD
Yantra India Limited

DEFEXPO 22 INDIA
Ministry of Defence

YIL is a conglomerate of eight production units & one training institute. The production units are:

- Metal and Steel Factory, Ishapore, West Bengal
- Ordnance Factory Dum Dum, West Bengal
- Ordnance Factory Muradnagar, Ghaziabad, Uttar Pradesh
- Ordnance Factory Katni, Madhya Pradesh
- Grey Iron Foundry, Jabalpur, Madhya Pradesh
- Ordnance Factory Ambajhari, Nagpur, Maharashtra
- Ordnance Factory Bhusawal, Maharashtra
- Ordnance Factory Ambarnath, Thane, Maharashtra

The units under YIL are engaged in the production, testing, logistics, research and development, and marketing of a comprehensive product range in land, sea and air systems.
The product profile of YIL is comprised of military-grade components and ancillary products.
A representative list includes:

Ammunition hardware
The company manufactures small, medium and high caliber shell body hardware for artillery, tank guns, mortars, rockets, pod assembly, air-dropping bombs and cartridge cases. Mechanical and electronic fuse hardware are also manufactured.

Assault bridges and air drop platform
High-strength aluminum alloy extruded profiles are produced, machined and fabricated to build assault bridges and airdrop platforms.

Metallurgy
Special-grade alloy steel is produced and converted to forgings and castings for the manufacture of vital ordnance components such as gun barrels, breech blocks, obturating spindles, yokes, houses, etc. The company has a state-of-the-art radial forging plant to produce forgings, heat treatment and matching machining capability. The company boasts of its strength in melting and producing non-ferrous alloys, and high-strength air-worthy aluminum extrusions.

Gun Integration
Mounting of 155-mm, 45-caliber ordnance on carriages of 130-mm M46 guns under the Upgunning Project.

Ammunition Packing Solutions
Manufacturing of final issuing and transit ammunition boxes for safe handling and weather protection.

The Def-Expo 2022 event is organized by the Ministry of Defense, Government of India from October 18 to October 22, 2022, at Gandhinagar. Various Indian companies (Defense Public Sector Undertaking and private firms) displayed multiple arms and ammunition for the armed forces.

YIL has displayed various products like 155-mm, 130-mm, 125-mm, 81-mm ammunitions, bun barrels for 155-mm ammunitions, 120-kg, 250-kg, and 1,000-lb aerial bombs, fuses of various specifications, Pinaka rockets, Pinaka pods, etc. YIL has also introduced new products like DPICM Pinaka rocket and the SRGM 76/62 fuse.

During the Def-Expo 2022, foreign delegates from Sudan, Bangladesh, and the Czech Republic visited the YIL stall and expressed interest in various YIL products on display. YIL is aiming for an export target of INR 5 billion through the next financial year. YIL has signed MoUs with 15 different Public Sector Undertakings and private vendors like Unisource World Limited, Jindal Steel and Kalyani Forge for cooperation in manufacturing of defense products.
Yantra India Ltd. is poised to make its presence in international markets felt and marketing aggressively to grab a share of the global defense business markets. YIL can be contacted at:

Yantra India Limited
Ordnance Factory Ambajhari Estate Premises,
Amravati Road, Nagpur – 440021
Phone: 07104-246682, 246826
FAX: 07104-246681
Email: yil.hq@yantraindia.co.in

Article by CMD/YIL Published in Times Magazine

सशस्त्र सेनाओं का सशक्तिकरण

EMPOWERING THE ARMED FORCES

यंत्र इंडिया लिमिटेड

YANTRA INDIA LIMITED

भारत सरकार का उद्यम, रक्षा मंत्रालय

A Govt. of India Enterprise, Ministry of Defence

FINANCIAL STATEMENTS

FOR

FY 2022-23

YANTRA INDIA LIMITED

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Standalone Balance Sheet as at March 31, 2023

₹ in Crores

Particulars	Notes	As at March 31, 2023	As at March 31, 2022#
ASSETS			
I. Non-current assets			
(a) Property, Plant and Equipment	1	1,812.37	1,645.02
(b) Capital work-in-progress	1	213.83	296.24
(c) Investment properties	-		-
(d) Intangible assets	2	0.84	-
(e) Intangible assets under development	2	1.45	5.55
(f) Right Of Use Assets	-		-
(g) Financial assets			-
(i) Investments	3 (a)		-
(ii) Loans	3 (c)		-
(iii) Other financial assets	3 (f)	-	
(h) Other non-current assets	4	130.61	22.32
Total non-current assets (A)		**2,159.10**	**1,969.12**
II. Current assets			
(a) Inventories	5	703.68	819.25
(b) Financial assets			-
(i) Trade receivables	3 (b)	559.58	278.00
(ii) Cash and cash equivalents	3 (d)	169.89	120.75
(iii) Bank balance other than (ii) above	3 (e)	1,473.02	501.72
(iv) Loans	3 (c)	2.43	0.34
(v) Other financial assets	3 (f)	-	-
(c) Assets held for sale		-	
(d) Other current assets	4	199.36	103.55
Total current assets (B)		**3,107.96**	**1,823.60**
Total Assets (A+B+C)		**5,267.06**	**3,792.74**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	06	12,929.15	414.19
(b) Other equity	06(B)	-9,168.94	2,768.13
Total equity (A)		**3,760.21**	**3,182.32**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	-	-	
(ii) Lease Liabilities	-	-	
(iii) Other financial liabilities	7 (b)	-	
(b) Long-term provisions	8	-	1.91
(c) Deferred tax liabilities (net)	19		
(d) Government grants	9	47.59	-
Total non-current liabilities (B)		**47.59**	**1.91**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	-		
(ii) Lease Liabilities	-		
(iii) Trade payables	7 (a)	328.67	161.60
- Total Outstanding dues of Micro Enterprises and Small Enterprises			
- Total Outstanding dues other than Micro Enterprises and Small Enterprises			
(iv) Other financial liabilities	7 (b)	70.41	86.32
(b) Short-term provisions	8	100.75	26.49
(c) Current Tax Liabilities	11	-	-
provision			
(d) Government grants	9	2.59	-
(e) Other current liabilities	10	956.84	334.08
Total current liabilities (C)		**1,459.26**	**608.49**
Total Equity and Liabilities (A+B+C)		**5,267.06**	**3,792.74**
Significant Accounting Policies	40		

The accompanying notes are an integral part of these Standalone Financial Statements.
Previous Financial Year consisted of 6 months from the date of commencement ie. 01/10/2021 to date of closure 31/03/2022.

In terms of our report attached

For V.R.Inamdar & Co.
Chartered Accountants
Firm Registration No. 103743W

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

CA V. V. Inamdar
Partner
Membership No. 044890

UDIN 23044890BGZDBN8345

Place: Nagpur
Date: 06/10/2023

For and on behalf of the board of directors of
Yantra India Limited

Chairman and Managing Director
RAJEEV PURI
DIN 09282232

Director Finance and CFO
RAKESH SINGH LAL
DIN 09622284

YANTRA INDIA LIMITED HEAD QUARTER AMBAJHARI NAGPUR

YA__RA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Standalone Statement of Profit and Loss for the period ended on March 31, 2023

₹ in Crores

Particulars	Notes	Period ended March 31, 2023	Period ended March 31, 2022#
I. Income			
(a) Revenue from operations	12	2,391.01	956.31
(b) Other income	13	137.89	74.43
Total income (I)		2,528.90	1,030.74
II. Expenses			
(a) Cost of raw materials and components consumed	14	994.70	284.78
(b) Changes in inventories of finished goods and work-in-progress	15	57.89	201.14
(c) Employee benefits expense	16	1,031.74	469.36
(d) Finance costs	-	0.32	-
(e) Depreciation and amortisation expense	17	93.22	51.59
(f) Other expenses	18	299.69	146.99
Total expenses (II)		2,477.56	1,153.86
III. Profit before exceptional items and tax (I-II)		51.34	(123.12)
IV. Exceptional items [Income/(Expenses)]			-
V. Profit before tax (III±IV)		51.34	(123.12)
VI. Tax expense	19		
(a) Current tax		8.98	-
(b) Deferred tax			-
Total tax expense (VI)			-
VII. Profit for the year (V-VI)		42.36	(123.12)
VIII. Other comprehensive income/(Loss)		-	-
Total other comprehensive income/(loss) for the year		-	-
IX. Total comprehensive income/ (loss) for the year, net of tax (VII+VIII)		42.36	(123.12)
X. Earning per equity share [Nominal value per share ₹ 10/- (31st March 2022:- ₹ 10/-)] - Basic and Diluted	25	0.03	(2.97)
Significant Accounting Policies	40		

The accompanying notes are an integral part of these Standalone Financial Statements.
Previous Financial Year consisted of 6 months from the date of commencement ie. 01/10/2021 to date of closure 31/03/2022.
In terms of our report attached

For V.R.Inamdar & Co.
Chartered Accountants
Firm Registration No. 103743W

V.R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

CA V. V. Inamdar
Partner
Membership No. 044890
UDIN: 23044890BGZDBN8345

Place: Nagpur
Date: 06/10/2023

For and on behalf of the board of directors of
Yantra India Limited

Chairman and Managing Director
RAJEEV PURI
DIN 09282232

Director Finance and CFO
RAKESH SINGH LAL
DIN 09622284

YANTRA INDIA LIMITED HEAD QUARTER NAGPUR

YA..._KA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Standalone Statement of cash flows for the period ended on March 31, 2023

₹ in Crores

Particulars		Period ended March 31, 2023	
A	Cash Flow from Operating activities		
	Profit Before taxation		51.34
	Adjustments to reconcile profit after tax to net cash flows:		
	Add :-		
	Depreciation and Amortization expense	93.22	
	Finance Cost	0.32	
		-	
	Less :-		
	Profit on Sale of Property, plant and equipment	7.84	
	Interest on Deposits	58.18	
	Provision written back (Balances written back) / Round Off	0.02	
	Operating Profit before Working Capital Changes		78.84
	Adjustments for changes in working capital :		
	Changes in Inventories	115.57	
	Changes in trade and other receivables	-281.58	
	Changes in non-current assets	-108.29	
	Changes in other current Assets	-97.90	
	Changes in trade and other payables	167.07	
	Changes in other current liabilities	609.44	
	Changes in Loans and advances	45.68	
	Changes in provisions	74.26	
	Net Changes in Working Capital		524.24
	Net Cash Generated from Operations		603.08
	Direct Taxes (Paid)/Refund (Net)		-
	Net Cash Flow Generated from Operating Activities (A)		603.08
B	Cash Flow from Investing Activities		
	Purchase of Property, plant and equipment and intangible assets	(298.58)	
	Proceeds from Sale of Property, plant and equipment and intangible assets including capital advances	123.70	
	Changes in other bank balances not considered as cash and cash equivalents		
	Profit on Sale of Property, plant and equipment	7.84	
	Finance Cost	(0.32)	
	Stock Pile		
	Interest Received	58.18	(109.18)
	Net Cash Flow used in Investing Activities (B)		(109.18)
C	Cash Flow from Financing Activities		
	Proceeds from Issue of Share Capital	12,514.96	
	Changes in Reserves	(11,988.41)	
	Net Cash Flow used in Financing Activities (C)		526.55
	Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)		1,020.45
	Opening Cash and Cash equivalents		622.47
	Closing Cash and Cash equivalents		1,642.91

Reconciliation of cash and cash equivalents

Particulars	Year ended March 31, 2023
Cash and cash equivalents comprise of: (Refer Note 3(d))	
Cash on Hand	-
Cheques on hand	
Balances with Banks	1,642.91
Cash and cash equivalents	1,642.91

Notes:
1. The standalone cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

The accompanying notes are an integral part of these Standalone Financial Statements.

In terms of our report attached

For V.R.Inamdar & Co.
Chartered Accountants
Firm Registration No. 103743W

V. R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

CA V. V. Inamdar
Partner
Membership No. 044890

UDIN:- 23044890BGZDBN8345

Place: Nagpur
Date: 06/10/2023

For and on behalf of the board of directors of
Yantra India Limited

Chairman and Managing Director
RAJEEV PURI
DIN 09282232

Director Finance and CFO
RAKESH SINGH LAL
DIN 09622284

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Standalone Statement of changes in equity for the year ended March 31, 2023

A. Equity share capital

₹ in Crores

Particulars	No of Shares	Amount
Opening Balance	-	-
Changes due to Prior period errors		
Restated balance as at 1 Oct 2021		
Issue/(Reduction) ,if any during the year	41,41,90,000.00	414.19
As at 31 March 2022	41,41,90,000.00	414
Changes due to Prior period errors	-	-
Restated balance as at 1 April 2022	41,41,90,000.00	-
Issue/(Reduction) ,if any during the year	12,42,52,70,117.00	12,425
Share application money received pending for allotment		89.69
As at 31 March 2023	**12,83,94,60,117.00**	12,929.15

B. Other equity

₹ in Crores

Particulars	Reserve and Surplus			Total other equity
	Retained Earning	General Reserve / Capital Outlay	Revaluation Reserve	
Balance at the beginning of the Current Financial Period /Balance transfer under business combination	14.31	2317.74	18.20	2350.25
Changes in Equity due to changes in accounting policy or prior period errors	2.69	0.00	0.00	2.69
Restated Opening Balance at 01 April 2022	17.00	2317.74	18.20	2352.94
Profit/(Loss) for the year ended 31st March 2023	51.34	0.00		51.34
Items that will not be reclassified to profit or loss	0.00	0.00		0.00
Remeasurements of the net defined benefit liability/asset	0.00	0.00		0.00
Other comprehensive income	0.00	0.00		0.00
Income tax relating to items that will not be reclassified to profit or l	0.00	0.00		0.00
Transfer to Retained Earnings	0.00	0.00		0.00
Total comprehensive income for the year ended 31 March, 2023	51.34	0.00		51.34
Current year transfer	-10.96	1.92	0.00	-9.04
Transfer to General Reserve on utlization	0.00	0.00		0.00
Surplus Transferred from Statement of Profit and Loss	0.00	0.00		0.00
Transfer from Research & Development Reserve	0.00	0.00		0.00
Transfer to Research & Development Reserve	0.00	0.00		0.00
Addition During the Year	0.00	-12069.68		-12069.68
Inter- Unit Trasfer	0.00	544.21	-1.23	542.98
Interim Dividend/ Unit adjustment	0.00	0.00		0.00
Utilisation Transfer during the year	0.00	-41.94		-41.94
Transfer to General Reserves	4.46	0.00		4.46
Transfer from CWIP	0.00	0.00		0.00
Balance at March 31, 2023	61.84	-9,247.75		-9,168.94

The accompanying notes are an integral part of these Standalone Financial Statements.

In terms of our report attached

For V.R.Inamdar & Co.
Chartered Accountants
Firm Registration No. 103743W

CA V. V. Inamdar
Partner
Membership No. 044890

V. R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

Place: Nagpur
Date: 06/10/2023

For and on behalf of the board of directors
Yantra India Limited

Chairman and Managing Director	Director Finance and CFO
RAJEEV PURI	RAKESH SINGH LAL
DIN 09282232	DIN 09622284

YANTRA INDIA LIMITED HEAD QUARTER AMBAJHARI NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 1 : Property, Plant and Equipment

₹ in Crores

Particulars	Freehold land	Building	Plant & Machinery	Furniture & fixture	Office Equipment	Vehicles	Computers, Servers and Network	Total	CWIP
Gross Carrying Amount									
Deemed Cost as at March 31,2022 (Refer Note 37)	5.58	507.95	1,242.63	2.41	0.82	24.32	2.71	1,786.42	297.99
Additions	-	91.71	164.68	2.16	0.70	3.60	3.88	266.73	29.36
Assets retired from active use	-	-	-	-	-	-	-	-	-
Deductions	0.02	2.69	3.16			1.09		6.96	113.52
As at March 31, 2023	**5.56**	**596.97**	**1,404.15**	**4.57**	**1.52**	**26.83**	**6.59**	**2,046.19**	**213.83**
Accumulated Depreciation and Impairment									
Accumulated Dep. & Impairment as at March 31, 2022		23.71	107.16	-	0.52	8.66	1.63	141.68	
Depreciation for the year	-	11.94	75.74	0.50	0.13	3.74	1.01	93.06	-
Depreciation on Assets retired from Active use	-			-				-	-
Deductions			-			0.92		0.92	-
As at March 31, 2023	**-**	**35.65**	**182.90**	**0.50**	**0.65**	**11.48**	**2.64**	**233.82**	**-**
Net Carrying Amount									
As at March 31, 2023	**5.56**	**561.32**	**1,221.25**	**4.07**	**0.87**	**15.35**	**3.95**	**1,812.37**	**213.83**

Notes:

1.Consequent to Corporatisation Title Deeds of all the PPE mentioned above are yet to be transferred in the name of company.
2. There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988
3. During the year company has reassess the useful life of various class of assets as per Companies Act,2013. Please refer note no 1.5 in Notes to account point no 3.3.
4.Contractual Commitments:-Refer Note 26 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
5.There is no charge or lien on Property, Plant and Equipment.
6.The Company has not revalued its property, plant and Equipment and therefore disclosure, whether the revaluation is based on the valuation by a registerd valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 does not arise.

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

7 Capital work-in-progress ageing schedule:

As at March 31, 2023

₹ in Crores

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	33.65	48.12	13.64	118.42	213.83
Projects temporarily suspended	-	-	-	-	-
Total	**33.65**	**48.12**	**13.64**	**118.42**	**213.83**

₹ in Crores

As at March 31, 2022

8 Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	43.81	50.87	28.21	173.35	296.24
Projects temporarily suspended	-	-	-	-	-
Total	**43.81**	**50.87**	**28.21**	**173.35**	**296.24**

Projects whose completion is overdue or has exceeded its cost compared to its original plan

As at March 31, 2023

₹ in Crores

9 0	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	94.94	-	-	-	94.94
					-
Total	**94.94**	-	-	-	**94.94**

₹ in Crores

As at March 31, 2022

0	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	-	-	-	-
					-
Total	-	-	-	-	-

10 Break up of Assets held for Sale

	As at March 31,	As at March 31,
Plant & Machinery	-	-
Furniture & Fixtures	-	-
Office Equipment	-	-
Vehicles	-	-
Computers, Servers & Network	-	-
Total	-	-

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 2 : Intangible assets

₹ in Crores

Particulars	Computer Software	Technical Know How acquired	Drawings and Designs	Technical Know How Internally Generated	Total	Intangible assets under development
Gross Carrying Amount						
As at October 1. 2021						
Additions					-	4.45
Deductions					-	-
As at March 31, 2022					-	**4.45**
Additions		-		1.09	**1.09**	1.40
Deductions	-	-			-	4.40
As at March 31, 2023	-	-	-	**1.09**	**1.09**	**1.45**
Accumulated Depreciation						-
As at October 1, 2021						-
Amortisation for the year						-
Deductions						-
As at March 31, 2022	-	-			-	-
Amortisation for the year				0.25	**0.25**	-
Deductions	-	-			-	-
As at March 31, 2023	-	-		**0.84**	**0.25**	-
Net Carrying Amount						0
As at March 31, 2022	-	-		-	-	**4.45**
As at March 31, 2023	-	-		**0.84**	**0.84**	**1.45**

Note:

1. Company has not revalued its Intagibles assets and therefore disclosure, whether the revaluation is based on the valuation by a registerd valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 does not arise.

2. Intangible asset under development ageing schedule:

As at March 31, 2023

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.40	0.05	-	-	1.45
Projects temporarily suspended	-	-	-	-	-
Total	**1.40**	**0.05**	-	-	**1.45**

As at March 31, 2022

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.55	-	-	-	5.55
Projects temporarily suspended	-	-	-	-	-
Total	**5.55**	-	-	-	**5.55**

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 3 : Financial assets
3 (a) Investments

₹ in Crores

Particulars	No. of Shares	Face Value per share in Rs.	As at March 31, 2023
Non-current investment			
(a) Investment in equity shares (fully paid up)			
Joint Venture - measured at Cost (Unquoted)			
Total Investments			-
Aggregate amount of quoted investments			-
Aggregate amount of unquoted investments			-
Aggregate impairment in value of investment			-

3 (b) Trade receivables ~ Current

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables - Considered Good - Secured		
Trade Receivables - Considered Good - Unsecured-Others	559.58	278.17
Trade Receivables - Credit Impaired	-	-
Less: Provision for Doubtful Receivables		
Total Trade receivables	**559.58**	**278.00**

Notes:

1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.

2) Trade receivables are non-interest bearing and are generally on terms of 7 to 180 days.

Ageing of Trade Receivables from due date of payments as at March 31, 2023 is as follows:

₹ in Crores

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable - Considered Good	-	485.72	60.98	12.90	-	-	**559.60**
Undisputed Trade receivable - which have significant increase in credit	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivable - Considered Good	-	-	-	-	-	-	-
Disputed Trade receivable - which have significant increase in credit	-	-	-	-	-	-	-
Disputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Total	**-**	**485.72**	**60.98**	**12.90**	**-**	**-**	**559.60**

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
I :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

3 (c) Loans

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Non-current	-	-
		-
Current		
Loans to		
- Employees	2.39	0.27
- Suppliers	0.04	0.07
	2.43	**0.34**
Total Loans	**2.43**	**0.34**

Note:
1. No Loans are due from Directors or to firm / private company where director is interested

3 (d) Cash and cash equivalents

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
Balance with Banks		
In Current accounts	19.88	120.75
OD Accounts with debit balances	0.01	
Deposit with bank having maturity less than 3 months	150.00	
Total cash and cash equivalents	**169.89**	**120.75**

1. There are no repatriation restrictions with regard to cash and cash equivalents.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

3 (e) Other bank balance

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with bank having maturity more than 3 months and less than 12 months*	1,473.02	501.72
Total other bank balances	**1,473.02**	**501.72**

* Under lien with bank as Security for LC/OD Facility given by the bankers of Rs.605.00Crores
* Bank OD has sanctioned against lien marking on deposites of the company.

3 (f) Other financial assets

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Non-current		
Security Deposit		-
Others		
	-	-
Current		
Others	-	-
		-
Total other financial assets	-	-

3 (g) Financial Instruments by category

₹ in Crores

Particulars	Period ended March 31, 2023				
	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total
Investment	-	-	-	-	-
Trade receivables	-	-	-	-	
Loans	-	-	-	-	-
Cash and cash equivalents	-	-	-		-
Other bank balances	-	-	-		
Other financial assets	-	-	-		
Total Financial assets					

Note 4 : Other assets

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Non-current		
Security deposits	7.78	22.32
Other Current Assets	0.14	
Capital Advances	122.69	
Total Other Assets - Non Current	**130.61**	**22.32**
Current		
Advances to DPSUs against Deemed Contract	11.94	
Committed Liablity Receivables	1.26	2.36
Prepaid Expenses	0.40	0.94
Balance with Government Authorities (Refer note (i) below)	65.47	35.56
Other Current Assets	114.72	64.69
Security deposits	1.07	
HO (Including ACL)	-	
Advances to Supplier	4.50	
Advances to Employees		
Total Other Assets- Current	**199.36**	**103.55**
Total (A) + (B)	**329.97**	**125.87**

Notes :
(i) Balance with Government Authorities mainly consists of GST Input Tax Credit, TDS / TCS and Payment of Income Tax made as per Section 115JB (MAT) etc
(ii) No advances are due from directors or promotors of the Company either severally or jointly with any person.

Note 5 : Inventories (At lower of cost and net realisable value)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials & Packing Material (Store In Hand)	400.13	455.41
Work-in-progress	193.06	196.40
Finished Components	58.60	118.70
Stock Pile	16.81	48.03
Finished Goods	13.15	
Stores In Transit	17.55	0.69
Inventory with Job Workers (Refer Note 40 & 41)	4.38	
Total	**703.68**	**819.25**

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
:- U35303MH2021GOI365890
..es to the Standalone Financial Statements

Note 06 : Equity share capital:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
Authorised share capital Equity shares of ₹ 10 each	15,50,00,00,000	15,500.00	15,50,00,00,000	15,500.00
Issued, subscribed and paid-up share capital Equity shares of ₹ 10 each	12,83,94,60,117	12,839.46	41,41,90,000	414.19
Share application money pending for Allotment		89.69		
Total	**12,83,94,60,117**	**12,929.15**	**41,41,90,000**	**414.19**

6.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period :

Particulars	As at March 31, 2023	
	No. of shares	Rs. in Crores
At the beginning of the period	41,41,90,000	414.19
Add: Issue of Share Capital	12,42,52,70,117	12,425.27
Outstanding at the end of the year	**12,83,94,60,117**	**12,839.46**

6.2. Rights, Preferences and Restrictions attached to the equity shares :

The Company has one class of shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

6.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of shareholding	No. of shares	% of shareholding
President Of India	12,83,94,60,111	99.99	41,41,89,994	99.99

6.4. Shareholding of Promoters

Name of the Promoter	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of shareholding	No. of shares	% of shareholding
President Of India	12,83,94,60,111	99.99	41,41,89,994	99.99

6.5. Shares reserved for issue under options and contracts :
Nil

6.6. Objective, policy and procedure of capital management:
Refer Note 35.

6.7 Share Application money :
During the year company has received the share application money of 89.69 crores from Ministry of Defence (MOD) on 27/03/2023. The shares for the same were pending allotment as on 31/03/2023.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN - U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 7 : Financial liabilities

7 (a) Trade payables

Rs. In Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	71.89	13.62
- Total Outstanding dues other then Micro Enterprises and Small Enterprises	256.78	147.98
Total	**328.67**	**161.60**

Notes :

(i) Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2023. This information has been determined to extent such parties have been identified on the basis of information available with the company and relied upon by the auditors.

Rs. In Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	71.89	13.62
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the s beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specifi under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

(ii) Ageing of Trade Payables from due date of payments as at March 31, 2023 is as follows:

Rs. In Crores

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME		63.23	8.66	-	-	**71.89**
Undisputed dues - Others		228.77	28.01	-	-	**256.78**
Disputed dues - MSME		-	-	-	-	-
Disputed dues - Others		-	-	-	-	-
Total	-	**292.00**	**36.67**	-	-	**328.67**

YANTRA INDIA LIMITED HEAD QUARTER O.F. AMBAJHARI NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

7 (b) Other financial liabilities

Rs. In Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current	-	-
	-	-
Current		
Liabilities towards employee benefits	69.43	81.01
Security Deposits from customers and others	0.63	5.31
Others	0.35	-
	70.41	**86.32**
Total	**70.41**	**86.32**

7 (c) Financial liabilities by category

Particulars	Period ended March 31, 2023		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Trade payable	-		-
Other Financial Liabilities	-		-
Total Financial liabilities	-		-

1. Financial instruments risk management objectives and policies, refer Note 29.
2. Fair value disclosure for financial assets and liabilities and fair value hierarchy, refer Note 28.

Note 8 : Provisions

Rs. In Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term	-	1.91
	-	**1.91**
Short-term		
Provision	100.75	26.49
	100.75	**26.49**
Total	**100.75**	**28.40**

Note:
Movement of provisions

Particulars	Provision
Opening Balance	**28.40**
Provision recognised during the year	112.50
Amount used during the year	40.15
As at March 31, 2023	**100.75**

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 9 : Government grants

Rs. In Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred income	47.59	
	47.59	-
Current		
Deferred income	2.59	
	2.59	-
Total	**50.18**	-

Note 10 : Other current liabilities

Rs. In Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	24.21	94.60
Recoveries from Employees	33.51	0.04
Employee related payables	0.87	
Advances from customers	33.63	9.96
Commited Liability Payable	467.93	85.15
Other Current Liabilities & Payables	113.70	6.81
Advances received from DPSUs under Deemed Contract	282.99	137.53
Amount Payable to HQ		
Total	**956.84**	**334.08**

Note 11 : Current Tax Liability

Rs. In Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Tax (Net of Advance)	-	
Total	-	-

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 12 : Revenue from operations

Rs. In Crores

Particulars	Period ended March 31, 2023	Period ended March 31, 2022
Sale of Products	2,341.19	945.96
Sale of Scrap	49.79	10.35
other operating income		
Disposal of Scrap and Surplus / Unserviceable Stores		
Foreign Exchange Gain	0.03	
Total	**2,391.01**	**956.31**

I. Disaggregation of Revenue from contracts with customers

Revenue based on Geography

Rs. In Crores

Particulars	Period ended March 31, 2023	Period ended March 31, 2022
Domestic	2,353.16	956.31
Export	37.85	-
Revenue from Operations	**2,391.01**	**956.31**

Notes :

(a) In majority of the contract, performance obligation is satisfied "at a point in time" which is primarily determined on customer obtaining control of the asset. One of the prime indicator considered for this is transfer of significant risk and rewards to the customer based on contract terms. Where a contract involves multiple performance obligation, the criteria specified in Ind AS 115 is applied to determine the point in time when the performance obligation is satisfied.

(b) Contract with the customer normally do not contain significant financing component and any advance payment received and / or amount retained by customer is with intention of protecting either parties to the contract.

(c) The Company turnover mainly includes supply of defence equipments and systems.

(d) Warranties provided are primarily in the nature of performance warranty.YIL has separate warranty policy. Pursuant to such policy no provision for warranty have been made.

Note 13 : Other income

Rs. In Crores

Particulars	Period ended March 31, 2023	Period ended March 31, 2022
Interest income on financial assets measured at amortized cost		
- Fixed Deposits	58.18	5.53
- Security Deposits	1.05	-
Government Grants	26.90	-
Rent Income	8.01	2.45
Profit on sale of Property, Plant and Equipment (Net)	7.84	1.87
Miscellaneous income	31.44	64.58
Balance Written Back	4.51	
Total	**137.93**	**74.43**

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 14 : Cost of Raw materials and Components

Rs. In Crores

Particulars	Period ended March 31,	Period ended March 31, 2022
Inventories at the opening of the year	513.77	506.37
Add : Purchases during the year	937.01	297.12
	1,450.78	803.49
Less : Inventory at the end of the year	456.08	518.71
Total	**994.70**	**284.78**

Note 15 : Changes in inventories of finished goods and work-in-progre

Rs. In Crores

Particulars	Period ended March 31,	Period ended March 31, 2022
Opening Inventories		
store in hand	13.83	
Work-in progress	196.41	385.71
Finished Goods	64.33	86.14
Invoice not dispatched	0.79	
Finished Components	30.12	30.11
Store In transit	-	4.67
	305.48	506.63
Closing Inventories		
store in hand	13.15	
Work-in progress	193.06	196.41
Finished Goods	18.68	64.34
Finished Components	17.22	43.95
Store In transit	1.10	0.80
Inventory with Job Workers (Refer Note 40 & 41)	4.38	
	247.59	**305.50**
(Increase) / Decrease in Inventories	**57.89**	**201.14**

Note 16 : Employee benefits expense

Rs. In Crores

Particulars	Period ended March 31,	Period ended March 31, 2022
Salaries and Wages	982.71	460.98
Salaries Wages HQ	0.91	
Contribution to provident and other funds (Refer Note 23)	47.91	8.38
Staff welfare and training expenses	0.21	
Total	**1,031.74**	**469.36**

Note 17 : Depreciation and amortization expense

Rs. In Crores

Particulars	Period ended March 31,	Period ended March 31, 2022
Depreciation on Property, plant and equipment	92.97	51.59
Amortization of Intangible assets	0.25	-
Total	**93.22**	**51.59**

YANTRA INDIA LIMITED HEAD QUARTER O.F. AMBAJHARI NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 18 : Other expenses

Rs. In Crores

Particulars	Period ended March 31.	Period ended March 31. 2022
A)Other Direct Expenses		
Expenditure on Electricity & Water (Production)	128.36	63.55
Hiring of Manpower/Contract Labour (Production)	2.19	**16.00**
Any Other		
Transportation Charges	2.53	
	133.08	**79.55**
B)Other Indirect Expenses		
Auditor's remuneration (Refer note (i) below)	0.25	**0.07**
Bank Charges	0.05	
Expenditure on Electricity & Water (Non Production)	19.74	**22.02**
Licence Fees	0.02	
Foreign Exchange Loss	0.02	
Printing & Stationary	0.29	
Hiring of Manpower/Contract Labour (Non Production)	43.22	**7.00**
Subscription Charges	-	
HO Expenses	9.59	**3.49**
Legal and Professional charges	0.55	**0.10**
Acconting Charges	0.05	
Rates and taxes	-	
Security Charges	12.19	**3.28**
Postage Expenses	-	
Telephone & Communication Expenses	0.72	**0.46**
Repairs :	-	
To Building	4.15	
To others	9.32	**10.16**
Transportation Charges	14.02	**9.00**
Miscellaneous expenses	52.43	11.42
Total Other Indirect Expenses	**166.61**	**66.99**
Total	**299.69**	**146.56**

(i) Break up of Auditor's remuneration

Payment to Auditors as		
Statutory Auditors	0.08	0.07
Tax Auditors		
Internal Auditors		
Taxation Matters		
Other Services	0.18	
Reimbursement of expenses		
Total	**0.26**	**0.07**

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

N--te 19 : Income tax

major component of income tax expense for the year ended March 31, 2023 is as follows:

Rs. In Crores

Particulars	Period ended March 31, 2023	Period ended March 31, 2022
Statement of Profit and Loss		
-Current Tax	8.98	
-Deferred tax expense		
Income tax expense in the Statement of Profit and Loss	**8.98**	-
Statement of Other comprehensive income (OCI)		
-Current Tax	-	-
-Deferred tax expense	-	-
Income tax expense recognised in OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

A. Current tax

Rs. In Crores

Particulars	Period ended March 31, 2023	Period ended March 31, 2022
Accounting profit before income tax expense	51.34	-123.12
Tax Rate	17.47%	25.168%
Current tax expenses on Profit before tax at the enacted income tax rate in India	8.98	-30.99
Adjustment		
Exempt income/not liable to tax		
Difference in Tax Rate		
Expenditure not deductible for tax/not liable to tax		
Total income tax expense/(credit)	**8.98**	**(30.99)**
Effective tax rate	17.47%	25.17%

Deferred tax kiabilities

B. Deferred tax

IND AS 12 prescribes the accounting treatment for Income Taxes. The principal issue in accounting for income taxes is how to account for the current and future tax consequences of:
(a) the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognised in an entity's balance sheet; and
(b) transactions and other events of the current period that are recognised in an entity's financial statements. It is inherent in the recognition of an asset or liability that the reporting entity expects to recover or settle the carrying amount of that asset or liability. If it is probable that recovery or settlement of that carrying amount will make future tax payments larger (smaller) than they would be if such recovery or settlement were to have no tax consequences, this Standard requires an entity to recognise a deferred tax liability (deferred tax asset), with certain limited exceptions.

IND AS 12 requires an entity to account for the tax consequences of transactions and other events in the same way that it accounts for the transactions and other events themselves. Thus, for transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

This Standard also deals with the recognition of deferred tax assets arising from unused tax losses or unused tax credits, the presentation of income taxes in the financial statements and the disclosure of information relating to income taxes.

This AS that Deferred Tax Assets are recognized to the extent that it is probable that future profits will be available against which the deductible temporary differences can be utilized. The same probability criterion for recognition of DTA applies even if a company has unabsorbed depreciation/ carry forward losses. However, Ind AS 12 states that the existence of unused tax losses is strong evidence that future taxable profits may not be available.

Hence considering the previous unabsorbed depreciation and carry forward losses read with guidelines of IND AS 12, the company has not recognized the Deferred Tax Asset in the current year.

YANTRA INDIA LIMITED HEAD QUARTER O.F. AMBAJHARI NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 20 : Contingent liabilities

Rs. In Crores

Particulars	Period ended March 31, 2023	Period ended March 31, 2022
Co··tingent liabilities not provided for		
(i, ·ims against Company not acknowledged as debts	6.11	
(ii) Guarantees given	-	-
(iii) Legal and Court cases pending at various Forums/Courts	Note (c) below	
(iii) Disputed demands in respect of	1.30	
Income Tax	0.13	0.19
Goods and Services tax	0.18	
Any other	16.97	
	24.69	0.19

Notes :

(a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(c) There are various legal cases pending at various Forums, these include both Pre- Corporatisation and Post- Corporatisation cases. The company has assessed total liability of Rs 107.06 Cr in cases pertaining to Pre-corporatisation period, the ultimate liability of which will be borne by Ministry of Defence, Government of India. The liability in case of post corporatisation period is not ascertainable.

Note 21 : Capital commitment and other commitments

(a) Capital commitments

Rs. In Crores

Particulars	Period ended March 31, 2023	Period ended March 31, 2022
(a) Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	116.26	
(b) Other commitments	-	-
	116.26	-

(b) other commitments

Note 22 : Foreign Currency Exposures not hedged

There are no foreign Currency Unhedged Exposures as on 31/03/2023.

Receivable from debtors

Nature of exposure	Currency	As at March 31, 2023	
		FC In Mn	Rs. In Crores
Receivable From Debtors	USD	1,37,154.85	1.12
	EURO		
	SEK	2,36,396.20	2.09

YANTRA INDIA LIMITED
\N :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 23 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:
Defined contribution is reconqnised as expenses and included in note no.16 "Employee benefit expense".

Rs. In Crores

Particulars	Period ended March 31, 2023	Period ended
(i) Contribution to National Pension Scheme [note (a)]	47.91	9.75
Total	**47.91**	**9.75**

Note

(a) Employees of the Company receive benefits from a new pension scheme, which is a defined contribution plan.The eligible employees and the company make monthly contributions to the new pension scheme equal to a specified percentage of the covered employees' salary along with the Company Contribution. Amounts collected under the scheme are deposited in a government administered pension fund. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss. The Company has no further obligations to the same beyond its contribution.

(b) Employees of the Company have been deputed by the Government of India for two years from the Appointed date i.e. October 01, 2021 vide office memorandum No. 1 (5)/2021/OF/DP (Plg-V)/02 dated September 24, 2021 and their Salary and other costs are paid by the Government of India during the year as per the terms and conditons of their employment.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 24 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the company are as follows :

(a) Name of Related Parties and Nature of Relationship :

(I)	**Joint Venture**	
1		
(II)	**Key Management Personnel**	
1	Shri Rajiv Puri	Chairman and Managing Director
2	Shri. S.K. Yadav	Director
3	Shri Gurudutta Ray	Director
4	Shri R.S. Lal	Director
	Total	

(b) Disclosure in respect of Related Party Transactions :

Rs. In Crores

Sr.	Particulars	Key Management Personnel	Total
(I)	**Transactions during the year**	-	-
	Remuneration		**1.48**
	Leases		
(II)	**Balances as at year end**		
	Investments	-	-

(c) Disclosures pursuant to section 186(4) of the Companies Act, 2013.
Loans and Advances in the nature of loans - Rs. Nil

(d) Terms and conditions of transactions with related parties
Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

(e) Commitments with related parties
The Company has not provided any commitment to the related party .

(f) Transaction with Government and Government Related Entities
As YIL is a government entity under the control of Ministry of Defence (MoD), the Company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities.

YANTRA INDIA LIMITED HEAD QUARTER O.F. AMBAJHARI NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 25 : Earning per share:

Particulars		Period ended March 31, 2023	Period ended March 31, 2022
Earing per share (Basic and Diluted)			
Profit attributable to ordinary equity holders	Rs. in Crores	42.36	-123.12
Weighted average number of equity shares for basic EPS	No.	12,83,94,60,117	41,41,90,000
Nominal value of equity shares	Rs.	10.00	10.00
Basic and Diluted earning per share	Rs.	0.03	-2.97

Note 26 : Segment Reporting
The Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the Government companies engaged in Defence production to the extent of application of Ind AS 108 on "OperatingSegment".

Note 27 : Leases
Since there are no lease transaction, there is no reporting on the captioned subject.

Note 28 : Fair value disclosures for financial assets and financial liabilities:
As on 31/03/2023,There are no reportable financial assets and liabilities and hence same has not been commented upon.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 29 : Financial instruments risk management objectives and policies
Company's principal financial liabilities comprise trade & other payables. The main purpose of these financial liabilities is to finance the Company's ations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company, based on its business operation, evaluated the following risks:

a) Foreign currency risk:
As on 31/03/2023, there are no foreign currency exposures and consequently no risk.Hence the same has not been commented upon.

(b) Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, advances given to suppliers (for procurement of goods, services and capital goods), cash & cash equivalents and deposits with banks and financial institutions. The Company for the Financial Year derives its total sales from sales to the Government and Government related entities. The Company expects to continue to derive most of its sales from the Government and Government related entities under the contracts of the Ministry of Defence (MoD), Government of India (GoI) -the Company's principal shareholder and administrative ministry.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

c) Provision for expected credit losses:
As the Company's debtors are predominantly the Government of India (Indian Defence Services, Ministry of External Affairs), Central Public Sector Undertakings where the counter - parties have sufficient capacity to meet the obligations and where the risk of default is nil / negligible. Accordingly impairment on account of expected credit losses is being assessed on a case to case basis in respect of dues outstanding for significant period of time as per the accounting policy of the Company. Further, management believes that the unimpaired amounts that are due is collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk.

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that is settled by delivering cash or another financial asset. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Particulars	Less than 1 year	1 year or more
March 31, 2023		
Trade payables	328.67	-
Other financial liabilities	70.41	-
Total	**399.08**	**-**
March 31, 2022		
Trade payables	161.60	
Other financial liabilities	86.32	
Total	**247.92**	**-**

The Company's standard contract terms provide that, the Company receives advance payments from customers pursuant to the applicable contracts, including the Government of India and the Indian Defence Services at the time of signing of any contract and milestone payments on achievement of physical milestones. These payments are utilized to meet the Company's working capital needs (for the Company required to maintain a high level of working capital because the Company's activities are characterized by long product development periods and production cycles). Further, payments to the Company by the Indian Defence Services are reliant on the continuing availability of budgetary appropriations by Government of India and any disruptions to the availability of such appropriations could adversely affect the Company's cashflows.

e) Market risk:

The Ministry of Defence (MoD) and the Government of India (GoI) have continued efforts to reform Defence related policies such as the Defence Acquisition Procedure 2020 ("DAP 2020") to promote private participation, a level playing field and the domestic Defence manufacturing Industry and eco-system. While the MoD has given the highest priority to Indigenously Designed, Developed and Manufactured ("IDDM") products for capital procurement, the Company faces competition to be selected as the Indian production agency for such contracts. These policies have raised the level of market competition in the areas in which the Company operates.

f) Risk Mitigation Process:

As a step of institutionalizing the risk management in the Company, an elaborate framework has been developed and the Company's top management has overall responsibility for the establishment and oversight of the Company's risk management framework. An important purpose of the framework is to have a structured and comprehensive risk management system across the Company which ensures that the risks are being properly identified and these risks. The risk management process includes risk identification, risk assessment, risk evaluation, risk mitigation and regular review and monitoring of risks. The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Note 30 : Capital management:
For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt

Gearing ratio

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt (a)	-	-
Total Equity		
Equity share capital	12,929.15	414.19
Other equity	-9,168.69	2,768.13
Total Equity (b)	**3,760.46**	**3,182.32**
Net Debt to Equity Ratio (a/b)	-	-

YANTRA INDIA LIMITED HEAD QUARTER O.F. AMBAJHARI NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 31 : Financial Ratios

Sl no	Type of Ratio	Numerator	Denominator	2022-23	2021-22
1	Current Ratio (In times)	Current Assets	Current Liabilities	2.13	2.99
2	Debt-Equity Ratio (In times)	NA			
3	Debt Service Coverage Ratio (In times)	NA			
4	Return on Equity Ratio (%)	Net Profit after Tax	Avg Shareholders'	0.31%	-3.87%
5	Inventory turnover Ratio (In days)	Average Inventory ({Op+Cl} / 2)	Cost of Goods	279.41	1,050.02
6	Trade Receivables turnover Ratio (In	Avg Trade Receivables ({Op+Cl} / 2)	Net Credit Sales	63.93	106.11
7	Trade Payables turnover Ratio (In days)	Avg Trade Payables ({Op+Cl} / 2)	Net Credit Purchases	95.49	198.52
8	Net capital turnover Ratio (In times)	Net Sales	Avg. Working Capital	1.67	0.79
9	Net profit Ratio (%)	Net Profit after Tax	Total Revenue	1.77%	-12.87%
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and	Total Capital Employed	1.36%	-3.87%

NOTE:
Previous Financial Year Ratios have been recalculated to make them comparable with the Current Financial Ratios. However Previous Financial Year had half year operations beginning from Commencement date of October 1, 2021. Thus the comparative figures have divergent trend.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 32
Ind AS optional exemptions
1. Deemed cost
The Company has elected to measure all of its property, plant and equipment & intangible assets at carrying value as recognised in the previous financial statement on the date of transition to Ind AS and used those carrying value as deemed cost of Property, plant and equipment & Intangible assets since there is no change in the functional currency.

2. Investment in Joint ventures
The Company has elected the option provided under Ind AS 101 to measure its investment in Joint venture at previous carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investment.

3. Non-current assets held for sale and discontinued operations
The Company has elected the option provided under Ind AS 101 to measure non-current assets held for sale and discontinued operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs.

Ind AS mandatory exceptions
1. Estimates
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous financial statements, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2022 and March 31, 2023 are consistent with the estimates as at the same date made in the conformity with previous financial statement.
2. De- recognition of financial assets and liabilities
Ind AS 101 requires a first time adopter to apply the de-recognition provision of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from the date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result to past transactions was obtained at the time of initially accounting those transactions.
The Company has elected to apply the de-recognition provision of Ind AS 109 prospectively.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

B. Reconciliations between previous financial information and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. However there are items to be reconciled during the year.

C. Notes to the reconciliation of equity and total comprehensive income

i. Impact of valuation of Property, plant and equipment & Intangible assets

The Company has elected to measure all of its property, plant and equipment & intangible assets at carrying value as recognised in the previous financial statement on the date of transition to Ind AS and used those carrying value as deemed cost of Property, plant and equipment & Intangible assets since there is no change in the functional currency.

ii. Impact of valuation of Financial Financial Assets and Liabilities

The Company has valued its financial assets and liabilities at their realisable value in compliance with Ind AS implementation.There is no differnce no adjustment is done in Retained Earnings.

iii. Impact of valuation of Inventories

Under Ind AS, the inventories are valued at lower of cost or net realisable value.

iv. Classification & Presentation

a. Recognition of certain Government grant as deferred income

Under Ind AS, Property,Plant and Equipment has been recognised at gross cost and government grant has been recognised as deferred income. The deferred income is recognised as income in the statement of profit and loss on a systematic basis over the useful life of the assets for which it is received.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 33 : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

(i) The Company does not have any benami property held in their name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(v) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Company has no income surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961 (such as search or survey), that has not been recorded in

(vii) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

Note 34 : Code of Social Security, 2020

The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Company towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. The Company will assess the impact of the Code and will record related impact in the period it becomes effective.

Note 35 : New Accounting Pronouncements to be adopted after March 31, 2022

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022.The company has adopted the same guidlines as per the extend guidlines of the MCA.

YANTRA INDIA LIMITED
HEAD QUARTER
O.F. AMBAJHARI
NAGPUR

YANTRA INDIA LIMITED
CIN :- U35303MH2021GOI365890
Notes to the Standalone Financial Statements

Note 36 : Indigenization Corpus
Notification on Policy for Indigenization of Components and spares used in Defence platforms for DPSUs/OFB was issued on 8th March 2019. As the guidelines from Department of Defence Production(DDP) regarding modalities has not been received as on 31st March 2023 no provision has been made during this period.

Note 37 : Balance shown under Trade Receivables, Trade Payable, Advance against Goods and Services, are under reconciliation. Since the Company is a Government entity under the control of Ministry of Defence (MoD), around 98% of the Company's turnover, around 100% of Trade receivables and around 95% of the customer advances is with respect to Government and Government related entities. The bills are raised on the customers by the divisions located at various places and reconciliation is carried out on an ongoing basis. However, management does not expect to have any material financial impact of such pending confirmation / reconciliation.

Note 38 : In the opinion of the Board, the Company do not have any assets other than fixed assets and Non-current investments having a value on realisation in the ordinary course of business less than the amount stated.

Note 39 : Events occurring after the reporting period
The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of 2023, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

In terms of our report attached

For V.R.Inamdar & Co.
Chartered Accountants
Firm Registration No. 103743W

V. R. INAMDAR & CO. CHARTERED ACCOUNTANTS NAGPUR

CA V. V. Inamdar
Partner
Membership No. 44890

Place: Nagpur
Date: 06/10/2023

For and on behalf of the board of directors of
Yantra India Limited

Chairman and Managing Director
RAJEEV PURI
DIN 09282232

Director Finance and CFO
RAKESH SINGH LAL
DIN 09622284

YANTRA INDIA LIMITED HEAD QUARTER O.F. AMBAJHARI NAGPUR

LOGO DESCRIPTION

सशस्त्र सेनाओं का सशक्तिकरण

EMPOWERING THE ARMED FORCES

The Logo of YIL has been registered on the Trade Marks Act 1999 vide Trade No. 5152690 Dtd: 29.09.2021, Certificate No. 2983711.

Defining the fact that, as the company so its logo, the logo of Yantra India Limited is a symbol that identifies the business, Values and Strength of the company. The entire logo has spectrum of meanings:

The Gear : The gear is a symbol of time. It has 24 Spokes/Teeth's which is similar to that of 24 aspects of the nature, enabling it to create and maintain sustainability. It symbolizes the dynamic energy and driving force behind every machine or device. The Prsm: The Prism visualizes company's concept of Mind and Machine focusing on consistency on accuracy. The Rocket: The Rocket represents upward movement, sign of Growth and Vision. The Letter 'Y' : "Y", Puts as on unifying factor for whole of the company. 'Y" Stands for YOGA too. Motto : The motto of the company ''उद्यमेन हि सिद्धन्ति कार्याणि'' is derived from the "Hitopadesha" which means "one can achieve success only by working hard and through dedication". Tag Line "Empowering the Armed Forces", that is ''सशस्त्र सेनाओं का सशक्तिकरण'' represents the commitment of YIL towards the Three Services of India.

यंत्र इंडिया लिमिटेड

YANTRA INDIA LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE, MINISTRY OF DEFENCE)

सशस्त्र सेनाओं का सशक्तिकरण

EMPOWERING THE ARMED FORCES

YANTRA INDIA LIMITED
AMRAVATI ROAD, NAGPUR - 440 021
MAHARASHTRA

CIN - U35303MH2021GOI365890

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