

**Yizumi Advanced Processing Technology Private Limited****CIN: U29230GJ2019FTC108825****Regd. Office: Plot No. 10621063 GIDC Sanand-II Industrial Estate, Ahmedabad****382170 in the state of Gujarat****Phone: 9265563235 Email: Hitul.patel@yizumi.com Website: www.yizumi.com/en****NOTICE OF THE MEETING OF THE SECURED CREDITORS OF  
Yizumi Advanced Processing Technology Private Limited****(Convened pursuant to an Order dated 13<sup>th</sup> December 2023 passed by  
Hon'ble National Company Law Tribunal, Ahmedabad Bench)****MEETING DETAILS:**

Day	Monday
Date	29 <sup>th</sup> January 2024
Time	3.00 p.m.
Mode of Meeting	Video Conferencing or Other Audio Visual Means

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED****A:** Plot No. 1062+1063, GIDC Sanand-II Industrial Estate, Ahmedabad-382170, Gujarat, India**E:** yzmapt@yizumi.com**P:** 7574848213**W:** www.yizumi.com**CIN** U29230GJ2019FTC108825

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
AHMEDABAD BENCH**

**C A (CAA) NO 63 (AHM) of 2023**

In the matter of the Companies Act, 2013

And

In the matter of Sections 230 to 232 read with Sections 66 and 52 and other applicable provisions of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation (by way of Absorption) of Yizumi Precision Machinery (India) Private Limited ("Transferor Company") with Yizumi Advanced Processing Technology Private Limited ("Transferee Company") and their respective shareholders ("Scheme").

**Yizumi Advanced Processing Technology Private Limited**

CIN: U29230GJ2019FTC108825

a company incorporated under the provisions of the Companies Act, 2013, having its registered office at

Plot No. 10621063 GIDC Sanand-II Industrial Estate, Ahmedabad

382170 in the state of Gujarat. ... **Applicant Transferee Company**

**NOTICE CONVENING THE MEETING OF SECURED CREDITORS OF  
Yizumi Advanced Processing Technology Private Limited**

To,

The Secured Creditors of Yizumi Advanced Processing Technology Private Limited

**TAKE NOTICE** that by an order dated 13<sup>th</sup> December 2023, the Ahmedabad Bench of the National Company Law Tribunal ("**NCLT**" or "**Tribunal**") has directed a meeting to be convened and held of Secured Creditors of Yizumi Advanced Processing Technology Private Limited (the Transferee Company) for the purpose of considering, and, if thought fit, approving, with or without modification, the Scheme of Amalgamation (by way of Absorption) of Yizumi Precision Machinery (India) Private Limited ("Transferor Company") with Yizumi Advanced Processing Technology Private Limited ("Transferee Company") and their respective Shareholders and Creditors.

**TAKE FURTHER NOTICE THAT** in pursuance of the said order and as directed therein further notice is hereby given that the meeting of Secured Creditors of Yizumi Advanced Processing Technology Private Limited will be held on Monday, 29<sup>th</sup> January 2024 at 3.00 p.m. IST through Video Conferencing ("**Meeting**") at which time the said Secured Creditors are requested to attend.

The following resolution will be considered and if thought fit, be passed, with or without modification(s) :

**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the National Company Law Tribunal Rules, 2016, and subject to any provision of any other Applicable law / statute and in accordance with the relevant clauses of the Memorandum of Association and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" or "**Tribunal**") and approval of such other Regulatory / Statutory / Government authority (ies), as may be necessary or as may be directed by the NCLT or such other competent authority(ies), as the case may be, approval of the Secured Creditors of the Company be and is hereby accorded to the proposed Scheme of Amalgamation (by way of Absorption) of Yizumi Precision Machinery (India) Private Limited ("Transferor Company") with Yizumi Advanced Processing Technology Private Limited ("Transferee Company") and their respective Shareholders and Creditors."

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter called the '**Board**', which term shall be deemed to include any person (s) authorized and / or Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), be and are hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give

effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, (including withdrawal of the Scheme), which may be required or directed by the NCLT while sanctioning the Scheme or by any authorities under law or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the board of directors may deem fit and proper.”

The Applicant Company has appointed CDSL for providing VC/OAVM facility and e-voting facility for the meeting of secured creditors.

**TAKE FURTHER NOTICE THAT** you may attend and vote at the said meeting in person or through Authorised Representative in case of corporate creditor.

**TAKE FURTHER NOTICE** that

- a) in compliance with the provisions of (i) MCA Circulars; (ii) Sections 108 and 230 of the Companies Act read with the rules framed there under and Regulation 44 and other applicable provisions Yizumi Advanced Processing Technology Private Limited has provided the facility of voting by e-voting so as to enable the Secured Creditors to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Secured Creditors of Yizumi Advanced Processing Technology Private Limited to the Scheme shall be carried out through e voting at the time of the meeting to be held on 29<sup>th</sup> January 2024.
- b) in compliance with the applicable provisions of the Act and the Order passed by NCLT, (a) the aforesaid Notice, (b) the Scheme, (c) the explanatory statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provisions of Companies Act and the rules made there under, and (d) the enclosures as indicated in the Index (collectively referred to as “**Particulars**”), are being sent (i) through electronic mode to those Secured Creditors whose e-mail IDs are registered with Yizumi Advanced Processing Technology Private Limited and (ii) through registered post or speed post or courier, physically to those Secured Creditors who have not registered their e-mail ids with Yizumi Advanced Processing Technology Private Limited. The aforesaid Particulars are being sent to all the Secured Creditors whose names appear in the records of the Company as on 30<sup>th</sup> November 2023.
- c) copies of the aforesaid Particulars can be obtained free of charge, between 11.00 a.m. to 1.00 p.m. on all working days, at the registered office of Yizumi Advanced Processing Technology Private Limited, up to the date of the Meeting, or from the office of its advocates, Mrs. Swati Saurabh Soparkar, 301, Shivalik 10, Opp. SBI Zonal Office, S.M. Road, Ambawadi, Ahmedabad-380015, Gujarat.
- d) Hon’ble NCLT has appointed Dr. Deepti Mukesh, to be the Chairperson of the Meeting including for any adjournment or adjournments thereof;
- e) the Scheme, if approved at the Meeting, will be subject to the subsequent approval by the Hon’ble National Company Law Tribunal, Ahmedabad Bench.

Sd



**Authorised Director**  
**Yash Anilbhai Shah**  
**DIN: 08492216**

**Dated : 22nd December, 2023**

**Registered Office:**

Plot No. 10621063 GIDC Sanand-II Industrial Estate, Ahmedabad  
382170 in the state of Gujarat

**NOTES:**

- a) A copy of the explanatory statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provisions of Companies Act and the rules made there under, the Scheme and the other enclosures as indicated in the Index are enclosed.
- b) Yizumi Advanced Processing Technology Private Limited has extended the e-voting facility for its Secured Creditors to enable them to cast their votes electronically. The instructions for e-voting are appended to the Notice. In case of e-voting, the votes should be cast in the manner described in the instructions. The e-voting module shall be activated by CDSL for voting for one hour, during the time of the meeting. Once the vote on a resolution is cast by Secured Creditors, he or she will not be allowed to change it subsequently.
- c) Secured Creditors whose names appear in the records of the Company as on 30<sup>th</sup> November 2023 will be considered for the purpose of voting in proportion to their outstanding amount of Secured Debt to the Company as on 30<sup>th</sup> November 2023.
- d) The authorised representative of a Body Corporate, which is a registered Secured Creditor of the Company may attend and vote at the meeting, provided a certified true copy of the resolution of the Board of Directors or other governing body of such Body Corporate, authorizing such a representative to attend and vote at the meeting is deposited at the registered office of the Company not later than 48 hours before the scheduled time of the commencement of the meeting.
- e) The Notice convening the aforesaid meeting will be published through advertisement in Business Standard, Ahmedabad edition in the English language and Lokmitra, Ahmedabad edition in the Gujarati language.
- f) The quorum of the Meeting of the Secured Creditors of Yizumi Advanced Processing Technology Private Limited shall be 1 (One).
- g) Shri Vinit Nagar, practicing Company secretary, has been appointed as the scrutinizer to scrutinize the voting through e-voting process in a fair and transparent manner;
- h) The scrutinizer will submit his report to the Chairman or a person authorized by him, after the completion of scrutiny. The result would be intimated to the CDSL and displayed / at the Registered Office along with the Scrutinizer's report, after the same is filed with the NCLT.
- i) The material documents, referred to in the Explanatory Statement will be available for inspection at the registered office of the Company during working hours on all working days from the date of dispatch of the Notice upto the date of the meeting.
- j) In case of queries or grievances pertaining to remote e-voting procedure, members may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting manual, available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) or may contact at telephone no. 022-23023333 or toll free no. 1800225533

**Voting by electronic means (remote e-voting):**  
**Remote E-Voting Process – Secured creditors**

Step 1	Voters should log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a> during the voting period.
Step 2	Click on Shareholders/ Members.
Step 3	Enter your User ID as XXXXXXXXXXX
Step 4	Next enter the Image Verification as displayed and Click on Login
Step 5	Enter your password as XXXXXXXX
Step 6	After entering these details appropriately, click on "SUBMIT" tab.
Step 7	Select the EVSN of Yizumi Advanced Processing Technology Private Limited on which you choose to vote.
Step 8	On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
Step 9	Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

Step 10	After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
Step 11	Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
Step 12	You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

**INSTRUCTIONS FOR MEMBERS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:**

1.Members will be provided with a facility to attend the meeting through VC/OAVM through the CDSL e-Voting system. Members may access the same using e-voting credentials. The link for VC/OAVM will be available in Members login where the EVSN of Company will be displayed.

2.Only those Members, who are present in the meeting through VC/OAVM facility and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the meeting.

3.If any Votes are cast by the Members through the e-voting available during the meeting and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

4.Members are encouraged to join the Meeting through Laptops / IPads for better experience.

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

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

7.Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, membered , email id, mobile number at (company email id). The Members who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, member id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8.Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9.For corporate shareholders/ Members, the resolution passed in the board meeting for appointing the authorized representative of the company shall be uploaded to the CDSL e-voting system or shall be mailed to the Scrutinizer's ID- [vncolegal@gmail.com](mailto:vncolegal@gmail.com).

**Contact Details:**

Company	Hitul Patel
E-mail	<a href="mailto:Hitul.patel@yizumi.com">Hitul.patel@yizumi.com</a>
E-Voting Agency	CDSL
E-mail	<a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	Shri Vinit Nagar
E-mail	<a href="mailto:vncolegal@gmail.com">vncolegal@gmail.com</a>

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102, 230 AND 232 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE CALLING THE MEETINGS OF EQUITY SHAREHOLDERS AND UNSECURED CREDITORS OF BOTH THE APPLICANT COMPANIES, VIZ. Yizumi Precision Machinery (India) Private Limited and Yizumi Advanced Processing Technology Private Limited and SECURED CREDITORS of Yizumi Advanced Processing Technology Private Limited. PURSUANT TO ORDER DATED 13<sup>th</sup> DECEMBER 2023 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH**

1. Pursuant to the Order dated 13<sup>th</sup> December, 2023 passed by the Ahmedabad Bench of the Hon'ble National Company Law Tribunal ("NCLT" or "Tribunal"), Separate meetings of the Equity Shareholders and Unsecured Creditors of both the Applicant Companies viz. Yizumi Precision Machinery (India) Private Limited and Yizumi Advanced Processing Technology Private Limited as well as Secured Creditors of Yizumi Advanced Processing Technology Private Limited are being convened and will be held, for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Amalgamation (by way of absorption) of Yizumi Precision Machinery (India) Private Limited ("Transferor Company") with Yizumi Advanced Processing Technology Private Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment or amendment thereof) read with the rules issued there under. The Hon'ble NCLT has vide the abovereferred order, dispensed with the meeting of the Secured Creditors of the Applicant Transferor Company, in view of the written consents on stamp paper from all of them having been placed on record.
2. The definitions contained in the scheme will apply to this Explanatory Statement also.
3. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, *inter alia*, providing for the proposed Scheme of Amalgamation of Yizumi Precision Machinery (India) Private Limited ("Transferor Company") with Yizumi Advanced Processing Technology Private Limited ("Transferee Company") and their respective shareholders and creditors, which has been approved by the Board of Directors of both the Applicant Companies at their respective meetings held on 20<sup>th</sup> July 2023 and 22<sup>nd</sup> July 2023 are attached to this explanatory statement and forms part of this statement as **Annexure A**.
4. As stated earlier, NCLT by its said Order has, *inter alia*, directed that separate meetings of the Equity Shareholders and Unsecured Creditors of both the Applicant Companies and Secured Creditors of Transferee Company shall be convened and held on Monday, 29<sup>th</sup> January 2024 as per following schedule:

<b>Type of the meetings</b>	Yizumi Precision Machinery (India) Private Limited	Yizumi Advanced Processing Technology Private Limited
Equity Shareholders	10.00 a.m.	2.00 p.m.
Unsecured Creditors	11.00 a.m.	4.00 p.m.
Secured Creditors	Dispensation granted	3.00 p.m.

The said meetings shall be convened and conducted through video-conferencing or other audio-visual means ('VC/OAVM') for the purpose of considering and, if thought fit, approving with or without modification(s) the Scheme of Amalgamation (by way of Absorption). All the concerned parties would be entitled to vote by e-voting at the time of respective meetings to be conducted through VC/OAVM.

In accordance with the provisions of Section 230-232 of the Companies Act, 2013, the

Scheme shall be acted upon only if a majority in number representing three fourth in value of the equity shareholders/ secured creditors/ unsecured creditors of the respective Applicant Companies, agree to the Scheme.

The scrutinizer appointed for conducting e-voting process will submit his report to the Chairperson of the respective Applicant Companies or to the person so authorised by him after completion of the scrutiny of e-voting submitted and votes cast by the concerned parties at the time of respective meetings.

**5. Background of Yizumi Precision Machinery (India) Private Limited, the Applicant Transferor Company.**

(i) Yizumi Precision Machinery (India) Private Limited (hereinafter referred to as “Yizumi Precision” or the “Applicant Transferor Company”), is a private company limited incorporated on August 04, 2016 under the Companies Act, 2013 with the Registrar of Companies, Gujarat. The registered office of the Company is situated at C-803, Safal Parivesh, Prahaladnagar, Ahmedabad, 380015, in the state of Gujarat. The CIN is U29190GJ2016PTC093223. The Permanent Account Number of the Transferor Company is AAACY8230D. Email id of the Transferor Company is Hitul.patel@yizumi.com.

(ii) The share capital of Yizumi Precision as on March 31, 2023 is as under:

Particulars	Amount (In INR )
<b>Authorized Capital</b>	
3,00,000 equity shares of Rs. 100 each	3,00,00,000
<b>Total</b>	<b>3,00,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
2,95,792 equity shares of Rs. 100 each	2,95,79,200
<b>Total</b>	<b>2,95,79,200</b>

(iii) There is no change in the capital structure of the company since the above referred date. Currently, 90% shares of the said company are held by Yizumi Holdings Co., Ltd , a company based in China and 10% shares are held by an individual, Indian resident.

(iii) The main objects of Yizumi Precision are as under:

1. To engage in carrying on the business to manufacture, produce, formulate, assemble, fabricate, erect, sale, purchase, trading, process, design, develop, distribute, repair, service, renovate, import, export, research and development of servo high-precision plastics injection molding machines, die casting machines, rubber injection machines, press machines, hydraulic machines, low-pressure casting machines, pipe packing machines, road sweeping machines and parts and fittings thereof, design and production of non-metal product molds and hydrostatic drive apparatus, production of electro hydraulic proportional servo components, manufacturing of waste plastics, electric appliances, rubber and battery recycle equipment, development and production of software products and consultation service on application technology of die casting machines and injection molding machines, trading of machineries and its spare parts and to do all types and descriptions of plastic, rubber, die casting commercial and industrial machineries and articles ;
2. To engage in any and all activities necessary, desirable, ancillary or incidental to the accomplishment of the conduct of above business of the Company; and

(iv) Yizumi Precision, the Applicant Transferor Company is a Private Limited company and belongs to the same group of management as the Transferee Company. The company is engaged in the business of manufacturing, marketing and service support of injection molding machines. The company is promoted by Yizumi Group based in China and majority stakeholder is the Holding Company. Yizumi Precision is operational since May 2017. The total income of the Transferor Company for the financial year ended on 31st March, 2023 was around Rs. 220.76 crores and the net profit was around Rs. 7.82 crores. The company has Reserves and Surplus of around Rs. 17.79 crores. Copy of the Audited financial statements as on 31<sup>st</sup> March 2023 as well as Unaudited provisional financial statements as on 30<sup>th</sup> June 2023 are annexed herewith.

**6. Background of Yizumi Advanced “Transferee Company” is as under:**

- (i) Yizumi Advanced Processing Technology Private Limited (hereinafter referred to as “Yizumi Advanced” or “the Applicant Transferee Company”) is a private limited company incorporated on June 25, 2019 under the Companies Act, 2013 with the Registrar of Companies, Gujarat. The Registered Office of the company is situated at Plot No. 1062 & 1063, GIDC Sanand - II Industrial Estate, Dist. Ahmedabad, 382170 in the state of Gujarat. The CIN is U29230GJ2019FTC108825. The Permanent Account Number of the Transferee Company is AABCY1365N. Email id of the Transferee Company is Hitul.patel@yizumi.com.
- (ii) The authorised, issued, subscribed and paid-up share capital of Yizumi Advanced as on 31<sup>st</sup> March 2023, is as under:-

Particulars	Amount (In INR)
<b>Authorized Capital</b>	
22,25,000 Equity Shares of Rs. 100 each	22,25,00,000
<b>Total</b>	<b>22,25,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
20,00,000 Equity Shares of Rs. 100 each	20,00,00,000
<b>Total</b>	<b>20,00,00,000</b>

On 5<sup>th</sup> May, 2023, 2,22,222 equity shares has been issued by following requisite procedure. The share capital of Transferee Company as at 01<sup>st</sup> June, 2023 is as under:

Particulars	Amount (In INR)
<b>Authorized Capital</b>	
22,25,000 Equity Shares of Rs. 100 each	22,25,00,000
<b>Total</b>	<b>22,25,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
20,00,000 Equity Shares of Rs. 100 each	20,00,00,000
Issuance of 2,22,222 Equity Shares of Rs. 100 each on 5 <sup>th</sup> May, 2023	2,22,22,200
<b>Total</b>	<b>22,22,22,200</b>

Subsequent to the above change in May 2023 and up to the date of approval of this Scheme by the Board of Transferee Company, there has been no change in the stated capital of Transferee Company except as stated aforesaid.

- (iii) The main objects of Yizumi Advanced as per Memorandum of Association are as under:
- 1.To engage in carrying on the business of providing manufacturing of Injection molding, Die casting machine, Rubber injection molding machine, Fabrication and automation system;
  - 2.To engage in any and all activities necessary, desirable, ancillary or incidental to the accomplishment of the conduct of above business of the Company;
- (iv) Yizumi Advanced, the Applicant Transferee Company, has been set-up inter alia to carry out the business of manufacturing of Injection molding, Die casting machine, Rubber injection molding machine, Fabrication and automation system. The company is promoted by Yizumi Group based in China and majority stakeholder is the Holding Company. A new advanced manufacturing base was set up in Yizumi Advanced for expanding existing operations. In order to capture the demand for Yizumi Group's products, manufacturing capabilities has been expanded by setting up of a new manufacturing plant which will allow the group to meet customer needs more effectively and efficiently. This expanded facility can support higher volumes, reduce lead times, and meet customer requirements more effectively, expand its market reach, tap into new customer segments, or enter new geographic regions. The management focus was to carry out business in Asia and rest of world markets from Yizumi Advanced. The Yizumi Group had decided to consolidate both the Indian Group entities (i.e., Yizumi Precision and Yizumi Advanced). Intermittently, Yizumi Advanced has given its new manufacturing facility on lease to Yizumi Precision for a period of 11 months starting from October 2022. During the financial year ended on 31<sup>st</sup>

March, 2023, the company had total revenue of Rs. 3.21 crores but has no profits as yet. Copy of audited financial statements of Yizumi advanced as on 31<sup>st</sup> March, 2023 as well as Unaudited provisional financial statements as on 30<sup>th</sup> June 2023 are annexed herewith.

## 7. Rationale and Valuation Report:

Both these companies are part of the same group i.e., Yizumi Group and are engaged in same line of business. The activities to be undertaken by both are complimentary in nature. The Board of Directors of both the companies considered the merger of both entities which will result in consolidation of businesses as well as simplification of structure (including shareholding structure). The proposed merger envisaged under this Scheme is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility there by maximizing shareholder value and to achieve higher long-term financial returns. The proposed scheme is envisaged to result in the following benefits:

- Integration of business operations.
- Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities.
- Garner the benefits arising out of economies of large scale and lower operating costs.
- Pooling and rationalization of talents in terms of manpower, management, administration etc. to result in savings of costs.
- Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances and cost.
- Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets.
- Bring uniformity in corporate policy.
- Benefit of operational synergies to the combined entity and greater leverage in operations, planning and process optimization.

The proposed amalgamation will be beneficial to both the companies and their respective shareholders and creditors, employees and other stakeholders and not prejudicial to the interests of the shareholders.

In view of the aforesaid, the Board of Directors of both the companies have proposed this scheme for the transfer and vesting of whole of the undertaking of the Transferor company with and into the Transferee Company pursuant to the provisions of Section 230 to 232 read with Sections 66 and 52 and other relevant provisions of the Act.

It is further clarified that as a consequence of the proposed Merger by Absorption, there will be no change in control or economic beneficial ownership with respect to total shareholding of the promoters/ promoter group i.e. the Ultimate Beneficial Owner/s.

The report confirming the proposed Entitlement Ratio of Equity Shares, being just and reasonable, dated 08<sup>th</sup> July, 2023, provided by CA Roshan Nilesh Vaishnav, a Registered Valuer is annexed herewith.

## 10. Salient features of the Scheme:

### “1. Definitions:

- 1.3 “**Appointed Date**” means 01<sup>st</sup> April, 2023 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- 1.6 “**Effective Date**” means the last of the dates on which the conditions mentioned in Clause 16 are satisfied.
- 1.15 “**Undertaking of Transferor Company**” means all the undertakings and entire business, activities and operations of the Transferor Company in India, as a going concern, including, without limitation:
  - a. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India including, without limitation, all land, buildings and structures, offices, branches, residential and other premises, capital work-in-progress, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investment in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid

by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company in India;

- b. all permits, quotas, rights, entitlements, industrial and other licences, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, privileges, incentives deductions, exemptions, rebates, allowances, amortization, tax credits [including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, tax refunds, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Company for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available, if any, in law if the merger pursuant to this Scheme does not take place, all other rights, exemptions and other benefits under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute] receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company, whether or not so recorded in the books of accounts of the Transferor Company;
- c. all debts, borrowings, obligations, duties and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and
- d. all trade and service names and marks, patents, copyrights, goodwill and other intellectual property rights of any nature whatsoever, books, records, files, papers, software licenses (whether proprietary or otherwise), computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.
- e. all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise.
- f. any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Company required to carry on the operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives granted by any Governmental Authority or by any other person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

#### **4. AMALGAMATION OF COMPANIES**

Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any,

of the Act, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

The requisite sanctions or approvals including but not limited to in-principle approvals, sanctions of Central Government or any government authority or any other agency or department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required under any law;

#### **4.1 Transfer and Vesting of Assets**

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- a. All the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
- b. All immovable properties of the Transferor Company, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company by operation of law pursuant to sanctioning of the Scheme and upon the Scheme becoming effective, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. Such assets shall stand vested in Transferee and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof. Further the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as a record of continuing title with Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, at the discretion of Transferee Company, such immovable properties can be vested pursuant to a separate conveyance or any other agreement as well.
- c. Without prejudice to the provisions of Clause 4(a) and 4(b) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- d. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause 1 above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall

be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date or from the date of their acquisition (after the Appointed Date but before the Effective Date) as the case may be, pursuant to the provisions of Sections 230 to 232 of the Act.

- e. All the profits or costs, charges, or expenditure accruing to the Transferor Company in India or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, costs, charges, expenditure or losses of Transferee Company, as the case may be.
- f. All taxes (including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax paid / payable by the Transferee Company, or as the case may be, refunds/claims, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, exemptions, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and
- g. All the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company, rights of any claim not made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.
- h. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, concessions, grants, rights, claims, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, concessions, grants, rights, claims, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

#### **4.2 Transfer and Vesting of Liabilities**

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the

Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- c. All loans raised authorized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- d. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

#### **4.3 Encumbrances**

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4.1, Clause 4.2 and Clause 4.3 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee Company at the time of transfer of the encumbrance, charge and/or right covered above with respect to the immovable property.
- c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Company to give formal effect to the above provisions, if required.
- d. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- e. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- f. The provisions of this Clause 4.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

#### **5. Legal, Taxation and other Proceedings**

- a. Upon coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi- judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

## **7. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF TRANSFEE COMPANY**

### **A. Consolidation of Authorised Share Capital of Transferee Company**

- 7.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company shall be deemed to be combined with the authorized share capital of the Transferee Company, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies and the stamp duty and fees paid by the Transferor Company on their authorized share capital shall be set-off against any stamp duty and fees payable by the Transferee Company on any increase in the authorized share capital of the Transferee Company pursuant to the Scheme.
- 7.2 It is clarified that the approval of the Scheme by the members of the Transferee Company shall be deemed approval of the alteration of the memorandum and articles of association of the Transferee Company as required under Sections 13, 14, 61, 64 and other applicable provisions of the Companies Act, 2013.
- 7.3 The capital clause V of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:  
 "V. The Authorised Share Capital of the Company is INR 57,71,72,600 (Rupees Fifty Seven Crores Seventy One Lakhs Seventy Two Thousand Six Hundred only) divided into 57,71,726 (Fifty Seven Lakhs Seventy One Thousand Seven Hundred Twenty Six only) equity shares of INR 100/- (Rupees Hundred only) each and with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach there to respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and legislative provisions for the time being in force."
- 7.4 The share capital being clause 4 of the Articles of Association of the Transferee The Authorised Share Capital of the Company is INR.57,71,72,600 (Rupees Fifty Seven Crores Seventy One Lakhs Seventy Two Thousand Six Hundred only) divided into 57,71,726 (Fifty Seven Lakhs Seventy One Thousand Seven Hundred Twenty Six only) equity shares of INR 100/- (Rupees Hundred only)

### **B. Objects Clause:**

- 7.5 In order to carry on the activities currently being carried on by the Transferor Company, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Transferor Company shall be added to the main objects of the memorandum of association of the Transferee Company, to the extent such objects are not already covered by those of the Transferee Company. The object clauses as set out in Schedule I, to the Scheme, shall be added to the memorandum of association of the Transferee Company.
- 7.6 Upon the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 230 to 232 of the Act, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by Transferor Company in relation to any of the objects contained in the memorandum of association of the Transferee Company, to the extent the same may be considered applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required

under Section 13 of the Act.

- 7.7 It is clarified that for the purposes of Clause 7.1 above, the stamp duties and fees (including registration fee) paid on authorized share capital of the Transferor Company shall be utilized and applied to the increase authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in authorized share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Companies.
- 7.8 Under the accepted principle of single window clearance, it is hereby provided that all the above alterations in Memorandum and Articles of Association pertaining to Objects Clause as well as Capital Clause, of the Transferee Company pursuant to the above clauses shall become operative on this Scheme becoming effective and by virtue of the fact that the shareholders of the Transferee Company while approving this scheme as a whole, have approved and accorded the relevant consents as required under the act for the aforesaid amendments of the memorandum of the association and articles of the association of the Transferee Company and the Transferee Company shall not be required to pass separate resolutions under the applicable provisions of Section 13, 14 and other applicable provisions of the Act. The Transferee Company undertakes to pay fees if any that may be required in relation to such amendments.

## 8 **CONSIDERATION**

- 8.1 Pursuant to the Scheme coming into effect and without any further application, act or deed, the Transferee Company shall issue and allot:

12 (Twelve) Equity shares of Rs. 100 each fully paid up in its equity share capital in respect of every 1 (one) equity share of Rs. 100/- held by person whose name appear in the register of members of the Transferor Company (or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Transferee Company) as on the Record Date.

- 8.2 The ratio in which the New Equity Shares are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the "Share Entitlement Ratio". The same has been worked out by CA Roshan Nilesh Vaishnav, a Registered Valuer.
- 8.3 Upon the Scheme becoming effective and upon the New Equity Shares being issued and allotted as provided in this scheme, the equity shares of the Transferor Company shall be deemed to have been automatically cancelled and be of no effect on and from the record date.
- 8.4 The New Equity shares to be issued and allotted as provided in Clause 8.1 above shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank pari-pasu in all respects with the equity shares of the Transferee Company as on the Effective Date including in respect of dividend, if any that may be declared by the transferee company on or after the Effective Date.
- 8.5 The issue and allotment of New Equity Shares to the respective shareholders of the Transferor Company as provided in the scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the transferee company or its shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provision of the Act, and such other statues and regulations as may be applicable were duly complied with.

## 9. **Accounting Treatment**

Upon the Scheme becoming effective, the Transferee Company shall account for the Amalgamation in its books of accounts with effect from the Appointed Date as under:

- 9.1 The Transferee Company shall follow the 'pooling of interest method' of accounting for the amalgamation as per Accounting Standard – 14.
- 9.2 All Assets and Liabilities, including Reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form;
- 9.3 The inter-corporate deposits/loans and advances/balance outstanding between the Transferor Company and the Transferee Company will stand cancelled and there shall be no further obligation on that behalf;
- 9.4 The difference between the amount recorded as share capital issued and the amount of share capital of the transferor company, in case of excess shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall it shall be debited to the Amalgamation Adjustment Reserve account of the Transferee Company;
- 9.5 The balance in the amalgamation adjustment reserve account as per clause 9.4 above, if any, shall, on merger, be adjusted in the books of Transferee Company as under:

- i. Firstly, out of the amount available in Capital Redemption Reserve of Transferee Company (including Capital Redemption Reserve of the Transferor Company transferred to the Transferee Company pursuant to the Scheme); and
  - ii. Secondly, out of the amount available in the Securities Premium account of the Transferee Company (including Securities Premium of the Transferor Company transferred to the Transferee Company pursuant to the Scheme) in compliance with Section 66 and 52 of the Companies Act, 2013; and
  - iii. Thirdly, out of the amount available in the General Reserve of the Transferee Company (including General Reserve of the Transferor Company transferred to the Transferee Company pursuant to the Scheme); and
  - iv. Fourthly, out of the amount available in the Profit and Loss account of the Transferee Company (including Profit and Loss Account of the Transferor Company transferred to the Transferee Company pursuant to the Scheme).
- 9.6 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial positions on the basis of consistent accounting policy.

#### **10. DISSOLUTION OF THE TRANSFEROR COMPANY**

- 10.1 On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act or deed by the parties.
- 10.2 On and with effect from the Effective Date, the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make all necessary filings in this regard.
- 10.3 Any obligations/ steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

#### **11. Applicability of provisions of Income Tax Act**

- 11.1 The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income- tax Act, 1961 (hereinafter referred to as Income Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income- tax Act. Such modification will, however, not affect the other parts of the Scheme.
- 11.2 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for purposes of carry forward and set-off of tax losses, unabsorbed depreciation and tax benefits, if any) and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company, and to claim tax benefits, under the Income Tax Act and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of the Tribunal sanctioning this Scheme shall be deemed to be an order permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts on and from the Appointed Date and no further act shall be required to be undertaken by the Transferee Company.
- 11.3 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 11.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 11.5 All taxes (including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, minimum alternate tax etc.), including any interest, penalty, surcharge and/or cess, paid / payable by or refunded / refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims/credits, etc.

as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source such as under Sections 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, deductions / holidays, remissions, reductions etc., if any, as would have been available to the Transferor Company, pursuant to this Scheme becoming effective, be available to the Transferee Company and the relevant authority shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon coming into effect of this Scheme.

- 11.6 The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 11.1 above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits and carry forward of accumulated losses, unabsorbed depreciation etc., pursuant to the provisions of this Scheme.
- 11.7 The taxes (including but not limited to advance tax, self-assessment tax, minimum alternate tax, tax deducted at source, tax collected at source), including any interest, penalty, surcharge and/or cess, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute for the period commencing from the Appointed Date shall be deemed to be the taxes paid by the Transferee Company and credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for such taxes are in the name of the Transferor Company and not in the name of the Transferee Company.”

**THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME OF AMALGAMATION (BY WAY OF ABSORPTION), THE EQUITY SHAREHOLDERS AND UNSECURED CREDITORS OF THE APPLICANT TRANSFEREE COMPANY AND APPLICANT TRANSFEROR COMPANY AND SECURED CREDITOR OF APPLICANT TRANSFEREE COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME OF AMALGAMATION (BY WAY OF ABSORPTION) TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.**

11. The proposed Scheme was placed before the Board of Directors of both the Applicant Companies respectively on 20<sup>th</sup> July 2023 and 22<sup>nd</sup> July 2023. The Board of Directors of both the Applicant Companies passed a resolution by which it was resolved that the Scheme of Amalgamation (by way of Absorption) placed before the Board be submitted to National Company Law Tribunal.

Pursuant to the same, The Application has been filed jointly by both the Applicant Companies, viz. Yizumi Precision Machinery (India) Private Limited (“Transferor Company”) with Yizumi Advanced Processing Technology Private Limited (“Transferee Company”) before the Ahmedabad Bench of the National Company Law Tribunal for the sanction of the Scheme under Section 230 read with Section 232 of the Companies Act, 2013.

**12. Directors, Promoters and Key Managerial Personnel:**

- a) The Directors of both the Transferor Companies and Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the companies, or to the extent the said Directors are common Directors in the companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the Companies. The shareholding of the Directors of both the companies is annexed herewith as Annexure-E.
- b) Key Managerial Personnel (KMPs) other than Directors and their relatives may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme. None of the KMPs other than Directors and their relatives, of any of these companies hold any shares in any of these companies.
- c) Save as aforesaid, none of the Directors and KMPs of the Transferor Company and the Transferee Company and their relatives have any material concern or interest, financial and /

or otherwise in the Scheme.

13. The Capital Clause V of MOA of Yizumi Advanced shall be modified upon consolidation of Authorised Capital of the Transferor Company with that of the Transferee Company as follows:

“V. The Authorised Share Capital of the Company is INR 57,71,72,600 (Rupees Fifty Seven Crores Seventy One Lakhs Seventy Two Thousand Six Hundred only) divided into 57,71,726 (Fifty Seven Lakhs Seventy One Thousand Seven Hundred Twenty Six only) equity shares of INR 100/- (Rupees Hundred only) each and with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach there to respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and legislative provisions for the time being in force.”

14. The copy of the proposed Scheme is being filed by the Companies before the concerned Registrar of Companies.
15. The audited Accounting Statements of the Transferor Company and the Transferee Company as on 31<sup>st</sup> March, 2023 and unaudited financial results of all the Companies for the period ended on 30<sup>th</sup> June, 2023 are enclosed as **Annexure - D** to this Notice.
16. Amounts due to secured creditors (as on 30<sup>th</sup> November 2023)  
Yizumi Precision - Rs. 15,50,00,000  
Yizumi Advanced - Rs. 15,00,00,000
17. Amounts due to unsecured creditors (as on 30<sup>th</sup> November 2023)  
Yizumi Precision - Rs. 1,00,63,92,004  
Yizumi Advanced - Rs. 94,06,40,911
18. Disclosure about effect of the compromise or arrangement on:

Sr. No.	Particulars	Transferee Company	Transferor Company
A	Key Managerial Personnel	No Effect	Shall cease to be KMPs
B	Directors	No Effect	Shall cease to be Directors
C	Promoters	No effect	Shall cease to be promoters.
D	Non-promoter members	No effect	No effect as there is no non-promoter member
E	Depositors	No Effect as none of the Companies have accepted any deposits	
F	Creditors	No Effect	Creditors, of Transferor Company shall become the creditors of the Transferee Company and paid off in the ordinary course of business. Inter-company creditors, if any, would get cancelled.
G	Debenture holders	Not applicable as none of the Companies have issued any debentures	
H	Deposit trustee and debenture	Not applicable as none of the Companies have any Deposit trustees or Debenture trustees.	

I	Employees of the company	No adverse effect	No adverse effect as employees of Transferor Company as on effective date will become employees of the Transferee Company
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19. There are no proceedings/investigation pending against any of the Applicant Companies under Sections 210 – 217, 219, 220, 223, 224, 225, 226 & 227 of the Act and/or Sections 235 to 251 of the Act and the like. There are no winding up petitions and/or any proceedings under the Insolvency and Bankruptcy Code pending against any of the Companies.

20. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement.

Notice under Section 230(5) of Companies Act, 2013 is being given to the Central Government, Registrar of Companies, Income Tax Authorities and Reserve Bank of India in respect of all Companies.

Notice under Section 230(5) of Companies Act, 2013 is being given to the Official Liquidator in respect of Transferor Company.

## 21. General:

- i. The rights and interests of the Equity Shareholders, Secured or Unsecured Creditors of the Applicant Companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.
- ii. There are no winding up proceedings or any proceedings under the Insolvency and Bankruptcy Act, pending against any of the Applicant Companies as of date.
- iii. The following additional documents will be open for inspection to the Shareholders and Unsecured Creditors of all Applicant Companies at the Registered Office between 11.00 am to 1.00 p.m. on all working days (except Saturday and Sunday) upto one day prior to the date of meeting:
  1. Audited financial results of all the Applicant Companies as on 31<sup>st</sup> March 2023
  2. Unaudited financial results of all the Applicant Companies as on 30<sup>st</sup> June 2023
  3. Papers and proceedings in Company Application No. 63 of 2023 including certified copy of the Order of the Ahmedabad Bench of the National Company Law Tribunal in the said Company Application dispensing with the meetings of Secured Creditors of the Applicant Transferor Company and directing the convening and holding of the meetings of the Equity Shareholders and Unsecured Creditors of both the Applicant Companies and Secured Creditors of the Applicant Transferee Company;
  4. Copy of Scheme of Amalgamation (by way of Absorption);
  5. Memorandum of Association and Articles of Association of all Applicant Companies.
  6. Valuation Report dated 08<sup>th</sup> July, 2023, provided by CA Roshan Nilesh Vaishnav, a Registered Valuer.
  7. Copy of the Statutory Auditors' certificates dated 5<sup>th</sup> September 2023 issued by M/s. Devadiya & Associates, Chartered Accountants for the Applicant Transferor Company and for the Transferee Company dated 5<sup>th</sup> September 2023 issued by M/s K P Shah Associates, Chartered Accountants certifying that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013
  8. Copies of the resolutions passed by the Board of Directors of Transferor Company and Transferee Company dated 20<sup>th</sup> July 2023 and 22<sup>nd</sup> July 2023, approving the Scheme.
- iv. A copy of the Scheme, Explanatory Statement may be obtained free of charge between 11.00 a.m. to 1.00 p.m. on any working day (except Saturday and Sunday) from the Registered Office of the Applicant Companies or / and at the office of Advocates Mrs. Swati Saurabh Soparkar, situated at 301, Shivalik 10, Opp. SBI Zonal Office, S.M. Road, Ambawadi, Ahmedabad-380015, in the state of Gujarat.

- v. This statement may be treated as an Explanatory Statement under Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013

Sd/ \_\_\_\_\_

**Dated : 22<sup>nd</sup> December, 2023**

**Registered Office of the Transferor**

**Company:**

C-803, Safal Parivesh, Prahaladnagar, Ahmedabad  
380015 in the state of Gujarat

**Registered Office of the Transferee**

**Company:**

Plot No. 1062 & 1063, GIDC Sanand-II Industrial Estate,  
Dist. Ahmedabad, 382170 in the state of  
Gujarat.

**Authorized Director**

Yash Anilbhai Shah

DIN: 08492216



**ANNEXURE A**

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**SCHEME OF AMALGAMATION (MERGER BY ABSORPTION)****OF****YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED****....Transferor Company****WITH****YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED****...Transferee Company****AND****THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

UNDER SECTIONS 230 TO 232 READ WITH SECTIONS 66 & 52  
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES  
ACT, 2013

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This Scheme of Amalgamation (Merger by Absorption) (the Scheme) is presented under Sections 230 to 232 read with Section 66 and 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of Yizumi Precision Machinery (India) Private Limited [**"Transferor Company"** or **"Yizumi Precision"**] with Yizumi Advanced Processing Technology Private Limited [**"Transferee Company"** or **"Yizumi Advanced"**] and their respective shareholders. For the purpose of this Scheme, Yizumi Group shall mean as defined under the Definitions (Refer Clause 1.16) to this Scheme.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

J. Ashuk

DIRECTOR / AUTHO. SIGN.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR

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**A. Description of the Companies:**

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**A.1 Transferor Company**

- a. Yizumi Precision Machinery (India) Private Limited is a private company limited by shares incorporated on August 04, 2016 under the Companies Act, 2013 having its registered office at C-803, Safal Parivesh, Prahaladnagar, Dist.-Ahmedabad, 380015, in the state of Gujarat. ("**Transferor Company**" or "**Yizumi Precision**") [CIN: U29190GJ2016PTC093223]. In 2016, Yizumi Group based at China conducted in-depth research on the injection molding industry in India and found that Indian market has a huge demand for injection molding products and there is a huge market opportunity. Yizumi Group incorporated a subsidiary namely Yizumi Precision Machinery (India) Private Limited in the state of, Gujarat, India. With production base of approximately 8000 square metres, Yizumi Precision is operational since May 2017, and is engaged in the production, sales and service support of injection molding machines. 90% shares of the said company are held by Yizumi Holdings Co., Ltd and 10% shares held by an individual, Indian resident. The company has not changed its name in last 5 preceding years.

**A.2 Transferee Company**

- b. Yizumi Advanced Processing Technology Private Limited is a private company limited by shares incorporated on June 25, 2019 under the Companies Act, 2013 having its registered office at Plot No. 1062 & 1063, GIDC Sanand-II Industrial Estate, Taluka Sanand, Dist.-Ahmedabad 382170 in the state of Gujarat. ("**Transferee Company**" or "**Yizumi Advanced**") [CIN: U29230GJ2019FTC108825]. The Company was set-up inter alia to carry out the business of manufacturing of Injection molding, Die casting machine, Rubber injection molding machine, Fabrication and automation system. 90% shares of the said company are held by Yizumi group companies and 10% shares held by an individual, Indian resident. The company has not changed its name in last 5 preceding years.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

J. A. Shah

DIRECTOR / AUTHO. SIGN.

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FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

V. Singh  
DIRECTOR

**B. Rationale of the Scheme:**

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Both these companies are part of the same group i.e., Yizumi Group and are engaged in same line of business. The Board of Directors of both the companies considered the merger of both entities which will result in consolidation of businesses as well as simplification of structure (including shareholding structure). The proposed merger envisaged under this Scheme is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility there by maximizing shareholder value and to achieve higher long-term financial returns. The proposed scheme is envisaged to result in the following benefits:

- Integration of business operations.
- Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities.
- Garner the benefits arising out of economies of large scale and lower operating costs.
- Pooling and rationalization of talents in terms of manpower, management, administration etc. to result in savings of costs.
- Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances and cost.
- Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets.
- Bring uniformity in corporate policy.
- Benefit of operational synergies to the combined entity and greater leverage in operations, planning and process optimization.
- The proposed amalgamation will be beneficial to both the companies and their respective shareholders and creditors, employees and other stakeholders and not prejudicial to the interests of the shareholders

In view of the aforesaid, the Board of Directors of both the companies have proposed this scheme for the transfer and vesting of whole of the undertaking of the Transferor company with and into the Transferee Company pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Act.

It is further clarified that as a consequence of the proposed Scheme of Amalgamation (Merger by Absorption), there will be no change in control or economic beneficial ownership with respect to total

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shareholding of the promoters/ promoter group i.e. the Ultimate Beneficial Owner/s.

For detailed shareholding pattern, please refer to the Group Structure annexed as Schedule-II to this scheme.

## **1. DEFINITIONS AND INTERPRETATIONS**

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- 1.1. **'Act' or 'the Act'** means the Companies Act, 2013 and any rules, regulations, notifications, circulars or guidelines issued thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2. **'Applicable Law(s)'** means any statute, notification, bye laws, rules, regulations, guidelines or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions or law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3. **'Appointed Date'** means 01<sup>st</sup> April, 2023 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- 1.4. **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental or public body or authority of India including Registrar of Companies, Reserve Bank of India or the National Company Law Tribunal.
- 1.5. **"Board of Directors" or "Board"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized or individuals

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authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;

- 1.6. **'Effective Date'** means the last of the dates on which the conditions mentioned in Clause 16 are satisfied.
- 1.7. **"Employees"** means all the employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;
- 1.8. **"Encumbrance"** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of setoff, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term "Encumbered" shall be construed accordingly;
- 1.9. **"Governmental Authority"** means (i) a national or state government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;
- 1.10. **"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the respective equity shareholders of the Transferor Company, who shall be entitled to receive equity shares of the Transferee Company as per Clause 8 of this Scheme;
- 1.11. **'Scheme'** or **'the Scheme'** or **'this Scheme'** means this Scheme of Amalgamation (Merger by Absorption) in its present form as submitted to the Tribunal with any modification(s) made under Clause 16 of the Scheme as approved or directed by the Tribunal

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*y.a.shukh*

DIRECTOR / AUTHD. SIGN.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

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DIRECTOR

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or such other competent authority, as may be applicable.

- 1.12. **“Transferee Company” or “Yizumi Advanced”** means Yizumi Advanced Processing Technology Private Limited, a private limited company incorporated on June 25, 2019 under the Companies Act, 2013 with CIN: U29230GJ2019FTC108825 currently having its registered office at Plot No. 1062+1063 GIDC Sanand-II Industrial Estate, Taluka Sanand, Dist.-Ahmedabad Gujarat 382170 India;
- 1.13. **“Transferor Company” or “Yizumi Precision”** means Yizumi Precision Machinery (India) Private Limited, a private limited company incorporated on August 04, 2016 under the Companies Act, 2013 with CIN U29190GJ2016PTC093223 currently having its registered office at C-803, Safal Parivesh, Prahaladnagar, Dist.-Ahmedabad Gujarat 380015 India;
- 1.14. **“Tribunal” or “NCLT”** means the National Company Law Tribunal, Ahmedabad Bench, having jurisdiction in relation to Transferee Company and Transferor Company, being constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable.
- 1.15. **“Undertaking”** means all the undertakings and entire business, activities and operations of the Transferor Company in India, as a going concern, including, without limitation:
- a. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India including, without limitation, all land, buildings and structures, offices, branches, residential and other premises, capital work-in-progress, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans

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and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investment in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company in India;

- b. all permits, quotas, rights, entitlements, industrial and other licences, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, privileges, incentives deductions, exemptions, rebates, allowances, amortization, tax credits [including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, tax refunds, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Company for the residual

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period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available, if any, in law if the merger pursuant to this Scheme does not take place, all other rights, exemptions and other benefits under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute] receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company, whether or not so recorded in the books of accounts of the Transferor Company;

- c. all debts, borrowings, obligations, duties and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and
- d. all trade and service names and marks, patents, copyrights, goodwill and other intellectual property rights of any nature whatsoever, books, records, files, papers, software licenses (whether proprietary or otherwise), computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.
- e. all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of

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DIRECTOR / AUTHO. SIGN.

V. K. Singh  
DIRECTOR

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gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise.

- f. any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Company required to carry on the operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives granted by any Governmental Authority or by any other person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

It is intended that the definition of 'Undertakings of the Transferor Company' under this Clause would enable the transfer of all property, assets, rights, duties, licenses, Employees and Liabilities of the Transferor Company into the Transferee Company pursuant to this Scheme.

- 1.16. **"Yizumi Group"** means all the entities forming part of the Group Structure as encapsulated under Schedule-II of this Scheme.

## **2. DATE OF TAKING EFFECT AND OPERATIVE DATE**

- 2.1.** The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or any other competent authority, or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

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- 2.2. Any references in the Scheme to 'upon the Scheme becoming effective' or 'upon this Scheme be effective' or 'effectiveness of the Scheme' shall mean the Effective Date.

### 3. SHARE CAPITAL

- 3.1. The share capital of Transferor Company as at 31<sup>st</sup> March, 2023 is as under:

Particulars	Amount (In INR )
<b>Authorized Capital</b>	
3,00,000 equity shares of Rs. 100 each	3,00,00,000
<b>Total</b>	<b>3,00,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
2,95,792 equity shares of Rs. 100 each	2,95,79,200
<b>Total</b>	<b>2,95,79,200</b>

There are no changes in share capital of transferor company since 31<sup>st</sup> March, 2023.

- 3.2 The share capital of Transferee Company as at 31<sup>st</sup> March, 2023 is as under:

Particulars	Amount (In INR)
<b>Authorized Capital</b>	
22,25,000 Equity Shares of Rs. 100 each	22,25,00,000
<b>Total</b>	<b>22,25,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
20,00,000 Equity Shares of Rs. 100 each	20,00,00,000
<b>Total</b>	<b>20,00,00,000</b>

On 5<sup>th</sup> May, 2023, 2,22,222 equity shares has been issued by following requisite procedure. The share capital of Transferee Company as at 01<sup>st</sup> June, 2023 is as under:

Particulars	Amount (In INR)
<b>Authorized Capital</b>	
22,25,000 Equity Shares of Rs. 100 each	22,25,00,000
<b>Total</b>	<b>22,25,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
20,00,000 Equity Shares of Rs. 100 each	20,00,00,000
Issuance of 2,22,222 Equity Shares of Rs. 100 each on 5 <sup>th</sup> May, 2023	2,22,22,200
<b>Total</b>	<b>22,22,22,200</b>

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Subsequent to the above change in May 2023 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the stated capital of Transferor or Transferee Company except as stated aforesaid.

There are no existing commitments, obligations or arrangements by the Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

#### **4. AMALGAMATION OF COMPANIES**

Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

The requisite sanctions or approvals including but not limited to in-principle approvals, sanctions of Central Government or any government authority or any other agency or department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required under any law;

##### **4.1 Transfer and Vesting of Assets**

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- a. All the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee

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Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

- b. All immovable properties of the Transferor Company, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company by operation of law pursuant to sanctioning of the Scheme and upon the Scheme becoming effective, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. Such assets shall stand vested in Transferee and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof. Further the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as a record of continuing title with Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, at the discretion of Transferee Company, such immovable properties can be vested pursuant to a separate conveyance or any other agreement as well.
- c. Without prejudice to the provisions of Clause 4(a) and 4(b) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this

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- Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- d. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause I above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date or from the date of their acquisition (after the Appointed Date but before the Effective Date) as the case may be, pursuant to the provisions of Sections 230 to 232 of the Act.
- e. All the profits or costs, charges, or expenditure accruing to the Transferor Company in India or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, costs, charges, expenditure or losses of Transferee Company, as the case

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may be.

- f. All taxes (including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax paid / payable by the Transferee Company, or as the case may be, refunds/claims, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, exemptions, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and
- g. All the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company, rights of any claim not made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.
- h. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and

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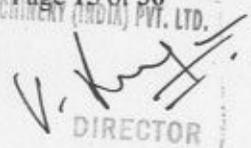
benefits, concessions, grants, rights, claims, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, concessions, grants, rights, claims, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

#### 4.2 Transfer and Vesting of Liabilities

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

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- b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- c. All loans raised authorized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- d. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

#### 4.3 Encumbrances

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4.1, Clause 4.2 and Clause 4.3 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date,

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without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee Company at the time of transfer of the encumbrance, charge and/or right covered above with respect to the immovable property.

- c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Company to give formal effect to the above provisions, if required.
- d. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- e. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is

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amended by virtue of this Scheme except to the extent that such amendment is required statutorily.

- f. The provisions of this Clause 4.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

#### 4.4 Contracts, Deeds etc.

- a. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of Intent, memorandums of understanding, offer letters, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or oblige thereto or thereunder.
- b. Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

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- c. Existing External Commercial Borrowings to be transferred in due compliance with the Applicable Laws.
- d. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

#### 4.5 Employees of Transferor Company

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company.
- b. It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company, unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any employee of the Transferor Company.
- c. Insofar as the provident fund, gratuity fund, superannuation fund,

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retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.

- d. In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

##### 5. Legal, Taxation and other Proceedings

- a. Upon coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company

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- as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
  - c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

#### **6. Conduct of Business**

From the Appointed date until the Effective Date:

- 6.1 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- 6.2 The Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any pre-existing obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.
- 6.3 All profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses

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or expenditure (including taxes), as the case may be, of the Transferee Company;

- 6.4 Any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- 6.5 All taxes (including, without limitation, income tax) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax), whether by way of deduction at source, tax collected at source, advance tax, self-assessment tax, regular tax, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 6.6 If and to the extent there are inter-corporate loans, deposits, balances or agreements as between the Transferor Company and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, stand cancelled and there shall be no obligation/ outstanding balance in that behalf.
- 6.7 Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares / convertible securities or otherwise to the Transferee Company, increase its capital.
- 6.7 Without prejudice to the provisions of Clause 4, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 6.8 For the avoidance of doubt, it is hereby clarified that nothing in the

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scheme shall prevent the Transferee Company and / or the Transferor Company from declaring and paying dividends, whether interim or final, to its equity shareholders.

- 6.9 For the avoidance of doubt, it is hereby further clarified that nothing in the scheme shall prevent the Transferee Company from issuance of shares, securities, instruments, Employee Stock Option Plans, bonus shares, rights issue, splitting or consolidation of its shares, making investments or undertaking merger or demerger or any other mode of restructuring.

**7. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF TRANSFEREE COMPANY**

**A. Consolidation of Authorised Share Capital of Transferee Company**

- 7.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company shall be deemed to be combined with the authorized share capital of the Transferee Company, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies and the stamp duty and fees paid by the Transferor Company on their authorized share capital shall be set-off against any stamp duty and fees payable by the Transferee Company on any increase in the authorized share capital of the Transferee Company pursuant to the Scheme.
- 7.2 It is clarified that the approval of the Scheme by the members of the Transferee Company shall be deemed approval of the alteration of the memorandum and articles of association of the Transferee Company as required under Sections 13, 14, 61, 64 and other applicable provisions of the Companies Act, 2013.
- 7.3 The capital clause V of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:
- “V. The Authorised Share Capital of the Company is INR 57,71,72,600 (Rupees Fifty Seven Crores Seventy One Lakhs

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Seventy Two Thousand Six Hundred only) divided into 57,71,726 (Fifty Seven Lakhs Seventy One Thousand Seven Hundred Twenty Six only) equity shares of INR 100/- (Rupees Hundred only) each and with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach there to respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and legislative provisions for the time being in force.

- 7.4 The share capital being clause 4 of the Articles of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

The Authorised Share Capital of the Company is INR.57,71,72,600 (Rupees Fifty Seven Crores Seventy One Lakhs Seventy Two Thousand Six Hundred only) divided into 57,71,726 (Fifty Seven Lakhs Seventy One Thousand Seven Hundred Twenty Six only) equity shares of INR 100/- (Rupees Hundred only)

**B. Objects Clause:**

- 7.5 In order to carry on the activities currently being carried on by the Transferor Company, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Transferor Company shall be added to the main objects of the memorandum of association of the Transferee Company, to the extent such objects are not already covered by those of the Transferee Company. The object clauses as set out in Schedule I, to the Scheme, shall be added to the memorandum of association of the Transferee Company.
- 7.6 Upon the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 230 to 232 of the Act, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Act or any other provisions of the Act

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for the commencement of any business or activities currently being carried on by Transferor Company in relation to any of the objects contained in the memorandum of association of the Transferee Company, to the extent the same may be considered applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Act.

7.7 It is clarified that for the purposes of Clause 7.1 above, the stamp duties and fees (including registration fee) paid on authorized share capital of the Transferor Company shall be utilized and applied to the increase authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in authorized share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Company.

7.8 Under the accepted principle of single window clearance, it is hereby provided that all the above alterations in Memorandum and Articles of Association pertaining to Objects Clause as well as Capital Clause, of the Transferee Company pursuant to the above clauses shall become operative on this Scheme becoming effective and by virtue of the fact that the shareholders of the Transferee Company while approving this scheme as a whole, have approved and accorded the relevant consents as required under the act for the aforesaid amendments of the memorandum of the association and articles of the association of the Transferee Company and the Transferee Company shall not be required to pass separate resolutions under the applicable provisions of Section 13, 14 and other applicable provisions of the Act. The Transferee Company undertakes to pay fees if any that may be required in relation to such amendments.

## **8 CONSIDERATION**

8.1 Pursuant to the Scheme coming into effect and without any further application, act or deed, the Transferee Company shall issue and allot:

12 Equity shares of Rs. 100 each fully paid up in its equity share capital in respect of every 1 equity share of Rs. 100 hold by person whose name appear in the register of members of the Transferor Company (or to such

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of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Transferee Company) as on the Record Date.

- 8.2 The ratio in which the New Equity Shares are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the "Share Entitlement Ratio". The same has been worked out by M/s. Roshan Nilesh Vaishnav, Registered Valuers.
- 8.3 Upon the Scheme becoming effective and upon the New Equity Shares being issued and allotted as provided in this scheme, the equity shares of the Transferor Company shall be deemed to have been automatically cancelled and be of no effect on and from the record date.
- 8.4 The New Equity shares to be issued and allotted as provided in Clause 8.1 above shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank pari-passu in all respects with the equity shares of the Transferee Company as on the Effective Date including in respect of dividend, if any that may be declared by the transferee company on or after the Effective Date.
- 8.5 The issue and allotment of New Equity Shares to the respective shareholders of the Transferor Company as provided in the scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the transferee company or its shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provision of the Act, and such other statues and regulations as may be applicable were duly complied with.

#### 9. Accounting Treatment

Upon the Scheme becoming effective, the Transferee Company shall account for the Amalgamation in its books of accounts with effect from the Appointed Date as under:

- 9.1 The Transferee Company shall follow the 'pooling of interest method' of accounting for the amalgamation as per Accounting Standard - 14.
- 9.2 All Assets and Liabilities, including Reserves, of the Transferor Company shall be recorded in the books of account of the Transferee

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Company at their existing carrying amounts and in the same form;

- 9.3 The inter-corporate deposits/loans and advances/balance outstanding between the Transferor Company and the Transferee Company will stand cancelled and there shall be no further obligation on that behalf;
- 9.4 The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the transferor company, in case of excess shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall it shall be debited to the Amalgamation Adjustment Reserve account of the Transferee Company;
- 9.5 The balance in the amalgamation adjustment reserve account as per clause 9.4 above, if any, shall, on merger, be adjusted in the books of Transferee Company as under:
- i. Firstly, out of the amount available in Capital Redemption Reserve of Transferee Company (including Capital Redemption Reserve of the Transferor Company transferred to the Transferee Company pursuant to the Scheme); and
  - ii. Secondly, out of the amount available in the Securities Premium account of the Transferee Company (including Securities Premium of the Transferor Company transferred to the Transferee Company pursuant to the Scheme) in compliance with Section 66 and 52 of the Companies Act, 2013; and
  - iii. Thirdly, out of the amount available in the General Reserve of the Transferee Company (including General Reserve of the Transferor Company transferred to the Transferee Company pursuant to the Scheme); and
  - iv. Fourthly, out of the amount available in the Profit and Loss account of the Transferee Company (including Profit and Loss Account of the Transferor Company transferred to the Transferee Company pursuant to the Scheme).
- 9.6 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of

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the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial positions on the basis of consistent accounting policy.

#### **10. DISSOLUTION OF THE TRANSFEROR COMPANY**

- 10.1 On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act or deed by the parties.
- 10.2 On and with effect from the Effective Date, the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make all necessary filings in this regard.
- 10.3 Any obligations/ steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

#### **11. Applicability of provisions of Income Tax Act**

- 11.1 The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income- tax Act, 1961 (hereinafter referred to as Income Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income- tax Act. Such modification will, however, not affect the other parts of the Scheme.
- 11.2 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for purposes of carry forward and set-off of tax losses, unabsorbed depreciation and tax benefits, if any) and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company, and to claim tax benefits, under the Income Tax Act and other tax laws etc. and for matters incidental thereto, if required to

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give effect to the provisions of this Scheme. The order of the Tribunal sanctioning this Scheme shall be deemed to be an order permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts on and from the Appointed Date and no further act shall be required to be undertaken by the Transferee Company.

- 11.3 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 11.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 11.5 All taxes (including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, minimum alternate tax etc.), including any interest, penalty, surcharge and/or cess, paid / payable by or refunded / refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims/credits, etc. as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source such as under Sections 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, deductions / holidays, remissions, reductions etc., if any, as would have been available to the Transferor Company, pursuant to this Scheme becoming effective, be available to the Transferee Company and the relevant authority shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon coming into effect

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y.A. Shukh*  
DIRECTOR / AUTHO. SIGN.

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FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*V. K. ...*  
DIRECTOR

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of this Scheme.

- 11.6 The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 11.1 above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits and carry forward of accumulated losses, unabsorbed depreciation etc., pursuant to the provisions of this Scheme.
- 11.7 The taxes (including but not limited to advance tax, self-assessment tax, minimum alternate tax, tax deducted at source, tax collected at source), including any interest, penalty, surcharge and/or cess, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute for the period commencing from the Appointed Date shall be deemed to be the taxes paid by the Transferee Company and credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for such taxes are in the name of the Transferor Company and not in the name of the Transferee Company.

## **12. RESOLUTIONS**

- 12.1 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and deemed to have authorized any Director of the Transferee Company or such other person(s) as authorized by any two Directors of the Transferee Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions, without any further acts to be done by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- 12.2 Upon the coming into effect of this Scheme, the borrowing limits of

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DIRECTOR

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the Transferee Company in terms of Section 180 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

### **13. SAVINGS OF CONCLUDED TRANSACTIONS**

13.1 The transfer and vesting of undertaking under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 4.6 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

### **14. APPLICATIONS TO THE NCLT**

14.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make application (as may be applicable) to the National Company Law Tribunal, Ahmedabad Bench, for sanctioning this Scheme under Sections 230 to 232 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

14.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Law for such Governmental Approvals which the Transferee Company may require to own the Undertaking of the Transferor Company and to carry on the business of the Transferor Company.

### **15. MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

Subject to the approval of Tribunals, the Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee of the Board of Directors or persons, may consent, to any modifications or amendments of the Scheme or to any conditions or limitations that the Tribunals or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the

Y.A. Shukh

DIRECTOR / AUTHO. SIGN.

V. K. Singh  
DIRECTOR

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Tribunals or such other Governmental Authority for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme, whether in pursuance of a change in Law or otherwise. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

- 15.1. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the Board of Director(s) or their Authorised representative(s) of Transferor Company and the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Transferor Company and the Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

## **16. CONDITIONALITY TO THE SCHEME**

The effectiveness of the Scheme is conditional upon and subject to:

- a. This Scheme being approved by the respective requisite majorities of the various classes of shareholders as well as Creditors of the Transferor Company and the Transferee Company if required under the Act and/ or as may be directed by the Tribunal and the requisite orders of the Tribunal being obtained;
- b. The requisite sanction, approval or permission from Registrar of Company, Regional Director, Official Liquidator, Income Tax Dept. as may be applicable or as may be directed by the Tribunal.
- c. Tribunal Order under the provisions of Section 230 read with Section 232 of the Act being obtained by the Transferor Company and the Transferee Company from the Tribunal.
- d. The certified copy of the order of the Tribunal under Section 230 to 232 and other applicable provisions of the Act sanctioning the

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scheme being filed with the Registrar of Companies, Gujarat by the Transferor and Transferee Company.

- e. Receipt of any other Governmental Approval to the transfer of the Undertaking and/or the Scheme, if required under Applicable Law.

#### **17. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS**

17.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

#### **18. COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

#### **19. NO CAUSE OF ACTION**

No third party claiming to have acted or changed his position in anticipation of this scheme taking effect, shall get any cause of action against the Transferor Company or Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

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FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

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*[Signature]*  
DIRECTOR

Schedule I

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**The following objects clause shall be added to the memorandum of association of the Transferee Company:**

- a) To provide for the welfare of Directors, employees, or ex-employees of the Company and the wives, widows and families of the dependents or connections of such persons by building or contributing for the building, houses, dwelling or quarters, or by grants of money, pensions, gratuities, allowance, bonus, profit sharing bonus or benefits or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds profit sharing or other scheme or trust and by providing or subscribing, or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendants, and other assistance as the Company shall think fit.
- b) To appoint any Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
- c) To aid pecuniary or otherwise, any association, body or movement having similar object, the solution, settlement or labour problems or the promotion of industry or trade.
- d) To acquire and undertake all or any of the business property and liabilities of any person, company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of the Company which can be capable of being conducted so as directly to benefit the Company and to subsidise or assist any such persons or company financially or otherwise.
- e) To vest any movable or immovable property rights or interests acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
- f) To pay all preliminary expenses of any company promoted by the Company or any company in which this Company is or may contemplate being interested including in such preliminary expenses all or any part of the cost and expenses of owners of any business or property acquired by the Company.
- g) To procure the incorporation, registration or other recognition of the Company in any country, state or place outside India and to establish and maintain local registers and branch places of business in any part of the world subject to law in force.
- h) To establish, promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly, calculated to benefit the Company and to place or guarantee the placing of subscribed for or otherwise acquired all or any part of the shares, business capable of being conducted so as directly or indirectly to benefit the Company.

Y.A. shah

DIRECTOR / AUTHO. SIGN.

V. K. Singh  
DIRECTOR

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- i) To pay out of the funds of the Company all costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any undertaking or other commissions, broker's fees and charges in connection therewith and to remunerate (by cash or other assets or by the allotment of fully or partly paid shares) or by a call or option on shares, debentures, debenture-stocks, or securities of this or any other company or in any other manner whether out of the Company's capital or profits or otherwise to any person or persons for services rendered in introducing any property or business to the Company, in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture stocks or other securities of the Company as the directors may think proper.
- j) To lend, invest or otherwise employ or deal with money belonging to or entrusted to the Company in securities and shares or other movable or immovable property or without security upon such terms and in such manner as may be thought proper from time to time, to vary such transactions and investments in such manner as the Directors may think fit subject to the provisions of the Companies Act, 2013.
- k) To pay or satisfy the consideration for any property, rights, shares, securities or assets whatsoever which the Company is authorised to purchase, or otherwise acquire either by payment in cash or by the issue of shares, or other securities of the Company, or in such other manner as the Company may agree to partly in one mode and partly in another.
- l) To indemnify members, officers, directors, agents and employees of the Company against proceedings, cost, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company or any loss, damage or misfortune whatsoever which shall happen in the execution of the duties of their offices or in relation thereto.
- m) To establish agencies in India and elsewhere for sale and purchase to regulate and discontinue the same subject to law in force.
- n) To furtherance of the aforesaid objects of the Company.
- [a] to enter into negotiations with and enter into arrangements and contracts and conclude the same with foreign and/or Indian parties and other persons for obtaining by grant, licence, and/or on other terms, formulate and other rights and benefits, and to obtain technical and engineering information assistance and service know-how and expert advice for installation of plant and machinery, production and manufacture of any products, and
- [b] to pay for technical know-how, technical and engineering assistance and information and/ or service rights or privileges acquired by the Company either in shares of the Company or partly in cash or otherwise.
- [c] to pay to promoters such remuneration and fees and otherwise recompense them for their time and for the service rendered by them.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y.A. Shah

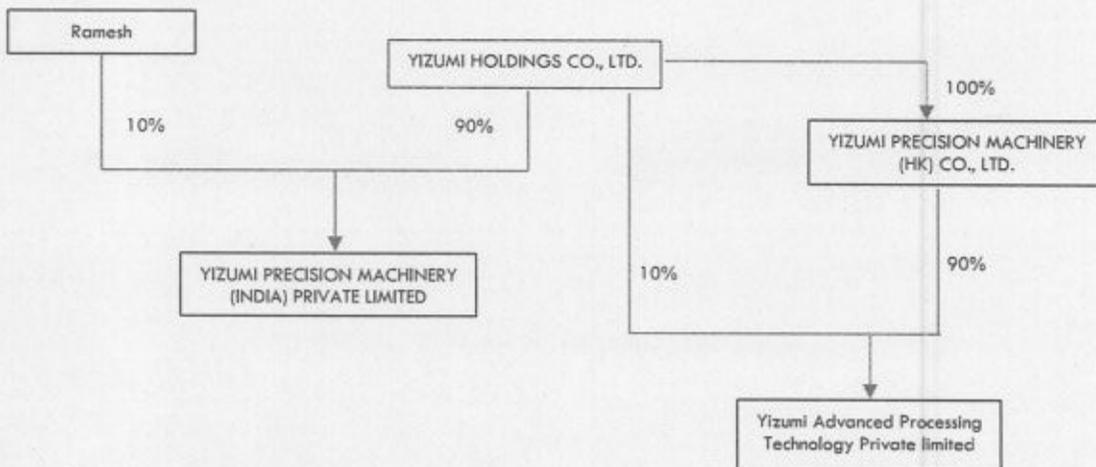
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FOR, YIZUMI PRECISION MACHINERY (Page 35 of 36)

V. K. ...  
DIRECTOR

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**Schedule II**  
**Yizumi Group Structure**



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*V. [Signature]*  
DIRECTOR

# ANNEXURE B

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## Share Exchange Ratio Report

**Yizumi Precision Machinery (India) Private Limited**  
**with**  
**Yizumi Advanced Processing Technology Private Limited**  
**and**  
**their respective shareholders and creditors**

July 2023

**YIZUMI**

**CA ROSHAN NILESH VAISHNAV**  
**REGISTERED VALUER**  
**IBBI/RV/06/2019/11653**

*This Valuation Report is being submitted by CA Roshan Nilesh Vaishnav, for the purpose as mentioned herein, and shall not be used for any other purpose whatsoever.*



**ROSHAN NILESH VAISHNAV**  
**CHARTERED ACCOUNTANT**

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REGISTERED VALUER  
SECURITIES OR FINANCIAL ASSETS  
Reg. No. IBBI/RV/06/2019/11653

Date: July 8, 2023

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To,  
The Board of Directors,  
Yizumi Advanced Processing Technology Private Limited  
Plot No. 1062+1063,  
GIDC Sanand-II, Industrial Estate,  
Ahmedabad - 382170  
Gujarat

To,  
The Board of Directors,  
Yizumi Precision Machinery (India) Private Limited  
C-803, Safal Parivesh,  
Praladnagar,  
Ahmedabad - 380015,  
Gujarat

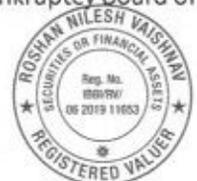
Dear Sir(s)/Madam(s)

**Subject: Share exchange ratio Report for the proposed Scheme of Amalgamation between Yizumi Precision Machinery (India) Private Limited with and into Yizumi Advanced Processing Technology Private Limited**

Yizumi Advanced Processing Technology Private Limited ('YA', 'the Company', 'the Transferee'), is a company engaged in the business of manufacturing of injection molding, die casting machine, rubber injection molding machine, fabrication and automation system. Yizumi Precision Machinery (India) Private Limited ('YP', 'the Transferor'), is a company engaged in the production, sales and service support of injection molding machines. (YA and YP are together referred to as 'the Companies').

A scheme of amalgamation by absorption under sections 230-232 and other applicable provisions of the Companies Act, 2013 ('the Scheme') has been proposed by the board of directors of the Companies where YP is proposed to be merged into YA. In consideration, YA shall issue its shares to the shareholders of YP. The appointed date for the Scheme is proposed to be April 1, 2023.

YA has through an Engagement Letter dated June 22, 2023 ('Engagement Letter') appointed Roshan Nilesh Vaishnav, Chartered Accountant bearing IBBI Registration Number - IBBI/RV/06/2019/11653 and ICAI RVO Membership Number - ICAIRVO/06/RV-P00014/2019-2020, registered under the Insolvency Bankruptcy Board of



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India read with Companies (Registered Valuers & Valuation) Rules, 2017 ('the Valuer', 'the Registered Valuer', 'I', 'me', 'my') to assist in determining the share exchange ratio for the Scheme, on the basis of the fair valuation of the equity shares of YA and YP as on June 30, 2023 ('Valuation Date'), and issue a report for this purpose.

My Valuation Report ('Report') is to be read in conjunction with the scope and purpose of the Report, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as have been detailed hereinafter.

This letter should be read in conjunction with the Report. Should you require any further information or explanations, please contact the undersigned.

Thanking you,

Roshan  
Nilesh  
Vaishnav

Digitally signed  
by Roshan Nilesh  
Vaishnav  
Date: 2023.07.08  
12:55:04 +05'30'



CA Roshan Nilesh Vaishnav  
Registered Valuer – Securities or Financial Assets  
IBBI No.: IBBI/RV/06/2019/11653  
UDIN: 23136335BHAMDZ8046

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## 1. ABBREVIATIONS

Abbreviations	Meaning
CAPM	Capital Asset Pricing Model
CRP	Country Risk Premium
CSRP	Company Specific Risk Premium
DCF	Discounted Cash Flow
FCFF	Free Cash Flow to Firm
FY	Financial Year
INR	Indian Rupee
SEBI	Securities and Exchange Board of India
WACC	Weighted Average Cost of Capital
YA	Yizumi Advanced Processing Technology Private Limited
YP	Yizumi Precision Machinery (India) Private Limited



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## 2. EXECUTIVE SUMMARY

### 2.1. Details of the Transaction

2.1.1. The board of directors of the Companies are proposing a Scheme of Amalgamation where YP shall merge into YA from the Appointed date upon the Scheme coming into effect.

### 2.2. Scope, Usage and Purpose of Valuation

2.2.1. The scope of my services as per my Engagement Letter is to carry out the valuation of the equity shares of YA and YP, and arrive at a share exchange ratio for the Scheme under Companies Act, 2013, as on the closing of June 30, 2023.

2.2.2. For the purpose of arriving at the share exchange ratio and the valuation of the equity shares of the Companies, I have considered the valuation base as 'Fair Value' and the premise of value as 'Going Concern' under the using ICAI Valuation Standards 2018. Any change in the valuation base or premise could have a significant impact on the valuation analysis, and consequently, this Report.

### 2.3. Summary of the Valuation

Valuation Approach	YA	YP
Income Approach	✓	✓
Market Approach	×	×
Cost Approach	×	×

2.3.1. On the basis of my valuation analysis and methodologies adopted and mentioned in detail in my Report herein, I estimate the fair Value of the equity shares of Yizumi Advanced Processing Technology Private Limited as on June 30, 2023, to be **INR 34.97 Cr.** and the fair Value of Yizumi Precision Machinery (India) Private Limited as on June 30, 2023, to be **INR 55.75 Cr..**

2.3.2. Based on the fair valuation of the Companies, I recommend a share exchange ratio as under

**12 (Twelve) equity shares of Yizumi Advanced Processing Technology Private Limited of INR 100.00 each fully paid up for every 1 (One) equity shares of Yizumi Precision Machinery (India) Private Limited of INR 100.00 each fully paid-up'.**

2.3.3. My valuation working and summary have been provided in the **Annexure [ A – E ]** to this Report.

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### 3. SOURCES OF INFORMATION

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I have relied on the following information provided by YA for the preparation of this Report:

- 3.1. Memorandum of Association and Articles of Association of YA and YP;
- 3.2. Audited financials of YA and YP as on March 31, 2021 and March 31, 2022;
- 3.3. Provisional financials of YA and YP as certified by the management of YA for the period ended March 31, 2023 and June 30, 2023;
- 3.4. Shareholding pattern of YA and YP as on June 30, 2023;
- 3.5. Draft Scheme of merger by absorption between YA and YP and their respective shareholders and creditors;
- 3.6. Projections of the future profitability, Cash Flow and Balance Sheet of YA and YP, as certified by management of YA from FY 2024 to FY 2028;
- 3.7. Written Representations received from the management of YA dated July 7, 2023;
- 3.8. Such other information, explanations and representations which have been provided by the management of YA and considered relevant for purpose of preparing this Report.

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#### 4. SCOPE, USAGE AND PURPOSE OF VALUATION

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- 4.1. The scope of my services as per my Engagement Letter is to carry out a valuation of the equity shares of the Companies, using ICAI Valuation Standards 2018, and arrive at the share exchange ratio for the proposed Scheme and issue a share exchange ratio Report.
- 4.2. The Valuation Date considered for the fair valuation of the equity shares of YA and YP, is June 30, 2023. The valuation presented in this Report is specific to this Valuation Date.
- 4.3. This Report shall only be used by the board of directors for the proposed Scheme as well as to represent to the regulatory authorities for matters concerning the proposed Scheme. It shall not be used for any other purpose whatsoever.
- 4.4. This Report is my deliverable to this engagement.

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## 5. OVERVIEW OF THE COMPANIES

### Yizumi Advanced Processing Technology Private Limited

5.1. YA ('CIN: U29230GJ2019FTC108825') is a company incorporated on June 25, 2019, engaged in the business of manufacturing of injection molding, die casting machine, rubber injection molding machine, fabrication and automation system. YA has expanded its existing operations by setting up a new manufacturing plant to meet customer needs more effectively and efficiently. The expanded facility can support higher volumes, reduce lead times, and meet customer requirements more effectively.

5.2. The shareholding pattern of YA as on June 30, 2023, is as follows:

Name of the Shareholder	No of Shares (Face Value of INR 100/-)	Proportionate holdings (%)
Yizumi Precision Machinery (HK) Co. Ltd.	1,800,000	81.00
Guangdong Yizumi Precision Machinery Co. Ltd.	200,000	9.00
Mr. Ramesh Vardan	222,222	10.00
<b>Total</b>	<b>2,222,222</b>	<b>100.00</b>

Source: Management Representation

5.3. The summary of the financials for YA as on March 31, 2022, March 31, 2023 and June 30, 2023 is as under:  
Balance Sheet of YA

Particulars	(INR in Cr.)		
	31-Mar-22 (Audited)	31-Mar-23 (Provisional)	30-Jun-23 (Provisional)
Tangible Assets	39.20	104.01	103.25
Capital Work-In-Progress	41.94	0.00	-
Deferred Tax Assets	0.00	0.52	0.52
Other Non-Current Assets	1.83	0.18	0.18
<b>Total Non-Current Assets</b>	<b>82.96</b>	<b>104.70</b>	<b>103.95</b>
Trade Receivables	-	-	1.27
Cash & Cash Equivalents	12.01	1.98	4.15
Short Term Loans & Advances	1.21	2.39	-
Other Current Assets	3.08	3.18	2.26
<b>Total Current Assets</b>	<b>16.31</b>	<b>7.55</b>	<b>7.68</b>
<b>Total Assets</b>	<b>99.27</b>	<b>112.25</b>	<b>111.62</b>
Equity Share Capital	20.00	20.00	22.22
Other Equity	(8.17)	(15.97)	(16.21)
<b>Total Shareholder's Funds</b>	<b>11.83</b>	<b>4.03</b>	<b>6.01</b>



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Particulars	31-Mar-22 (Audited)	31-Mar-23 (Provisional)	30-Jun-23 (Provisional)
Long Term Borrowings	78.63	15.00	15.00
External Commercial Borrowings	-	83.70	83.32
Deferred Tax Liabilities	0.01	0.00	0.00
<b>Total Non-Current Liabilities</b>	<b>78.64</b>	<b>98.70</b>	<b>98.32</b>
Trade Payables	0.01	0.05	0.00
Other Current Liabilities	8.78	9.48	7.29
<b>Total Current Liabilities</b>	<b>8.79</b>	<b>9.52</b>	<b>7.29</b>
<b>Total Equity and Liabilities</b>	<b>99.27</b>	<b>112.25</b>	<b>111.62</b>

Source: Audited Financials of YA and Provisional Financials of YA as certified by the management of YA

#### Profit and Loss Statement of YA

(INR in Cr.)

Particulars	31-Mar-22 (Audited)	31-Mar-23 (Provisional)	30-Jun-23 (Provisional)
Revenue	0.01	3.21	0.00
<b>Operating Revenue</b>	<b>0.01</b>	<b>3.21</b>	<b>0.00</b>
Employee Benefit Expenses	(0.59)	(1.03)	(0.22)
Other Operating Expenses	(0.31)	(0.41)	(0.08)
<b>EBITDA</b>	<b>(0.89)</b>	<b>1.76</b>	<b>(0.30)</b>
Depreciation	(0.42)	(1.84)	0.76
<b>EBIT</b>	<b>(1.31)</b>	<b>(0.07)</b>	<b>(1.06)</b>
Finance Cost	(3.83)	(8.27)	(1.21)
Non-Operating & Other Income	0.01	0.01	2.03
<b>Profit Before Tax</b>	<b>(5.13)</b>	<b>(8.34)</b>	<b>(0.24)</b>
Current Tax	0.00	-	-
Deferred Tax	(0.71)	0.53	-
<b>Profit After Tax</b>	<b>(5.84)</b>	<b>(7.81)</b>	<b>(0.24)</b>

Source: Audited Financials of YA and Provisional Financials of YA as certified by the management of YA

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## Yizumi Precision Machinery (India) Private Limited

- 5.4. YP ('CIN: U29190GJ2016PTC093223') is a company incorporated on August 4, 2016, engaged in the engaged in the production, sales and service support of injection molding machines. YP has a production base of 8,000 square meters.
- 5.5. The shareholding pattern of YP as on June 30, 2023, is as follows:

Name of the Shareholder	No of Shares (Face Value of INR 100/-)	Proportionate holdings (%)
Guangdong Yizumi Precision Machinery Co Ltd	266,213	90.00
Mr. Ramesh Vardan	29,579	10.00
<b>Total</b>	<b>295,792</b>	<b>100.00</b>

Source: Management Representation

- 5.6. The summary of the financials for YP as on March 31, 2022, March 31, 2023 and June 30, 2023 is as under:

## Balance Sheet of YP

(INR in Cr.)

Particulars	31-Mar-22 (Audited)	31-Mar-23 (Provisional)	30-Jun-23 (Provisional)
Tangible Assets	2.00	14.37	14.11
Capital Work-In-Progress	6.57	0.00	0.00
In-Tangible Assets	0.00	0.08	0.07
Other Non-Current Assets	0.22	0.05	0.07
<b>Total Non-Current Assets</b>	<b>8.79</b>	<b>14.50</b>	<b>14.25</b>
Inventories - Raw Material	57.95	71.05	79.34
Inventories - Finished Goods	21.49	6.08	10.00
Trade Receivables	17.95	54.70	61.02
Cash & Cash Equivalents	7.18	28.73	8.56
Current tax assets (net)	0.00	7.93	6.07
Other Current Assets	10.66	1.69	5.21
<b>Total Current Assets</b>	<b>115.23</b>	<b>170.16</b>	<b>170.19</b>
<b>Total Assets</b>	<b>124.02</b>	<b>184.66</b>	<b>184.44</b>
Equity Share Capital	2.96	2.96	2.96
Other Equity	44.58	17.76	28.54
<b>Total Shareholder's Funds</b>	<b>47.53</b>	<b>20.72</b>	<b>31.50</b>
External Commercial Borrowings	7.61	8.21	8.46
Deferred Tax Liabilities	0.05	0.25	0.25



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Particulars	31-Mar-22 (Audited)	31-Mar-23 (Provisional)	30-Jun-23 (Provisional)
Other Non-Current Liabilities	-	-	0.38
<b>Total Non-Current Liabilities</b>	<b>7.66</b>	<b>8.45</b>	<b>9.09</b>
Short Term Borrowings	0.17	16.69	15.50
Trade Payables	46.78	115.38	105.53
Other Current Liabilities	21.87	23.42	22.82
<b>Total Current Liabilities</b>	<b>68.82</b>	<b>155.49</b>	<b>143.85</b>
<b>Total Equity and Liabilities</b>	<b>124.02</b>	<b>184.66</b>	<b>184.44</b>

Source: Audited Financials of YP and Provisional Financials of YP as certified by the management of YA

#### Profit and Loss Statement of YP

(INR in Cr.)

Particulars	31-Mar-22 (Audited)	31-Mar-23 (Provisional)	30-Jun-23 (Provisional)
Revenue	165.81	219.22	50.85
<b>Operating Revenue</b>	<b>165.81</b>	<b>219.22</b>	<b>50.85</b>
Cost of raw materials and components consumed	(107.41)	(139.36)	(31.55)
Changes in inventories of finished goods	6.31	(15.04)	(1.01)
Employee benefits expense	(8.51)	(9.53)	(2.27)
Other Operating Expenses	(34.71)	(45.07)	(7.12)
<b>EBITDA</b>	<b>21.49</b>	<b>10.22</b>	<b>8.90</b>
Depreciation	(0.29)	(0.67)	(0.33)
<b>EBIT</b>	<b>21.19</b>	<b>9.55</b>	<b>8.57</b>
Finance Cost	(0.39)	(0.55)	0.49
Non-Operating & Other Income	0.40	1.54	2.70
<b>Profit Before Tax</b>	<b>21.20</b>	<b>10.54</b>	<b>10.78</b>
Current Tax	(5.77)	(2.75)	-
<b>Profit After Tax</b>	<b>15.43</b>	<b>7.79</b>	<b>10.78</b>

Source: Audited Financials of YP and Provisional Financials of YP as certified by the management of YA

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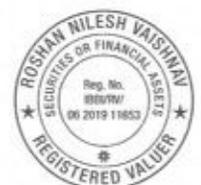
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## 6. SALIENT FEATURES OF THE SCHEME

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- 6.1. The Scheme of amalgamation primarily deals with merger by absorption of the Transferor Company i.e., YP with Transferee Company i.e. YA.
- 6.2. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act 2013, the entire business and whole of the undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 6.3. The Appointed Date of the Scheme is April 1, 2023.
- 6.4. Upon this Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of the Transferor Company shall stand transferred to and be merged/amalgamated with the authorized share capital of the Transferee Company.
- 6.5. The Transferee Company proposes to issue and allot equity shares, as fully paid up, to the members of the Transferor Company on the Record Date.

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## 7. RATIONALE OF THE SCHEME

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As per the Scheme the proposed amalgamation will be beneficial to the Transferor Company, the Transferee Company, their respective shareholders and creditors, employees and other stakeholders and will have following benefits:

- 7.1. Integration of business operations.
- 7.2. Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities.
- 7.3. Garner the benefits arising out of economies of large scale and lower operating costs.
- 7.4. Pooling and rationalization of talents in terms of manpower, management, administration etc. to result in savings of costs.
- 7.5. Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances and cost.
- 7.6. Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets.
- 7.7. Bring uniformity in corporate policy.
- 7.8. Benefit of operational synergies to the combined entity and greater leverage in operations, planning and process optimization.

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## 8. PROCEDURE FOR THE VALUATION

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I have performed the following procedures to carry out my valuation analysis:

- 8.1 I had requested and was provided the data as per my detailed requisition list including draft proposed Scheme, structure of the Companies, current shareholding details, operational details of the companies, business growth estimates, financial projections, etc.
- 8.2 Discussed with the representatives of the Companies about the proposed Scheme, and the various operational and financial details and received updates on key business parameters, its earning capacity and expected financial performance;
- 8.3 Selected valuation methodology as considered appropriate for the purpose of my valuation considering the basis and premise of valuation;
- 8.4 Analyzed the business projections of the Companies for the purpose of my valuation which are valued using the Income Approach;
- 8.5 Obtained necessary data from the public domain, as considered relevant for my valuation analysis;
- 8.6 Determined the fair value of equity shares of YA and YP and determined the share exchange ratio;
- 8.7 Prepared a draft share exchange ratio report and shared it with the Companies (excluding the recommended equity share exchange ratio) for confirming the facts stated in the Report;
- 8.8 Issued the final share exchange ratio Report.

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## 9. METHODOLOGY OF THE VALUATION

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9.1 In order to arrive at the fair value of a company, there are three traditional approaches which can be considered:

### 9.1.1. Market approach:

The Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business. The market approach should be applied and afforded significant weight if the subject asset or substantially similar assets are actively publicly traded, or there are frequent and/or recent observable transactions in similar assets.

### 9.1.2. Income approach:

The Income approach is a valuation approach that converts maintainable or future amounts such as cash flows or income and expenses, to a single current (discounted or capitalized) amount. The fair value measurement is determined based on the value indicated by current market expectations about those future amounts. The income approach should be applied and afforded significant weight if the income-producing ability of the asset is the critical element affecting value and/or reasonable projections of the amount and timing of future income are available for the subject asset.

### 9.1.3. Cost approach:

The Cost approach seeks to determine the business value based on the value of its assets. The Cost approach should be applied and afforded significant weight if the asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, or the asset can be recreated with substantially the same utility as the subject asset.

9.2 The Discounted Cash Flow Method under the Income Approach takes into consideration the business potential and future earnings prospects. Hence, the valuation derived from this Approach would be more representative of the fair value of the Companies. Based on my analysis, there are no listed peers with similar risk-return profile as the Companies, and hence the Market Approach has not been used in the valuation. The Cost Approach is a valuation approach that reflects the amount that would be required currently to replace/reproduce the service capacity of an asset. As the Companies are operational, I have considered it more appropriate to arrive at its value using the Income Approach and not the Cost Approach.

9.3 My valuation working is detailed in Annexure [ A - E ] to this Report.



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#### 9.4 DISCOUNTED CASH FLOWS (DCF) METHOD

- 9.4.1 Under this method, the fair value of equity shares of the company is arrived at by discounting the projected free cash flows to the firm or the equity holders including perpetual or terminal values using an appropriate discounting factor.
- 9.4.2 There are two fundamental approaches under this method: (i) Free Cash Flow to the Firm ('FCFF') or (ii) Free Cash Flow to the Equity ('FCFE'). Under the FCFF approach the free cash flows arrived at using the DCF methodology represent cash flows available to the equity owners of a business as well as its creditors. Such free cash flows in the explicit period and perpetuity/terminal value are discounted using the Weighted Average Cost of Capital ('WACC'), which is based on the cost of equity and the cost of debt adjusted for the capital structure applicable to the business. Under the FCFE approach the increase and decrease in debt is considered a part of the free cash flow computations and hence the free cash flows arrived at is the free cash flow available to the equity owners of the business. Such free cash flow in the explicit period and perpetuity/terminal value are discounted using the Cost of Equity applicable to the business.
- 9.4.3 I have thought it appropriate to adopt the FCFF approach in my valuation analysis as YA and YP, uses both Equity and Debt to fund its operations and FCFF represents the amount of free cash available for distribution to all investors.
- 9.4.4 The discount rate reflects the time value of money and the risk associated with the projected future cash flows. The WACC is the discount rate used to arrive at the value of the Companies.
- 9.4.5 In order to estimate the cost of equity, I have applied the Capital Asset Pricing Model ('CAPM'). According to CAPM, the cost of equity consists of a risk-free rate and risk premium. The risk premium is calculated by multiplying the market risk premium by the beta factor, a measure of the systematic risk of an equity investment adjusted with the leverage in the company. An appropriate percentage of Company Specific Risk Premium ('CSRPM') is further added to account for the risks not captured.
- 9.4.6 Terminal value is the present value of all future cash flows expected to yield to a business at the end of the explicit period considering a mature phase of the business. The Terminal value may be arrived at using the Gordon Growth Model, Exit Multiple or Salvage Value at the end of the explicit period.
- 9.4.7 I have used the Gordon Growth model to calculate the Terminal value for which FCFF at the end of explicit period is determined which is divided by the discount rate minus the assumed perpetuity growth rate.
- 9.4.8 Present value of the terminal value is added to the present value of the explicit period cash flow to arrive at the Enterprise Value which is further adjusted by Net Debt of the Company to arrive at the Business Equity Value prior to adjustment for non-operating surplus assets.



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## 10. BASIS FOR THE DETERMINATION OF THE FAIR VALUE

- 10.1 The valuation of the Companies has been arrived at based on the methodology explained hereinabove, various qualitative factors relevant to the business, business dynamics and growth potential of the business and taking into consideration the information, key underlying assumptions and limitations as articulated hereinabove.
- 10.2 I have arrived at the fair value of YA and YP using the methodology as explained. The summary of my analysis is as under:

(INR in Cr.)

Valuation Approach	YA		YP	
	Value	Weight	Value	Weight
Income Approach	34.97	100%	55.75	100%
Relative value per share	34.97		55.75	
Exchange ratio	12			

Source: Valuer's Analysis

- 10.3 In the ultimate analysis, the valuation will have to be arrived at by the exercise of judicious discretion and judgments taking into account all the relevant factors. There will always be several factors, such as the quality of management, present and prospective competition, market sentiment and other factors, which are not evident from financial information, but which influence the worth of a business. This concept is also recognized in judicial decisions.

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## 11. ASSUMPTIONS, DISCLAIMERS, EXCLUSIONS, LIMITATIONS AND QUALIFICATIONS

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- 11.1 This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Report to their auditors whose review would be consistent with the intended use. I do not take any responsibility for any unauthorized use of this Report.
- 11.2 I owe responsibility only under the terms of the Engagement Letter. I will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the management of the Companies or their directors, employees, or agents of the Companies.
- 11.3 In the course of the valuation, I was provided with both written and verbal information, which I have evaluated through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. I have also relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- 11.4 As implied by the financial statements, the Companies, are assumed to have those legal rights to the assets and be subject to those claims represented by the liabilities presented in the financial statements. As informed by the management of YA, there are no contingent liabilities which are expected to devolve or contingent assets with the Companies and there are no surplus assets in the Companies as of the date of this Report beyond those as are captured in this Report. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of YA.
- 11.5 Forward-looking statements and financial projections for the Companies certified and provided by the management of YA have been considered for this Report. I do not provide any assurance on the achievability of the financial projections by the management of the Companies. I express no opinion as to how closely the actual results will correspond to the projected financials as the achievement of the financial projections is dependent on actions, plans and assumptions. As the events and the circumstances may not occur as are expected, the differences between the actual results and the financial projections might be material.

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- 11.6 This Report and the results herein are specific to the purpose of valuation agreed as per the terms of the Engagement Letter, are specific to the date of this Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of YA as on date of this Report. Events occurring after this date may affect this Report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- 11.7 I have not reviewed the legal compliance required for the proposed transaction, except to the extent necessary for the purpose of this Report, nor provided any accounting, tax, or legal advice to the Companies, neither am I required to do so, in terms of the Engagement Letter.
- 11.8 I have not carried out a revaluation of any assets of the Company, nor physically verified any assets of the Company, neither am I required to in terms of the Engagement Letter.
- 11.9 This Report does not constitute a fairness opinion, solvency opinion, or an investment recommendation and is not to be construed as such either for making or divesting investment.
- 11.10 I am independent of the Companies and hold no specific interest in the Companies or any of the assets of the Companies, nor do I have any conflict of interest with the Companies.
- 11.11 The fee for this Report is not contingent upon the result of the valuation arrived therein.
- 11.12 I am aware that based on the opinion of the value expressed in this Report, I may be required to give testimony or attend judicial proceedings with regard to the valuation, although it is out of scope of the assignment. In such an event, the party seeking the evidence in the proceedings shall bear the full cost and the fees of the judicial proceedings, and the tendering of evidence before such authority, if any, will be as per the applicable laws.

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**12. CONCLUSION**

On the basis of my valuation analysis and methodologies adopted as mentioned above, I estimate the fair Value of the equity shares of Yizumi Advanced Processing Technology Private Limited as on June 30, 2023, to be **INR 34.97 Cr.** and the fair Value of Yizumi Precision Machinery (India) Private Limited as on June 30, 2023, to be **INR 55.75 Cr.**

Based on the fair valuation of the Companies, I recommend a share exchange ratio as under

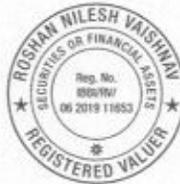
*'12 (Twelve) equity shares of Yizumi Advanced Processing Technology Private Limited of INR 100.00 each fully paid up for every 1 (One) equity shares of Yizumi Precision Machinery (India) Private Limited of INR 100.00 each fully paid-up'.*

My valuation working and summary have been provided in the Annexure [ A – E ] to this Report.

Thanking you,

Roshan  
Nilesh  
Vaishnav

Digitally signed  
by Roshan Nilesh  
Vaishnav  
Date: 2023.07.08  
12:56:07 +05'30'



**CA Roshan Nilesh Vaishnav**  
**Registered Valuer – Securities or Financial Assets**  
**IBBI No.: IBBI/RV/06/2019/11653**  
**UDIN: 23136335BHAMDZ8046**

**Date: July 8, 2023**  
**Place: Ahmedabad**

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Annexure : A  
 Yizumi Advanced Processing Technology Private Limited  
 Yizumi Precision Machinery (India) Private Limited

Share Exchange ratio

Valuation Date : June 30, 2023

Numbers in INR Crores

**Merger of Yizumi Precision Machinery (India) Private Limited with and into Yizumi Advanced Processing Technology Private Limited**

Name of the Company	Total no of Equity Shares	Face Value	Equity Share Capital	Equity Value Per Share	Equity Value	Swap Ratio
Yizumi Advanced Processing Technology Private Limited	2,222,222	100.00	22.22	157.36	34.97	
Yizumi Precision Machinery (India) Private Limited	295,792	100.00	2.96	1,884.92	55.75	
<b>Total</b>					<b>90.72</b>	<b>12</b>

Source: Valuer's Analysis



## Annexure : B -1

Yizumi Advanced Processing Technology Private Limited

## Discounted Cash Flow Analysis / FCFF

Valuation Date : June 30, 2023

Numbers in INR Crores

For The Period Ended/As On	31-Mar-24		31-Mar-25		31-Mar-26		31-Mar-27		31-Mar-28		Terminal Value
	9	12	12	12	12	12	12	12	12	12	
Earnings before Interest and Tax (EBIT)	24.93	27.87	34.26	41.70	50.32	50.32	50.32	50.32	50.32	50.32	50.32
EBIT Margin (%)	12.7%	12.6%	13.1%	13.5%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%
Effective Tax Rate (%)	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%
Net Operating Profit after Tax (NOPAT)	18.66	20.86	25.64	31.20	37.65	37.65	37.65	37.65	37.65	37.65	37.65
Add: Depreciation For The Period	2.24	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Less: Incremental Capital Expenditure	(2.24)	-	-	-	-	-	-	-	-	-	(3.00)
Less: Incremental Working Capital Requirement	(36.67)	(6.29)	(8.15)	(9.45)	(10.95)	(10.95)	(10.95)	(10.95)	(10.95)	(10.95)	(10.95)
Less: Incremental Changes In Other Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow to the Firm	(18.01)	17.57	20.49	24.75	29.70	29.70	29.70	29.70	29.70	29.70	26.70
Discounting Period (Years) (mid-point convention)	0.38	1.25	2.25	3.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Discount Factor Used	0.94	0.82	0.69	0.59	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Net Present Value	(16.94)	14.34	14.23	14.62	14.93	14.93	14.93	14.93	14.93	14.93	14.93

DCF Working	Value
PV of Explicit Cash Flows	41.18
PV of Terminal Value	87.96
Enterprise Value	129.14
Less: Debt	(98.32)
Add: Cash & Cash Equivalents	4.15
Total Equity Value	34.97
Total Equity Shares	2,222,222
Equity Value Per Share (INR)	157.36

Source: Valuer's Analysis

Terminal Value	Value
UFCF of Terminal Year	26.70
Cost of Capital	17.56%
Growth Rate	2.00%
Terminal Value	175.05
Discount Factor	0.50
PV of Terminal Value	87.96



**Annexure : B -2**  
**Yizumi Precision Machinery (India) Private Limited**  
**Discounted Cash Flow Analysis / FCFE**  
Valuation Date : June 30, 2023  
Numbers in INR Crores

For The Period Ended//As On	31-Mar-24			31-Mar-25			31-Mar-26			31-Mar-27			31-Mar-28					
	9			12			12			12			12					
Number of Months																		
Earnings before Interest and Tax (EBIT)			(3.02)			7.88			8.54			9.14			9.68			9.68
EBIT Margin (%)			6.1%			10.0%			10.3%			10.5%			10.6%			10.6%
Effective Tax Rate (%)			25.2%			25.2%			25.2%			25.2%			25.2%			25.2%
Net Operating Profit after Tax (NOPAT)			(2.26)			5.89			6.39			6.84			7.25			7.25
Add: Depreciation For The Period			0.33			0.66			0.66			0.66			0.66			0.66
Less: Incremental Capital Expenditure			0.01			(0.00)			(0.00)			0.00			0.00			(0.66)
Less: Incremental Working Capital Requirement			24.30			4.46			(0.78)			(0.83)			(0.88)			(0.88)
Less: Incremental Changes In Other Assets/Liabilities			-			-			-			-			-			-
Free Cash Flow to the Firm			22.38			11.02			6.27			6.67			7.03			6.37
Discounting Period (Years) (mid-point convention)			0.38			1.25			2.25			3.25			4.25			4.25
Discount Factor Used			0.95			0.84			0.73			0.64			0.55			0.55
Net Present Value			21.24			9.26			4.59			4.25			3.89			3.89

DCF Working	Value
PV of Explicit Cash Flows	43.23
PV of Terminal Value	27.93
Enterprise Value	71.16
Less: Debt	(23.96)
Add: Cash & Cash Equivalents	8.56
Total Equity Value	55.75
Total Equity Shares	295,792
Equity Value Per Share (INR)	1,884.92

Source: Valuer's Analysis

Terminal Value	Value
UFCF of Terminal Year	6.37
Cost of Capital	14.89%
Growth Rate	2.00%
Terminal Value	50.40
Discount Factor	0.55
PV of Terminal Value	27.93



## Annexure : C

## Yizumi Advanced Processing Technology Private Limited

## Cost of Capital

Valuation Date : June 30, 2023

Numbers in INR Crores

Particulars	YA		YP	Source/Assumptions
	YA	YP	YP	
Risk Free Rate (Rf)	7.11%	7.11%	7.11%	investing.com/rates-bonds/india-10-year-bond-yield-historical-data
Equity Risk Premium	7.00%	7.00%	7.00%	ERP is based on Valuer's understanding of the prevailing market return in India
Market Return (Rm)	14.11%	14.11%	14.11%	Rm=Rf+ERP
Relevered Beta Coefficient	2.21	2.21	2.21	Relevered beta coefficient as per the Debt/Equity Ratio
Business Risk	5.00%	3.00%	3.00%	Based on the analysis and the expectation of the Valuer
Cost of Equity (Ke)	27.59%	25.59%	25.59%	Ke=Rf+B(Rm-Rf)+CSRP
Pre Tax Debt Cost (Kd)	10.06%	5.60%	5.60%	Average cost of borrowing
Effective Tax Rate	25.17%	25.17%	25.17%	Effective tax rate of the Company
Post Tax Cost of Debt	7.53%	4.19%	4.19%	Pre Tax Debt Cost adjusted for the Effective Tax Rate
Debt Weightage	50.00%	50.00%	50.00%	Proportion of Debt within the Total Capital Employed
Equity Weightage	50.00%	50.00%	50.00%	Proportion of Equity within the Total Capital Employed
Debt/Equity Ratio	1.00	1.00	1.00	Proportion of Debt to Equity
Weighted Average Cost of Capital (WACC)	17.56%	14.89%	14.89%	WACC=Ke*(We)+Kd*(Wd)
Terminal Growth Rate	2.00%	2.00%	2.00%	Based on the analysis and the expectation of the Valuer

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Annexure : D  
 Yizumi Precision Machinery (India) Private Limited  
 Yizumi Advanced Processing Technology Private Limited  
 Beta and Peer Analysis

Valuation Date : June 30, 2023  
 Numbers in INR Crores

Company Name	Levered Beta	Equity Share Capital	Reserves & Surplus	Total Debt	Debt to Equity	Effective Tax %	Unlevered Beta
RAJOO ENGINEERS LIMITED (XBOM:522257)	1.17	6.00	96.00	2.00	0.02	23.08%	1.15
WINDSOR MACHINES LIMITED (XNSE:WINDMACHIN)	1.45	13.00	263.00	35.00	0.13	58.33%	1.38
<b>Total</b>							<b>1.26</b>

Source: CMIE and other public sources



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## Annexure : E1 (2 of 3)

## Yizumi Advanced Processing Technology Private Limited

## Historical &amp; Projected Financials

Valuation of Equity Shares of Yizumi Advanced Processing Technology Private Limited as on June 30, 2023

Numbers in INR Crores

	31-Mar-22	31-Mar-23	30-Jun-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
<b>Equity</b>								
Equity Share Capital	20.00	20.00	22.22	22.22	22.22	22.22	22.22	22.22
Free Reserves & Surplus	(8.17)	(15.97)	(16.21)	(0.83)	17.51	40.63	69.34	104.49
<b>Total Shareholders Funds</b>	<b>11.83</b>	<b>4.03</b>	<b>6.01</b>	<b>21.39</b>	<b>39.73</b>	<b>62.86</b>	<b>91.56</b>	<b>126.71</b>
<b>Non Current Liabilities</b>								
Long Term Borrowings	78.63	15.00	15.00	15.00	15.00	15.00	15.00	15.00
External commercial borrowing (ECB)	0.00	83.70	83.32	83.32	83.32	83.32	83.32	83.32
Deferred Tax Liabilities	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Non Current Liabilities</b>	<b>78.64</b>	<b>98.70</b>	<b>98.32</b>	<b>98.32</b>	<b>98.32</b>	<b>98.32</b>	<b>98.32</b>	<b>98.32</b>
<b>Current Liabilities</b>								
Short Term Borrowings	0.00	0.00	0.00	20.00	20.00	10.00	10.00	10.00
Trade Payables	0.01	0.05	0.00	53.98	64.26	76.20	90.05	106.09
Other Current Liabilities	8.78	9.48	7.29	7.29	7.29	7.29	7.29	7.29
<b>Total Current Liabilities</b>	<b>8.79</b>	<b>9.52</b>	<b>7.29</b>	<b>81.27</b>	<b>91.56</b>	<b>93.49</b>	<b>107.34</b>	<b>123.38</b>
<b>Total Equity and Liabilities</b>	<b>99.27</b>	<b>112.25</b>	<b>111.62</b>	<b>200.98</b>	<b>229.61</b>	<b>254.67</b>	<b>297.22</b>	<b>348.41</b>

Source: Management Representation



## Annexure : E1 (3 of 3)

## Yizumi Advanced Processing Technology Private Limited

*Historical & Projected Financials*

Valuation of Equity Shares of Yizumi Advanced Processing Technology Private Limited as on June 30, 2023  
Numbers in INR Crores

	31-Mar-22	31-Mar-23	30-Jun-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
<b>Tangible Assets</b>								
Gross Block	39.64	106.28	106.28	106.28	106.28	106.28	106.28	106.28
Less: Accumulated Depreciation	0.44	2.27	3.03	3.03	6.03	9.03	12.03	15.03
Net Block	39.20	104.01	103.25	103.25	100.25	97.25	94.25	91.25
Capital Work-In-Progress	41.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Tangible Assets</b>	<b>81.14</b>	<b>104.01</b>	<b>103.25</b>	<b>103.25</b>	<b>100.25</b>	<b>97.25</b>	<b>94.25</b>	<b>91.25</b>
Other Non Current Assets								
Deferred Tax Assets	0.00	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Other Non-Current Assets	1.83	0.18	0.18	0.18	0.18	0.18	0.18	0.18
<b>Total Other Non Current Assets</b>	<b>1.83</b>	<b>0.70</b>						
<b>Total Non Current Assets</b>	<b>82.96</b>	<b>104.70</b>	<b>103.95</b>	<b>103.95</b>	<b>100.95</b>	<b>97.95</b>	<b>94.95</b>	<b>91.95</b>
Current Assets								
Inventories - Raw Material	0.00	0.00	0.00	32.39	38.56	45.72	54.03	63.65
Inventories - Finished Goods	0.00	0.00	0.00	13.22	15.58	18.42	21.70	25.51
Trade Receivables	0.00	0.00	1.27	46.30	54.35	64.43	76.13	89.69
Cash & Cash Equivalents	12.01	1.98	4.15	2.86	17.92	25.89	48.15	75.35
Short Term Loans/Advances	1.21	2.39	0.00	0.00	0.00	0.00	0.00	0.00
Other Current Assets	3.08	3.18	2.26	2.26	2.26	2.26	2.26	2.26
<b>Total Current Assets</b>	<b>16.31</b>	<b>7.55</b>	<b>7.68</b>	<b>97.03</b>	<b>128.66</b>	<b>156.72</b>	<b>202.27</b>	<b>256.46</b>
<b>Total Assets</b>	<b>99.27</b>	<b>112.25</b>	<b>111.62</b>	<b>200.98</b>	<b>229.61</b>	<b>254.67</b>	<b>297.22</b>	<b>348.41</b>

Source: Management Representation



Annexure : E2 (1 of 3)  
 Yizumi Precision Machinery (India) Private Limited  
 Historical & Projected Financials

Valuation of Equity Shares of Yizumi Precision Machinery (India) Private Limited as on June 30, 2023  
 Numbers in INR Crores

Statement of Profit and Loss Number of Months	31-Mar-22		30-Jun-23		31-Mar-24		31-Mar-25		31-Mar-26		31-Mar-27		31-Mar-28	
	12	(A)	3	(P)	12	(E)	12	(E)	12	(E)	12	(E)	12	(E)
Operating Revenue	165.81	219.22	35.44		75.00	78.75	82.69	86.82	91.16					
Scrap sales	0.00	0.00	0.00		0.20	0.20	0.20	0.20	0.20					
Trading Revenue	0.00	0.00	15.41		15.41	0.00	0.00	0.00	0.00					
<b>Operating Revenue Expenses</b>	<b>165.81</b>	<b>219.22</b>	<b>50.85</b>		<b>90.61</b>	<b>78.95</b>	<b>82.89</b>	<b>87.02</b>	<b>91.36</b>					
Cost of materials consumed	107.41	139.36	16.98		53.25	55.91	58.71	61.64	64.73					
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(6.31)	15.04	1.01		0.00	0.00	0.00	0.00	0.00					
Employee benefit expenses	8.51	9.53	2.27		2.98	3.02	3.03	3.05	3.06					
Purchase of Trading goods	0.00	0.00	14.58		14.58	0.00	0.00	0.00	0.00					
Other Expenses	34.71	45.07	7.12		13.59	11.48	11.95	12.53	13.23					
<b>Total Expenses</b>	<b>144.32</b>	<b>209.00</b>	<b>41.95</b>		<b>84.39</b>	<b>70.41</b>	<b>73.69</b>	<b>77.22</b>	<b>81.02</b>					
EBITDA	21.49	10.22	8.90		6.22	8.54	9.20	9.80	10.34					
Depreciation	0.29	0.67	0.33		0.66	0.66	0.66	0.66	0.66					
<b>EBIT</b>	<b>21.19</b>	<b>9.55</b>	<b>8.57</b>		<b>5.56</b>	<b>7.88</b>	<b>8.54</b>	<b>9.14</b>	<b>9.68</b>					
Finance Cost - Term Loan (ECB)	0.38	0.55	0.49		0.05	0.05	0.05	0.05	0.05					
Finance Cost - WC Loan / CC Limit	0.00	0.00	0.00		0.40	0.23	0.00	0.00	0.00					
Finance Cost - Finance Charges	0.01	0.00	0.00		0.93	0.93	0.93	0.93	0.93					
Non-Operating & Other Income	0.40	1.54	2.70		1.69	2.04	2.15	2.32	2.57					
<b>Profit Before Tax</b>	<b>21.20</b>	<b>10.54</b>	<b>10.78</b>		<b>5.87</b>	<b>8.70</b>	<b>9.71</b>	<b>10.48</b>	<b>11.28</b>					
Current Tax / Past Tax / MAT	5.77	2.56	0.00		1.48	2.19	2.44	2.64	2.84					
<b>Profit After Tax</b>	<b>15.43</b>	<b>7.79</b>	<b>10.78</b>		<b>4.39</b>	<b>6.51</b>	<b>7.27</b>	<b>7.84</b>	<b>8.44</b>					

Source: Management Representation





## Annexure : E2 (3 of 3)

## Yizumi Precision Machinery (India) Private Limited

## Historical &amp; Projected Financials

Valuation of Equity Shares of Yizumi Precision Machinery (India) Private Limited as on June 30, 2023

Numbers in INR Crores

Balance Sheet	31-Mar-22	31-Mar-23	30-Jun-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
<b>Tangible Assets</b>								
Gross Block	3.34	16.17	16.24	16.24	16.24	16.24	16.24	16.24
Less: Accumulated Depreciation	1.34	1.80	2.13	2.46	3.12	3.78	4.44	5.10
Net Block	2.00	14.37	14.11	13.77	13.11	12.45	11.79	11.13
Capital Work-In-Progress	6.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Tangible Assets</b>	<b>8.57</b>	<b>14.37</b>	<b>14.11</b>	<b>13.77</b>	<b>13.11</b>	<b>12.45</b>	<b>11.79</b>	<b>11.13</b>
Intangible Assets								
Gross Block	0.07	0.16	0.16	0.16	0.16	0.16	0.16	0.16
Less: Accumulated Depreciation	0.07	0.08	0.09	0.09	0.09	0.09	0.09	0.09
<b>Total Intangible Assets</b>	<b>0.00</b>	<b>0.08</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>
Other Non Current Assets								
Other Non-Current Assets	0.22	0.05	0.07	0.07	0.07	0.07	0.07	0.07
<b>Total Other Non Current Assets</b>	<b>0.22</b>	<b>0.05</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>	<b>0.07</b>
<b>Total Non Current Assets</b>	<b>8.79</b>	<b>14.50</b>	<b>14.25</b>	<b>13.91</b>	<b>13.25</b>	<b>12.59</b>	<b>11.93</b>	<b>11.27</b>
Current Assets								
Inventories - Raw Material	57.95	71.05	79.34	13.13	13.79	14.48	15.20	15.96
Inventories - Finished Goods	21.49	6.08	10.00	6.94	5.79	6.06	6.35	6.66
Trade Receivables	17.95	54.70	61.02	22.34	19.47	20.44	21.46	22.53
Cash & Cash Equivalents	7.18	28.73	8.56	21.31	32.94	40.09	47.77	55.99
Current tax assets (net)	0.00	7.93	6.07	6.07	6.07	6.07	6.07	6.07
Other Current Assets	10.66	1.69	5.21	5.21	5.21	5.21	5.21	5.21
<b>Total Current Assets</b>	<b>115.23</b>	<b>170.16</b>	<b>170.19</b>	<b>74.99</b>	<b>83.26</b>	<b>92.34</b>	<b>102.05</b>	<b>112.41</b>
<b>Total Assets</b>	<b>124.02</b>	<b>184.66</b>	<b>184.44</b>	<b>88.90</b>	<b>96.51</b>	<b>104.93</b>	<b>113.98</b>	<b>123.68</b>

Source: Management Representation

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## ANNEXURE C

THINK TECH FORWARD

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YIZUMI

EXTRACTS OF THE MEETING OF THE BOARD OF DIRECTORS OF YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED ON SATURDAY, DATED 22<sup>ND</sup> JULY 2023, AT 11:00 AM IST (01:30 PM CST) AT THE MEETING ROOM AT NO.22, KE YUAN 3 ROAD, HI-TECH AREA, RONGGUI, SHUNDE, FOSHAN CITY, GUANGDONG PROVINCE, CHINA

**TO CONSIDER AND APPROVE SCHEME OF MERGER BY WAY OF ABSORPTION OF THE COMPANY BY YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED.**

"RESOLVED THAT pursuant to the provisions of Section 230 to 233 and 66 & 52 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable statutory regulations and subject to applicable provisions of the Memorandum and Article of Association of the company, sanction of the Hon'ble National Company Law Tribunal (NCLT) at Ahmedabad having jurisdiction in relation to company YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED and further subject to the approvals of secured and unsecured creditors of the Company if any, through NCLT convened meeting (unless the same are dispensed with) and statutory/regulatory authorities including Reserve Bank of India/FEMA, as may be required, and based on consent granted by shareholders of the Company, the draft scheme of amalgamation of Yizumi Precision Machinery (India) Private Limited (transferor Company) with the company by way of absorption as placed before the Board, initialed by the Chairman of the Company for purpose of identification be and is hereby accepted and approved with following understanding and noting.

1. The Appointment Date of the scheme would be: 01.04.2023
2. The fair value of the equity shares of the Company Yizumi Advanced Processing Technology Private Limited as on June 30, 2023 is INR 34.97 Cr.
3. The fair exchange/Swap Ratio of the scheme would be  
'12 (Twelve) equity shares of the Company Yizumi Advanced Processing Technology Private Limited of INR 100.00 each fully paid up for every 1 (One) equity shares of Yizumi Precision Machinery (India) Private Limited (Transferor Company) of INR 100.00 each fully paid-up'.
4. Post-capital of the resultant Company would be  
INR.81,80,99,100 (Rupees Eighty One Crores Eighty Lakhs Ninety-Nine Thousand One Hundred only) divided into 81,80,991 (Eighty One Lakhs Eighty Thousand Nine Hundred Ninety One only) equity shares of INR 100/- (Rupees Hundred only)
5. Major benefits of the scheme to both the Companies (Transferee Company and Transferor Company) would be
  - Integration of business operations.

**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

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CIN U29230GJ2019FTC108825

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y.A. shah*

DIRECTOR / AUTHO. SIGN.

THINK TECH FORWARD

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- Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities.
- Garner the benefits arising out of economies of large scale and lower operating costs.
- Pooling and rationalization of talents in terms of manpower, management, administration etc. to result in savings of costs.
- Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances and cost.
- Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets.
- Bring uniformity in corporate policy.
- Benefit of operational synergies to the combined entity and greater leverage in operations, planning and process optimization.
- The proposed amalgamation will be beneficial to both the companies and their respective shareholders and creditors, employees and other stakeholders and not prejudicial to the interests of the shareholders.

**RESOLVED FURTHER THAT** in the opinion of the Board, the proposed amalgamation will be advantageous and beneficial to the company and its shareholders, creditors and all other stakeholders of the company and that the terms therefore are fair and reasonable.

**RESOLVED FURTHER THAT** pursuant to the applicable provisions of the Companies Act, 2013 and rules made thereunder, consent of the Board be and is hereby accorded to conduct the meeting to seek approval of members of the company for approval of the scheme.

**RESOLVED FURTHER THAT** without affecting the generality of the authorities given, the Board of the company be and is hereby empowered and deemed to have authorised to exercise all powers and discharge all functions for the purpose of implementing the scheme, including the following:

- a. to finalise and settle the Scheme including carrying out of any modification(s) thereof, in consultation with the consultants on the broad terms.
- b. To do of all such acts, deeds, sign file, submit or present the draft scheme and related applications, supplementary applications, petitions, documents, replies which are necessary or advisable for the implementation of the scheme and upon sanction of the scheme by, amongst others and/or any other regulatory/government authorities, to implement and to make the scheme effective, without any further approval of board and to appear before the NCLT or at offices of the relevant Registrar of Companies, the Regional Director, Department of Company Affairs etc for above purpose.

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

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*J. A. Shukh*  
DIRECTOR / AUTHD. SIGN.

THINK TECH FORWARD

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**YIZUMI**

- c. To assent to and approve any alteration or modification, amend, review etc., to the scheme which the NCLT and/or any other regulatory/Government authorities may require or suggest or deem fit to impose and to Seek directions from the respective NCLT for convening or dispensing with meetings of the shareholders and/or creditors for approving the scheme and to sign and file undertakings and other documents as may be necessary in this regard to finalize and issue the notices for convening the meetings of the shareholders and/or creditors together with explanatory statements and assent to such alterations, conditions and modifications of the same as per directions of the authorities.
- d. To settle any question or difficulty arising under the scheme or with regard to and of the meaning or interpretation of scheme or implementation thereof in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the scheme and if necessary, to waive any of those.
- e. To approve and authorize execution of any agreements, deeds, documents, declarations, affidavits, writings etc., (including any alterations or modifications) as may be required from time to time.
- f. To approve withdrawal (and where applicable, refiling) of the scheme at any stage in case any change or modification are suggested/required to be made in the scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, the NCLT and/or any other authority, are in its view not acceptable to the company, and/or if the scheme cannot be implemented otherwise.
- g. To authorize the officers of the company to discuss, negotiate, finalise, execute, sign, submit and file all required documents, deeds of assignments/conveyance and any other deed, documents, schemes, agreements, forms, returns, applications, letters etc. including any modifications thereto, in each case as may be approved by such directors and/or offices, as may be required from time to time without any further approval of the board.
- h. Take all steps for obtaining approval and/or consents of the shareholders/creditors of the company, banks, financial institutions and other authorities or entities or agencies as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps as may be required from time to time in that behalf;
- i. To authenticate any document, instruments, proceedings and records of the company.
- j. To incur such other expenses as may be necessary with regard to the above including payments of fees to auditors, advisors, valuers, registrar, and other agencies and such other expenses that may be incidental to the above as may be decided by them.
- k. Appoint one or more attorneys/representatives and delegate to them any or all of the powers or functions entrusted to them under this resolution, as well as to revoke, remove such persons and to appoint any other persons from time to time to act on their behalf and

**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.**

*J. A. Shah*  
DIRECTOR / AUTHO. SIGN.

THINK TECH FORWARD

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**YIZUMI**

I. To do all such other acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to giving effect to the above or to otherwise give effect to the scheme and matters related thereto.

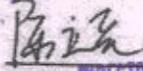
**RESOLVED FURTHER THAT** subject to the directions of the NCLT, the company do appoint such other person as may be the director by NCLT as chairman of the NCLT convened meetings of the shareholder and / or creditor of the company in relation to the Scheme.

**RESOLVED FURTHER THAT** certified true copy of the above resolutions be hereby forwarded to the all authorities concerned as may be necessary."

CERTIFIED TO BE TRUE

For YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.



LIYAO CHEN

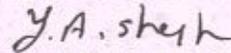
Director

(DIN: 08492217)

Dated: 22 July 2023

Place: CHINA

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.



DIRECTOR / AUTHO. SIGN.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

A: Plot No. 1062+1063, GIDC Sanand-II Industrial Estate, Ahmedabad-382170, Gujarat, India

E: yzmapt@yizumi.com

P: 7574848213

W: www.yizumi.com

CIN U29230GJ2019FTC108825

THINK TECH FORWARD

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**YIZUMI**

EXTRACTS OF THE MEETING OF THE BOARD OF DIRECTORS OF YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED ON SATURDAY, DATED 22<sup>ND</sup> JULY 2023, AT 11:00 AM IST (01:30 PM CST) AT THE MEETING ROOM AT NO.22, KE YUAN 3 ROAD, HI-TECH AREA, RONGGUI, SHUNDE, FOSHAN CITY, GUANGDONG PROVINCE, CHINA

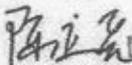
TO CONSIDER, APPROVE AND TAKE NOTE OF THE VALUATION REPORT ISSUED BY MERCHANT BANKER VIVRO FINANCIAL SERVICES PRIVATE LIMITED AND ALSO BY IBBI REGISTERED VALUER RV CA ROSHAN NILESH VAISHNAV ON THE SHARE ENTITLEMENT RATIO FOR PROPOSED SCHEME OF MERGER OF THE COMPANY WITH YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED (TRANSFEROR COMPANY)

"RESOLVED THAT the Valuation Reports dated July 08, 2023 submitted by the Independent Merchant Banker Vivro Financial Services Private Limited and also by IBBI Registered Valuer RV CA Roshan Nilesh Vaishnav, on the Share Entitlement Ratio/fair market value of shares as set out in the Scheme for other merger purpose, placed before the Board, be and is hereby approved and adopted."

CERTIFIED TO BE TRUE

For YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.


 DIRECTOR / AUTHO. SIGN

LIYAO CHEN

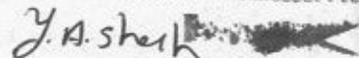
Director

(DIN: 08492217)

Dated: 22 July 2023

Place: CHINA

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.


 DIRECTOR / AUTHO. SIGN.

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 YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

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## ANNEXURE - D 119

**K P Shah Associates**  
Chartered Accountants

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**INDEPENDENT AUDITORS' REPORT**

To The Members of  
Yizumi Advanced Processing Technology Private Limited

**Opinion**

We have audited the standalone financial statements of **Yizumi Advanced Processing Technology Pvt. Ltd. ("the Company")**, which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, for the year then ended, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year then ended.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit and its cash flow for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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. Reporting of key audit matters as per SA 701; Key Audit Matters is not applicable to the Company as it is an unlisted Company.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y. A. Shah

DIRECTOR / AUTHO. SIGN.

# K P Shah Associates

Chartered Accountants

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## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y.A. Shah  
DIRECTOR / AUTHO. SIGN.

# K P Shah Associates

Chartered Accountants

1-21  
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## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y. A. Shah  
DIRECTOR / AUTHO. SIGN.

# K P Shah Associates

Chartered Accountants

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. Shah*  
DIRECTOR / AUTHD. SIGN.

# K P Shah Associates

Chartered Accountants

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- (c) The Balance Sheet and the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with 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. The Company does not have any pending litigations which would impact on its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. On the basis of the information and explanations received from the Company, the Company is not required to transfer any amount to the Investor Education and Protection Fund.
  - iv. The management has represented that, to the best of its knowledge and belief, as disclosed in the note 31 to the accounts, no funds have been advanced or loaned or invested (either from the borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or
    - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - v. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y. A. Shah

DIRECTOR / AUTHD. SIGN.

# K P Shah Associates

Chartered Accountants

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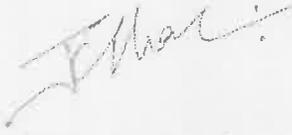
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entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- 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
- vi. Based on such audit procedures as 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 (iv) and (v) contain any material misstatement.
- vii. The company has not declared or paid dividend during the year. Accordingly, provisions of Section 123 of the Companies Act, 2013 are not applicable.

- 3) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act: According to the information and explanations given to us, the provisions to Section 197 read with Schedule V of the Companies Act, 2013 are not applicable to the private limited company.

**For, K P Shah Associates**  
Chartered Accountants  
(Firm Registration No. 109614W)

  
Jigar K. Shah  
Partner  
(Membership No. 126747)  
UDIN: 23126747BGUWSE7717

Place: Ahmedabad

Date: 22-July-2023

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

  
DIRECTOR / AUTHO. SIGN.

**K P Shah Associates**  
Chartered Accountants

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

*(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)*

- (i) (a)
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of Order is not applicable to the Company.
- (b) According to the information and explanation given to us, the Property, Plant and Equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The title deeds of all immovable properties (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) According to the information and explanation given to us, the Company has not revalued its Property, Plant and Equipment. Further, the Company does not have any intangible assets.
- (e) According to the information and explanation given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii)
- (a) According to the information and explanation given to us, there is no inventory outstanding as of March, 2023. Accordingly, clause 3(ii)(a) and clause 3(ii)(b) of the order is not applicable to the company.
- (b) According to the information and explanation given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT LTD.

X

*Y. A. Shah*  
DIRECTOR / AUTHO. SIGN.

# K P Shah Associates

Chartered Accountants

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- (iii) According to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, clause 3(iii)(a) to clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, or made any investments, or provided any guarantees, and security according to provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanation given to us, the Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, clause 3(vi) of the Order is not applicable to the Company.
- (vii)
- (a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Customs Duty, Goods and Services Tax and other material statutory dues, as applicable with the appropriate authorities.
- According to the information and explanations given to us, there were no disputed amounts payable in respect of Provident Fund, Income-tax, Customs Duty, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanation given to us, the Company has not surrendered or disclosed any transactions, previously not recorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y.A. shukh  
DIRECTOR / AUTHO. SIGN.

**K P Shah Associates**  
Chartered Accountants

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(ix)

- (a) According to the information and explanation given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender, as applicable, during the year.
- (b) According to the information and explanation given to us, the Company is not declared willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanation given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which the loans have been obtained.
- (d) According to the information and explanation given to us, the Company has not raised funds on the short-term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) of the Order is not applicable to the Company.

(x)

- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y. A. Shah

DIRECTOR / AUTHD. SIGN.

# K P Shah Associates

Chartered Accountants

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(xi)

- (a) According to the information and explanation given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanation given to us, no report under sub section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in the Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us, the Company does not have a vigil mechanism and is not required to have vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (xii) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv)

- (a) According to the information and explanation given to us, the Company does not have Internal Audit System and is not required to have Internal Audit System as per the Act. Accordingly, clause 3(xiv)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us, the Company does not have Internal Audit System and is not required to have Internal Audit System as per the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y. A. Shah  
DIRECTOR / AUTHO. SIGN.

# K P Shah Associates

Chartered Accountants

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(xvi)

- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Company does not hold any investment in any subsidiary, associate or joint venture during the year ended 31 March 2023. Accordingly, clause 3(xvi)(d) of the Order is not applicable to the Company.

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

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

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

VIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. Shah*  
DIRECTOR / AUTHD. SIGN.

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**K P Shah Associates**  
*Chartered Accountants*

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- (xx) According to the information and explanation given to us, the Company is not required to have a Corporate Social Responsibility Committee as per the Act. Accordingly, clause 3(xx) of the Order is not applicable to the Company.

**For, K P Shah Associates**  
*Chartered Accountants*  
(Firm Registration No. 109614W)



Jigar K. Shah  
*Partner*  
(Membership No. 126747)  
UDIN: 23126747BGUWSE7717

Place: Ahmedabad  
Date: 22-July-2023

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y.A. Shah*  
DIRECTOR / AUTHO. SIGN.

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**K P Shah Associates**  
Chartered Accountants

A/810-11, 8th Floor, Block A,  
Ratnakar 9 Square,  
Opp. Keshavbaug Party Plot,  
Vastrapur, Ahmedabad – 380 015.  
Gujarat, INDIA.  
☎ +91 (79) 29601366, 29601399  
✉ info@kpshah.co.in

**Annexure “B” to the Independent Auditor’s Report**

*Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)  
(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report of even date)*

We have audited the internal financial controls over financial reporting of the Company as at March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s responsibility for internal financial controls**

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.  
Y. A. Shah  
DIRECTOR / AUTHO. SIGN.

# K P Shah Associates

Chartered Accountants

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

### Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent limitations of internal financial controls over financial reporting

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

YIZUMI ADVANCED PROCESSING TECHNOLOGY-PVT. LTD.

Y. A. Shah  
DIRECTOR / AUTHO. SIGN.

# K P Shah Associates

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## Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 the Institute of Chartered Accountants of India.

**For, K P Shah Associates**

*Chartered Accountants*

(Firm Registration No. 109614W)

  
Jigar K. Shah

*Partner*

(Membership No.126747)

UDIN: 23126747BGUWSE7717

Place: Ahmedabad

Date: 22-July-2023

VIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

  
Y.A. Shah  
DIRECTOR / AUTHO. SIGN.

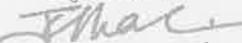
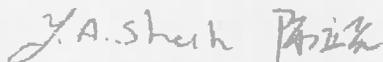
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**Yizumi Advanced Processing Technology Private Limited**Reg. Office: Plot No. 1062+1083 GIDC Sanand-II Industrial Estate, Ahmedabad, Gujarat 382170, India  
CIN: U29230GJ2019FTC108825**Balance Sheet as at March 31, 2023**

		Amount in Thousands		
	PARTICULARS	Note No.	As at March 31, 2023	As at March 31, 2022
<b>A</b>	<b><u>EQUITY &amp; LIABILITIES</u></b>			
1	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	2,00,000	2,00,000
	(b) Reserves and Surplus	4	(1,59,741)	(81,669)
			40,259	1,18,331
2	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	5	9,84,521	7,86,334
	(b) Deferred Tax Liabilities (Net)	11	-	85
	(c) Other Long term Liabilities		-	-
	(d) Long-Term Provisions		-	-
			9,84,521	7,86,420
3	<b>Current Liabilities</b>			
	(a) Short-Term Borrowings	6	2,500	-
	(b) Trade Payables	7	-	-
	Total outstanding dues of MSME		-	-
	Total outstanding dues of other than MSME		100	94
	(c) Other Current Liabilities	8	94,979	87,649
	(d) Short-Term Provisions	9	158	180
			97,737	87,924
	<b>TOTAL</b>		<b>11,22,518</b>	<b>9,92,874</b>
<b>B</b>	<b><u>ASSETS</u></b>			
1	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment and Intangible Assets	10		
	Property Plant and Equipment		10,40,079	3,91,873
	Intangible Assets		-	-
	Capital Work-in-progress		-	4,19,398
	(b) Non Current Investments		-	-
	(c) Deferred Tax Assets (Net)	11	5,185	-
	(d) Other Non-current Assets	12	1,770	18,250
			10,47,033	8,29,821
2	<b>Current Assets</b>			
	(a) Trade Receivables		-	-
	(b) Cash and Cash Equivalents	13	19,739	1,20,129
	(c) Short-Term Loans and Advances	14	23,917	12,095
	(d) Other Current Asset	15	31,829	30,829
			75,485	1,63,053
	<b>TOTAL</b>		<b>11,22,518</b>	<b>9,92,874</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For, K P Shah Associates  
Chartered Accountants  
Firm Reg.No.108614WJigar K. Shah  
Partner  
Mem. No.: 126747For, Yizumi Advanced Processing Technology  
Private LimitedYash Anilbhai Shah  
Director  
(DIN: 08492216)  
Liyao Chen  
Director  
(DIN: 08492217)

UDIN: 2312674786WSE7717

Place: Ahmedabad

Date: 22 July 2023

Place: Ahmedabad

Date: 22 July 2023



YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

  
DIRECTOR / AUTHO. SIGN.

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**Yizumi Advanced Processing Technology Private Limited**

Reg. Office: Plot No. 1062+1063 GIDC Sanand-II Industrial Estate, Ahmedabad, Gujarat 382170, India  
CIN: U29230GJ2019FTC108825

**Statement of Profit and Loss for the year ended March 31, 2023***Amount in Thousands*

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from Operations		-	-
II Other Income	16	32,136	216
<b>TOTAL INCOME (III = I + II)</b>		<b>32,136</b>	<b>216</b>
<b>IV EXPENSES</b>			
Changes in Inventories of Stock-in-trade	-	-	-
Employee Benefit Expenses	17	10,346	5,854
Finance Cost	18	82,696	38,277
Depreciation & Amortization	10	18,369	4,241
Other Expenses	19	4,066	3,149
<b>TOTAL EXPENSES (IV)</b>		<b>1,15,477</b>	<b>51,521</b>
V Profit before Exceptional and Extraordinary Items and Tax (III - IV)		<b>(83,341)</b>	<b>(51,305)</b>
VI Exceptional and Extraordinary Items			-
VII Profit Before Tax		<b>(83,341)</b>	<b>(51,305)</b>
VIII Tax Expense			
Current Tax		-	-
Deferred Tax		(5,270)	7,075
Taxation adjustments for earlier years		-	36
IX Profit After Tax (VII - VIII)		<b>(78,071)</b>	<b>(58,416)</b>
X Earnings per Equity Share	20		
-Basic		<b>(39.04)</b>	<b>(29.21)</b>
-Diluted		<b>(39.04)</b>	<b>(29.21)</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For, K P Shah Associates  
Chartered Accountants  
Firm Reg.No.109614W

*K P Shah*  
Jigar K. Shah  
Partner  
Mem. No.: 126747

For, Yizumi Advanced Processing  
Technology Private Limited

*Y. A. Shah*  
Yash Anilbhai Shah  
Director  
(DIN: 08492216)

*Liyao Chen*  
Liyao Chen  
Director  
(DIN: 08492217)

UDIN: 23186747860WSE717  
Place : Ahmedabad  
Date: 22 July 2023

Place : Ahmedabad  
Date: 22 July 2023



YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. Shah*  
DIRECTOR / AUTHD. SIGN.

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**Yizumi Advanced Processing Technology Private Limited**Reg. Office: Plot No. 1062+1063 GIDC Sanand-II Industrial Estate, Ahmedabad, Gujarat 382170, India  
CIN: U29230GJ2019FTC108525**Cash Flow Statement for the year ended March 31, 2023**

		<i>Amount in Thousands</i>	
	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A</b>	<b>Cashflow from Operating Activities</b>		
	Net Profit / (Loss) Before tax	(83,341)	(51,305)
	<b>Adjustments for :</b>		
<i>Add:</i>	Interest Expense	33,220	18,808
	Unrealised Foreign Exchange (Gain) / Loss (net)	49,474	18,888
	Depreciation	18,369	4,241
	<b>Operating Profit Before Working Capital Changes and Extraordinary Items</b>	<b>17,722</b>	<b>(9,569)</b>
	<b>Changes in working capital:</b>		
	<i>Adjustment for increase/(decrease) in Current Assets</i>		
	a) Trade Receivables and Other Receivables		-
	b) Trade Payables and Other Payables	6	89
	c) Other current Asset	(999)	(30,829)
	d) Other Current Liabilities	(2,813)	60,571
	e) Short-Term Provisions	(23)	(180)
	f) Other Non current asset	16,480	(18,061)
	<b>Cash generated from operations</b>	<b>30,373</b>	<b>2,011</b>
	Income Tax paid/ payable	-	(36)
	<b>Net Cashflow from Operating Activities (A)</b>	<b>30,373</b>	<b>1,976</b>
<b>B</b>	<b>Cash Flow from Investing Activities:</b>		
	Purchase of PPE Including CWIP	(2,23,948)	(4,04,567)
	<b>Net Cashflow from Investing Activities (B)</b>	<b>(2,23,948)</b>	<b>(4,04,567)</b>
<b>C</b>	<b>Cash Flow from Financing Activities:</b>		
	Interest Expense	(33,220)	(18,808)
	Foreign Exchange (Gain) / Loss	(49,474)	(18,888)
	Increase / (Decrease) in Borrowings	1,87,702	4,90,239
	Increase / (Decrease) in short term loan & advances	(11,822)	(11,850)
	<b>Net Cashflow from Financing Activities (C)</b>	<b>93,186</b>	<b>4,40,893</b>
	<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,00,390)</b>	<b>38,301</b>
	Cash & Cash Equivalents at the beginning of the year	1,20,129	81,828
	Cash & Cash Equivalents at the end of the year	19,739	1,20,129
	See accompanying notes forming part of the financial statements		

In terms of our report attached

For, K P Shah Associates  
Chartered Accountants  
Firm Reg.No.109614WJigar K. Shah  
Partner  
Mem. No.: 126747For, Yizumi Advanced Processing  
Technology Private LimitedYash Anilbhai Shah  
Director  
(DIN: 08492216)Liyao Chen  
Director  
(DIN: 08492217)UDIN: 23126777840WSE7717  
Place : Ahmedabad  
Date: 22-July-2023Place : Ahmedabad  
Date: 22-July-2023

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

  
DIRECTOR / AUTHO. SIGN.

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**Yizumi Advanced Processing Technology Pvt. Ltd.**

Reg. Office: Plot 7, Mahagujarat Estate Moraiya Sanand Ahmedabad Ahmedabad - 382213 Gujarat India  
CIN: U29230GJ2019FTC108825

**Notes forming part of the financial statements for the year ended 31<sup>st</sup> March, 2023****1. Corporate Information**

Yizumi Advanced Processing Technology Private Limited ("the Company") is unlisted Gujarat based Private Limited Company incorporated on June 25, 2019 under the Companies Act, 2013. The Registered office of the company is located at Plot 7, Mahagujarat Estate, Moraiya Sanand, Ahmedabad - 382213, Gujarat, India. During the Year company has completed the Factory Setup Capitalization phase and Inaugurated dated 01-October-2022.

The company's main object is to engage in the business of Manufacturing and Trading of Machinery in the field of Plastic Industry including but not limited to injection molding machine, die-casting machine, rubber injection machine, high-speed packaging machine and robotic automation system. The main shareholding of the company belongs to M/s Yizumi Precision Machinery (HK) Co. Limited (A company registered in Hongkong) and Guangdong Yizumi Precision Machinery Co. Ltd. (A company registered in China).

**Note 2: Significant Accounting Policies****2.1 Basis of preparation and presentation of financial statements**

- The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP'), on an accrual basis of accounting under the historical cost convention. The financial statements comply in all material aspects with the Accounting Standards as specified in an Annexure to the Companies (Accounting Standards) Rules, 2006 (as amended) under Section 133 of the Companies Act, 2013 ('the Act') and rules made thereunder, as applicable.
- The Balance Sheet and the Statement of Profit and Loss, including related notes, are prepared and presented as per the requirements of Schedule III of the Act. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of the products and time between the acquisition of asset for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) – 3 'Cash Flow Statements'.

**2.2 Use of Estimates**

- The preparation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the financial year. The Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. Sheikh*  
DIRECTOR / AUTHO. SIGN.



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**Yizumi Advanced Processing Technology Pvt. Ltd.**

Reg. Office: Plot 7, Mahagujarat Estate Moraiya Sanand Ahmedabad Ahmedabad - 382213 Gujarat India  
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- Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods in which the same are known/ materialized.

**2.3 Current & Non-current Classification**

- All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

**2.4 Cash & Cash Equivalents**

- Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.5 Cash Flow Statement**

- Cash flows are reported using the indirect method, whereby profit/ loss before extraordinary items, if any, and tax is adjusted for the effect of transactions of non-cash and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

**2.6 Prior Period and Exceptional items**

- All identifiable items of income and expenditure pertaining to prior period are accounted through "Prior Period items" and classified as exceptional and extra-ordinary items in the statement of Profit & Loss Account.
- Exceptional items are generally non-recurring items of income and expenses within profit or loss from ordinary activities, which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year. There is no Exceptional Items to be reported in the Financial year.

**2.7 Property, Plant and Equipment**

- Property, Plant & Equipment (PPE) comprises of tangible assets of the company. PPE are stated at cost, including non-refundable duties and taxes applicable, after reducing depreciation, amortization and impairment losses, if any, for the period from the Gross Opening Value. The cost of PPE comprises of its purchase price or its construction cost (net of refundable duties and taxes, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. Software

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. Sheikh*  
DIRECTOR / AUTHO. SIGN.



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**Yizumi Advanced Processing Technology Pvt. Ltd.**

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CIN: U29230GJ2019FTC108825

licenses installed on Computers are capitalized to the cost of Computer and presumed to be of the same useful life, due to the end user license agreement.

- Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Company's accounting policy. Subsequent expenditure related to an item of PPE is added to its carrying value only, if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.
- An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the PPE. Any consideration on the disposal/ discarded / retirement of an item of PPE is reduced from the net book value i.e. gross value as reduced by accumulated depreciation/ amortization on pro-rate basis of time used during the accounting period.
- With effect from 01-April-2022 it is determined that the change in depreciation method from WDV method to a straight-line method, the same is change in accounting estimate. A change in accounting estimate affected by a change in accounting principle is applied prospectively. The change is considered preferable because the straight-line method will more accurately reflect the pattern of usage and the expected benefits of such assets and provide greater consistency with the depreciation methods used by group company and other company in our industry.
- Depreciation and amortization on PPE is spread over estimated useful economic life on Straight Line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 after considering the residual value as prescribed under the Act. The depreciation is provided on pro-rata basis according to the period each asset was put to use during the accounting period. Further, As a result of the change to the straight-line method of depreciation, depreciation expense increased by INR 163 Thousand and decrease in Profit by same amount.
- The estimated useful lives for main category of Property Plant & Equipment are:

#	Class of Assets	Detailed description	Useful Life in Years
1	Computers and data processing units	Servers and networks	6
2	Computers and data processing units	End user devices, such as, desktops, laptops, etc	3
3	Vehicle	Motor Vehicle, Motor Car	8
4	Leasehold Land	Leasehold land from Gujarat Industrial Development Corporation (GIDC) over the term of lease (from date of allotment)	99
5	Plant and Machinery	Fire Protection Piping, Fire Alarm System	15
6	Building	Factory Building, Compound Wall	30

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. shukh*  
DIRECTOR / AUTHO. SIGN.



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**Yizumi Advanced Processing Technology Pvt. Ltd.**Reg. Office: Plot 7, Mahagujarat Estate Moraiya Sanand Ahmedabad Ahmedabad - 382213 Gujarat India  
CIN: U29230GJ2019FTC108825

7	Electric Installation	Electric Installation	10
8	Leasehold Land Improvements	Land Scaping	10

**2.8 Foreign Exchange Transactions:**

- **Initial recognition:**

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- **Conversion:**

Foreign currency monetary items are reported using the closing rate (other than those covered by forward contracts). Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

- **Exchange differences:**

Exchange differences arising on the settlement of monetary items or on reporting the Entity's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they occur.

**2.9 Employee Benefits**

- **Short term Employee Benefits:**

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered.

- **Post-Employment Benefits:**

*Defined Contribution Plans*

The Company's State governed Provident Fund Scheme is considered as defined contribution. The contribution under the scheme is recognized as an expense in the Statement of Profit & Loss, as they are incurred. There are no other obligations other than the contribution payable to the respective funds.

The company makes payment for earned leaves on year to year basis and accordingly the same is recognized as an expense on year to year basis.

**2.10 Borrowing Cost**

- Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. Shukh*  
DIRECTOR / AUTHO. SIGN.



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**Yizumi Advanced Processing Technology Pvt. Ltd.**

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CIN: U29230GJ2019FTC108825

adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**2.11 Leases.**

- **Operating:** Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term.
- **Finance:** Leased assets acquired on which significant risks and rewards of ownership effectively transferred to the Company are capitalized at lower of fair value and the present value of minimum lease payments. Such assets are depreciated / amortized over the period of lease or estimated life of such assets, whichever is less.

**2.12 Accounting for Taxes**

- **Current Tax and Minimum Alternate Tax**  
The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.  
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.  
Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the company.
- **Deferred Tax**  
Deferred tax assets and liabilities are recognized on timing differences, being the differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognized only if there is reasonable certainty that they will be realized in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each balance sheet date for their realizability.
- **Goods and Service Tax – GST**  
Expenses and assets are recognized net of the amount of Goods and Service Tax paid, except:

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. Shah*  
DIRECTOR / AUTHO. SIGN.



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**Yizumi Advanced Processing Technology Pvt. Ltd.**

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- (i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- (ii) When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**2.13 Impairment of Assets:**

- The carrying value of assts/ cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The recoverable amount is the greater of the asset's net selling price and its value in use which is determined based on the estimated future cash flow discounted to their present value. If there is no reason to believe that as asset's value in use materially exceeds its net selling price, the asset's recoverable amount may be taken to be its net selling price.
- An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. the impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognized in the Statement of Profit and Loss, unless the asset is carried at revalued amount in accordance with Accounting Standard 10 - Property, Plant & Equipment.

**2.14 Provisions, Contingent Liability and Contingent Assets**

- The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed.
- Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**2.15 Earning Per Share**

- Basic earnings per share are computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for the effects of dividend, interest

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and other charges relating to the dilutive potential equity shares by weighted average number of equity shares plus dilutive potential equity shares.

**2.16 Accounting for claims**

- Claims received are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.
- Claims raised by the Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on legality of each claim. Adjustments, if any, are made in the year in which disputed are finally settled.

**2.17 Doubtful Debts/ Advances**

- Provision is made in the accounts for Debts/ Advances which, in the opinion of the management, are considered doubtful of recovery.

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Notes forming Part of the Financial Statements

**Note 3 : Share Capital**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised Equity Shares of INR100 each	22,25,000	2,22,500	20,00,000	2,00,000
Issued, Subscribed & Paid-up Equity Shares of INR100 each fully paid up	20,00,000	2,00,000	20,00,000	2,00,000
<b>TOTAL</b>	<b>20,00,000</b>	<b>2,00,000</b>	<b>20,00,000</b>	<b>2,00,000</b>

(i) Terms/ Rights attached to equity shares

- The Company has issued only one class of equity shares having a per value of INR 100 each. Each Equity Shareholder is entitled to one vote per share.

(ii) Equity Shareholders holding more than 5% shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Yizumi Precision Machinery (HK) Co. Ltd.	18,00,000	90.00%	18,00,000	90.00%
Guangdong Yizumi Precision Machinery Co. Ltd.	2,00,000	10.00%	2,00,000	10.00%

(iii) Reconciliation of the equity shares and amount outstanding

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	20,00,000	2,00,000	20,00,000	2,00,000
Movement during the year	-	-	-	-
Outstanding at the end of the period	20,00,000	2,00,000	20,00,000	2,00,000

(iv) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Name of Promoter	As at March 31, 2023		% change during the year
	No. of shares	% of total shares	
Yizumi Precision Machinery (HK) Co. Ltd.	18,00,000	90%	0.00%
Guangdong Yizumi Precision Machinery Co. Ltd.	2,00,000	10%	0.00%
<b>Total</b>	<b>20,00,000</b>	<b>100.00%</b>	<b>0.00%</b>

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Name of Promoter	As at March 31, 2022		% change during the year
	No. of shares	% of total shares	
Yizumi Precision Machinery (HK) Co. Ltd.	18,00,000	90%	0.00%
Guangdong Yizumi Precision Machinery Co. Ltd.	2,00,000	10%	0.00%
<b>Total</b>	<b>20,00,000</b>	<b>100.00%</b>	<b>0.00%</b>

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**Note 4 : Reserves and Surplus**

Particulars	Amount in Thousands	
	As at March 31, 2023	As at March 31, 2022
(a) Surplus / (Deficit) - in Statement of Profit and Loss		
Opening Balance	(81,669)	(23,253)
Loss for the year	(78,071)	(58,416)
<b>TOTAL</b>	<b>(1,59,741)</b>	<b>(81,669)</b>

**Note 5 : Long-Term Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Loans from Bank	1,47,500	-
(b) Loans from Related Parties:		
Unsecured loan from Director	-	-
Unsecured loan from Other than director	8,37,021	7,86,334
<b>TOTAL</b>	<b>9,84,521</b>	<b>7,86,334</b>

- (a) Loans from Bank is pertaining to ICICI Bank Term Loan which is  
i) Secured by first and exclusive charge on all current assets and registered mortgage of the Company's Leasehold immovable land alongwith all the future assets build thereon, situated at Plot No.16 Swastik Society, Navrangpura, Ahmedabad - 380029, Gujarat.  
ii) Secured by the corporate guarantee of Yizumi Precision Machinery (HK) Co. Ltd, Hongkong  
iii) ICICI Bank Term Loan has moratorium till March 31, 2024

**Note 6 : Short-Term Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturities of long-term debt (Refer Note 5)	2,500	-
<b>TOTAL</b>	<b>2,500</b>	<b>-</b>

**Note 7 : Trade Payables**

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of MSME	-	-
Total Outstanding dues of other than MSME	100	94
<b>TOTAL</b>	<b>100</b>	<b>94</b>

As per the information available with the Company, there are no Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small, Medium Enterprises Development Act, 2008, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

*Note 27 for Ageing schedule of Trade Payable*

**Note 8 : Other Current Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued but not due	87,756	34,476
Statutory dues payable	2,476	3,134
Capital Creditors	23,829	49,869
Payable to Employees	918	370
<b>TOTAL</b>	<b>94,979</b>	<b>87,649</b>

**Note 9 : Short Term Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Auditor's Remuneration	150	150
Provision for Other Expenses	8	30
<b>TOTAL</b>	<b>158</b>	<b>180</b>

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Note 10 : Property, Plant and Equipment and Intangible Assets

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Amount in Thousands

Description	Gross Block			Accumulated Depreciation/ Amortisation			Net Block	
	As at March 31, 2022	Additions/ Adjustments during the year #	Deductions/ Adjustments/ Transfers	As at March 31, 2023	Additions during the year	Deductions/ Adjustments As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>A) PROPERTY, PLANT AND EQUIPMENT</b>								
Leasehold Land	3,95,108	-	-	3,95,108	3,991	-	3,97,126	3,91,117
Leasehold Land Improvement	-	4,484	-	4,484	-	222	4,262	-
Factory Building	-	5,12,478	-	5,12,478	-	8,059	5,04,419	-
Electrical Installation	-	85,912	-	85,912	-	4,047	81,065	-
Computer & Data Processing Units	333	84	-	417	242	44	131	90
Plant & Machinery	-	63,517	-	63,517	-	1,987	61,530	-
Vehicle	811	-	-	911	145	163	748	786
<b>TOTAL - A</b>	<b>3,96,351</b>	<b>6,66,475</b>	-	<b>10,62,826</b>	<b>4,378</b>	<b>22,747</b>	<b>10,40,078</b>	<b>3,91,873</b>
Previous Year	235,92	3,96,115	-	3,96,351	138	4,241	3,91,973	98
<b>B) INTANGIBLE ASSETS</b>								
Intangible Assets	-	-	-	-	-	-	-	-
<b>TOTAL - B</b>	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-
<b>C) CAPITAL WORK-IN-PROGRESS</b>								
Leasehold Land	-	-	-	-	-	-	-	-
Compound Wall	12,024	3,000	15,024	-	-	-	-	12,024
Factory Building	3,49,082	1,34,560	4,83,642	-	-	-	-	3,49,082
Electrical Installation	58,087	24,926	83,013	-	-	-	-	58,087
Plant & Machinery	205	61,285	61,490	-	-	-	-	205
<b>TOTAL - C</b>	<b>4,19,398</b>	<b>2,23,761</b>	<b>6,43,179</b>	-	-	-	<b>4,19,398</b>	<b>4,19,398</b>
Previous Year	4,10,946	4,03,560	3,95,108	4,19,398	-	-	4,19,398	4,06,698

Note: # For adjustment of Borrowing Cost as per AS 16 refer Note 23 to the Financial Statements.



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**Note 11 : Deferred Tax Assets / Deferred Tax Liability**

Particulars	Amount in Thousands	
	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Assets</b>		
a) Timing difference of Depreciation as per Companies Act, 2013 and the Income Tax Act 1961	(22)	140
b) Disallowance u/s. 35D of the Income Tax Act 1961	-	-
c) Unabsorbed business loss of to subsequent years	-	-
<b>Deferred Tax Liabilities</b>		
a) Timing difference of Depreciation as per Companies Act, 2013 and the Income Tax Act 1961	-	-
b) Disallowance u/s. 35D of the Income Tax Act 1961	(226)	(226)
c) Unabsorbed business loss of to subsequent years	5,432	-
<b>Net Deferred Tax Asset/(Liability)</b>	<b>5,185</b>	<b>(85)</b>

**Note 12 : Other non-current Asset**

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	1,770	250
Capital Advances	-	18,000
<b>TOTAL</b>	<b>1,770</b>	<b>18,250</b>

**Note 13 : Cash and Cash Equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Cash and Cash Equivalents:</b>		
Balance with Banks:		
Current Account	14,739	1,20,129
Fixed deposit (original maturity of three months or less)	-	-
<b>(b) Other Bank Balance:</b>		
Fixed deposits (with maturity more than three months but less than twelve months)	5,000	-
<b>TOTAL</b>	<b>19,739</b>	<b>1,20,129</b>

**Note 14 : Short Term Loans and Advances**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Government Authorities	23,743	12,066
Advance to Suppliers	19	29
Prepaid Insurance	155	-
<b>TOTAL</b>	<b>23,917</b>	<b>12,095</b>

**Note 15 : Other Current Asset**

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable - Sale of Capital Work in Progress (Crane)	20,313	30,829
Receivable - Lease Rental	11,487	-
Interest accrued on bank deposits	29	-
<b>TOTAL</b>	<b>31,829</b>	<b>30,829</b>

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**Note 16 : Other Income**

Particulars	Amount in Thousands	
	As at March 31, 2023	As at March 31, 2022
Interest on Fixed Deposits	30	1,135
Borrowing Cost Capitalized (Refer Note 23)	-	(1,021)
	30	113
Rent Income	32,058	100
Balance Written Off	48	3
<b>TOTAL</b>	<b>32,136</b>	<b>218</b>

**Note 17 : Employee Benefit Expenses**

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries and Wages	10,036	5,690
Contribution to Provident and other funds	310	165
<b>TOTAL</b>	<b>10,346</b>	<b>5,854</b>

**Note 18 : Finance Cost**

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Expense	43,364	22,708
Less: Borrowing Cost Capitalized (Refer Note 23)	(10,143)	(4,100)
	33,220	18,608
Foreign exchange Loss - Unrealised	62,459	29,807
Foreign exchange Loss - Realised	-	-
Less: Borrowing Cost Capitalized (Refer Note 23)	(12,986)	(10,919)
	49,474	18,888
Bank Charges	2	781
<b>TOTAL</b>	<b>82,696</b>	<b>38,277</b>

**Note 19 : Other Expenses**

Particulars	As at March 31, 2023	As at March 31, 2022
Auditors Fees	150	150
Electricity Expense	459	-
Insurance Expense	385	-
Legal & Professional Charges	1,803	1,973
Office Expense	19	6
Project Management Fees	155	-
Printing and Stationery	2	5
Travelling & Conveyance Expenses	307	270
Registration & Subscription Fees	4	7
Rent Expenses	-	29
Revenue Charges	479	709
Round Off/ Kasar Vataw	0	0
Miscellaneous Expenses	1	0
Water Expense	301	-
<b>TOTAL</b>	<b>4,066</b>	<b>3,148</b>
<b>Remuneration to Auditor comprises of</b>		
Statutory Audit	50	50
Tax Audit	-	-
Transfer Pricing Audit	100	100
Certification	-	78
Other Consultancy	825	-
	975	228

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**Note 20: Earning per share (EPS)***Amount in Thousands*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net Loss for the year	(78,071)	(58,416)
Weighted Average number of ordinary shares/Potential Equity Shares	20,00,000	20,00,000
Nominal Value of Ordinary shares	100	100
Basic/ Diluted EPS	(39.04)	(29.21)

**Note 21: Disclosures Required Under Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to MSME suppliers as on March 31, 2022	0	0
(ii) Interest due on unpaid principal amount to MSME suppliers as on March 31, 2022	0	0
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	0	0
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	0	0
(v) The amount of interest accrued and remaining unpaid as on March 31, 2022	0	0
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	0	0

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

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**Note 22: Capital Commitments**

- Subsequent to close of the financial year, before signing of financial statements the Company has entered into Contracts for Property, Plant & Equipment for its upcoming facility at Sanand, Gujarat as follows:

*Amount in Thousands*

Class	Details of Contractual Work	Estimated Amount of Contract in INR		Amount of Capital Contract Outstanding in INR	
		FY 22-23	FY 21-22	FY 22-23	FY 21-22
Factory Building	Construction of Pre-Engineered Building	0	16,30,000	0	5,000
	Civil	0	2,11,785	0	47,664
	Mechanical	0	60,000	0	60,000
	Electrical Installation	0	76,000	0	20,374

**Note 23: Borrowing Cost (All Amount in Thousands)**

The Company has availed External Commercial Borrowings (ECBs) from Parent company M/s Yizumi Precision Machinery (HK) Co. Limited through Industrial and Commercial Bank of China and the ICICI Bank, India.

The eligible interest on the Borrowings have been capitalized with reference to the Accounting Standard 16 – Borrowing Cost (AS 16). The working details are as follows:

Particulars	FY 2022-23	FY 2021-22
<b>Interest for eligible Property, Plant &amp; Equipment</b>	10,143	4,100
<i>Add / (Less): (Gain) / Loss on Foreign Currency Borrowings</i>	12,986	10,919
<i>Less: Fixed deposit interest earned out of temporary investment of borrowed funds (Para 10 of AS 16)</i>	0	(1,021)
<b>Interest for the period to be Capitalized.</b>	<b>23,129</b>	<b>13,998</b>

The eligible amount of INR 23,129 (P.Y.: 13,998) has been proportionately allocated to the Factory Building for INR 17,406 (P.Y.: 11,363), Electrical Installation for INR 2,988 (P.Y.: 2,088), Compound Wall for INR 522 (P.Y.: 342), Plant and Machinery for INR 2,213 (P.Y.: 205) respectively.

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**Note 24: Related Party Transactions**

In accordance with the requirements of Accounting Standard (AS) – 18 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year and balance with them as identified and certified by the management in the ordinary course of business at arms-length are given below.

**a) Related Party & their relationship**

#	Name of the Related party	Relationship
1	Yizumi Precision Machinery (HK) Co. Limited	Holding Company/ Parent Company
2	Guangdong Yizumi Precision Machinery Co. Limited	Holding Company/ Parent Company
3	Guangdong Yizumi Precision Injection Molding & Die Casting Technology Co.,Ltd.	Associate
4	Yizumi Precision Machinery (Suzhou) Co., Ltd.	Associate
5	Yizumi Rubber Machinery Co. Ltd.	Associate
6	Yizumi Precision Machinery (India) Private Limited	Associate
7	Yash Anilbhai Shah	Key Managerial Personal (Director)
8	Liyao Chen	Key Managerial Personal (Director)
9	Maulik Nikhilkumar Dixit	Key Managerial Personal (Company Secretary)
10	Wing Fai Richard Yan	Representative of Yizumi Precision Machinery (HK) Co. Limited.

**b) Details of Related party transactions during the year ended March 31, 2023 and balances outstanding as at March 31, 2023:**

Name of Related party	Nature of Transaction	Amount in Thousands	
		Transactions during the Financial Year 2022-23 (2021-22)	Balance Outstanding as on March 31, 2023 (March 31, 2022)
Yizumi Precision Machinery (HK) Co. Limited	Unsecured Loan - External Commercial Borrowing <i>**Current Year Transaction is due to Increases in foreign exchange liability</i>	61,046** (4,79,879)	8,37,021 (7,75,975)
	Interest on ECB	33,280 (22,756)	67,756 (34,476)

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Name of Related party	Nature of Transaction	Transactions during the Financial Year 2022-23 (2021-22)	Balance Outstanding as on March 31, 2023 (March 31, 2022)
Yizumi Precision Machinery (India) Private Limited	Reimbursement of Expenses & Statutory Dues	3,346 (259)	NIL (10,359)
	Unsecured Loan-Intercompany Loan – Taken	- (4,50,000)	
	Unsecured Loan-Intercompany Loan – Repaid	10,516 (3,50,000)	
	Interest on Intercompany Loan	175 (1,109)	
	Lease Rental Including GST	37,828 (118)	
	Debtor for Crane Sale	Nil (30,829)	
	Yash Anilbhai Shah	Remuneration/ Salary	
	Reimbursement of Expenses	82 (150)	16 (28)
Maulik Nikhilkumar Dixit	Remuneration/ Salary	353 (428)	35 (18)
	Reimbursement of Expenses	14 (7)	1 (-)

Note: Figures in bracket represent previous year figures of 2021-22.

**Note 25: Expenditure in foreign currency:***Amount in Thousands*

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Foreign Currency (in USD)	Equivalent Currency	Indian	Foreign Currency (in USD)	Equivalent Currency	Indian
Interest on ECB	419		34,362	284		21,598

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CIN: U29230GJ2019FTC108825**Note 26: Ratios**

Key financial ratios along with the details of significant changes (25% or more) in FY 2022-23 compared to FY 2021-22 is as follows:

#	Ratios	FY 22-23	FY 21-22	% Change	Reason for change
1	Current Ratio (times) [Current Assets/ Current Liabilities]	0.77	1.85	-58.35%	Current Ratio is decreased mainly due to reduction in Bank Balance
2	Debt – Equity Ratio (times) [Debt / Shareholders Equity]	24.52	7.07	268.94%	Debt to Equity Ratio is increased mainly due Reduction in accumulated reserves
3	Debt Service Coverage (times) [PBT / (Repayment of borrowing + Interest)]	(0.50)	(1.07)	-53.54%	Debt Service Coverage Ratio is increased mainly due reduction in accumulated reserves
4	Return on Equity (ROE) (%) [PAT/ Shareholders Equity]	-193.92%	-58.91%	292.82%	Mainly due to increase in Losses
5	Return on capital employed (ROCE) [PBT/ Capital Employed]	(0.04)	(0.03)	23.41%	Due to increase in Losses

**Note 27: Ageing of Capital work-in-progress**

Capital Work in progress as at 31 March, 2023	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
<b>Projects in Progress</b>	-	-	-	-	-
<b>Projects temporarily suspended</b>	-	-	-	-	-

Capital Work in progress as at 31 March, 2022	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
<b>Projects in Progress</b>	3,89,562	15,838	-	-	4,05,401
<b>Projects temporarily suspended</b>	-	-	-	-	-

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**Yizumi Advanced Processing Technology Pvt. Ltd.**

Reg. Office: Plot 7, Mahagujarat Estate Moraiya Sanand Ahmedabad Ahmedabad - 382213 Gujarat India  
CIN: U29230GJ2019FTC108825

**Note 28: Ageing of Trade Payable**

Ageing for trade payables as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment*				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	100	-	-	-	100
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

Ageing for trade payables as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment*				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	94	-	-	-	94
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

**Note 29:** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements.

**Note 30:** The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of these financial statements and concluded no adjustment is required in these statements. The Company continues to monitor the future economic conditions.

**Note 31:** The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**Note 32:** The Company has not granted loans to its promoters, directors, key managerial personnel (KMP) and the other related parties (as defined under the Companies Act, 2013) which are repayable on demand or without specifying any terms or period of repayment or any other loans or advance in the nature of loans.

**Note 32:**

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*Y. A. Shah*  
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**Yizumi Advanced Processing Technology Pvt. Ltd.**Reg. Office: Plot 7, Mahagujarat Estate Moraiya Sanand Ahmedabad Ahmedabad - 382213 Gujarat India  
CIN: U29230GJ2019FTC108825

(b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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.

**Note 33:** The Company has not made any investments during the year. The Company has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/Firm/Limited Liability Partnership/Other Party during the year. The Company has not provided guarantee or security to any Company/firm/Limited Liability Partnership/Other party during the year.

**Note 34:** No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**Note 35:** The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

**Note 36:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**Note 37:** Figures for the previous year have been regrouped where necessary.

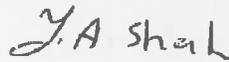
In terms of our report attached

**For, K P Shah Associates**  
Chartered Accountants  
Firm Reg.No.109614W



Jigar K. Shah  
Partner  
Mem. No.: 126747

**For, Yizumi Advanced Processing Technology Private Limited**



Yash Anilbhai Shah  
Director  
(DIN: 08492216)



Liyao Chen  
Director  
(DIN: 08492217)

Place: Ahmedabad  
Date: 22 July - 2023  
UDIN: 23126947BCDWSE7117

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*y.A. shah*  
DIRECTOR / AUTHO. SIGN.



ANNEXURE - D-2 155/A

**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

Unaudited Provisional Balance Sheet as at 30 June,2023

CIN : U29230GJ2019FTC108825

(Figures : Indian Rupees)

Particulars	Notes	As at 30 June,2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant & Equipment	1	1,03,25,18,539
Capital Work in Progress	1	-
Intangible Assets	1	-
		<b>1,03,25,18,539</b>
Financial Assets		
- Loans	2	-
Deferred tax Asset (Net)	14	51,84,529
Other non-current assets	3	17,69,508
<b>Total Non-current assets</b>		<b>1,03,94,72,576</b>
<b>Current assets</b>		
Inventories	4	-
Financial Assets		
- Trade Receivables	5	1,26,51,464
- Cash and Cash equivalents	6	2,88,58,616
- Bank Balance other than Cash and Cash Equivalents	8	1,26,22,055
- Loans	2	-
- Other Financial Assets	7	-
Current tax assets (net)	9	48,27,637
Other current assets	3	1,78,03,103
		<b>7,67,62,874</b>
<b>TOTAL ASSETS</b>		<b>1,11,62,35,450</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	10	22,22,22,200
Other Equity	11	(16,21,21,154)
<b>Total Equity</b>		<b>6,01,01,046</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
- Borrowings	12	98,31,99,240
Other Non-current liabilities	17	-
Provisions	13	-
Deferred tax liabilities (Net)	14	-
<b>Total Non-current liabilities</b>		<b>-</b>
<b>Current liabilities</b>		
Financial liabilities		
- Trade Payables		-
- Due to Micro and Small Enterprises	15	-
- Other than Micro and Small Enterprises	15	15,802
- Other financial liabilities	16	(30,56,896)
Other current liabilities	17	7,59,76,259
Provisions	13	-
<b>Total Current liabilities</b>		<b>7,29,35,165</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,11,62,35,450</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

Y. A. shukh

DIRECTOR / AUTHO. SIGN

## YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

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## Unaudited Provisional Statement of Profit and Loss for the Period ended on 30 June,2023

(Figures : Indian Rupees)

Particulars	Notes	For the period ended on 30 June,2023
<b>Income</b>		
Revenue form Operations (net)	18	-
Other income	19	2,02,99,726
<b>Total Income</b>		<b>2,02,99,726</b>
<b>Expenses</b>		
Cost of raw materials and components consumed	20	-
Changes in inventories of finished goods	21	-
Employee benefits expense	22	21,88,820
Finance Cost	23	1,20,86,560
Depreciation and amortization expense	1	75,60,625
Other Expenses	24	8,44,175
<b>Total Expenses</b>		<b>2,26,80,180</b>
<b>Profit/(loss) before Tax</b>		<b>(23,80,453)</b>
<b>Tax Expenses</b>		
- Current Tax	14	-
- Deferred Tax	14	-
<b>Profit/(Loss) after Tax</b>		<b>(23,80,453)</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*J. A. Shukh*  
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## YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

Notes to financial statements for the period ended on 30 June, 2023

(Figures : Indian Rupees)

Note No 1

## Property, plant and equipment, Intangible assets and Capital work-in-progress

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	As at 1st April, 2023	Additions during the year	Deletions during the year	As at 30 June, 2023	As at 1st April, 2023	Depreciation charge for the year	Adjustments during the year	As at 30 June, 2023	
Lease hold land	39,51,07,632	-	-	39,51,07,632	79,81,970	9,95,013	-	89,76,983	38,61,30,649
Lease hold land Improvement	44,84,000	-	-	44,84,000	2,22,357	1,11,793	-	3,34,150	41,49,850
Factory Building	51,24,77,591	-	-	51,24,77,591	80,58,934	40,50,258	-	1,21,09,192	50,03,68,399
Plant & Machinery	6,35,16,979	-	-	6,35,16,979	19,87,319	10,02,402	-	29,89,721	6,05,27,258
Electrical Installation	8,59,12,443	-	-	8,59,12,443	40,47,300	13,55,840	-	54,03,140	8,05,09,303
Office Equipment	-	-	-	-	-	-	-	-	-
Air conditioner	-	-	-	-	-	-	-	-	-
Printer	-	-	-	-	-	-	-	-	-
Store Fencing	-	-	-	-	-	-	-	-	-
Computer System	4,16,831	-	-	4,16,831	2,86,123	18,336	-	3,04,459	1,12,372
Vehicle	9,11,000	-	-	9,11,000	1,63,309	26,983	-	1,90,292	7,20,708
Furniture & Fixtures	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,06,28,26,476</b>	<b>-</b>	<b>-</b>	<b>1,06,28,26,476</b>	<b>2,27,47,312</b>	<b>75,60,625</b>	<b>-</b>	<b>3,03,07,937</b>	<b>1,03,25,18,539</b>
Previous Year									
Capital Work in Progress									
Land Development Exp									
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous Year									
Intangible Assets									
Software									
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

J. A. Shukh

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**  
**Notes to financial statements for the period ended on 30 June,2023**

(Figures in Indian Rupees)

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**Note No 2**  
**Loans**

Particulars	Non-current	Current
	As at 30 June,2023	As at 30 June,2023
<i>Unsecured, considered good</i>		
Loans to Employees	-	
Security Deposits	-	
	-	
<b>Total</b>	-	-

**Note No 3**  
**Other Assets**

Particulars	Non-current	Current
	As at 30 June,2023	As at 30 June,2023
Deposits	17,69,508	
Advance recoverable in cash or in kind or value to be received	-	23,216
Balance with Government authorities	-	1,77,61,137
Advances to Suppliers	-	18,750
Other Advances (Un amortised Expenses)	-	
<b>Total</b>	<b>17,69,508</b>	<b>1,78,03,103</b>

**Note No 4**  
**Inventories**

Particulars	As at 30 June,2023
Raw Materials and Packing Materials	-
Work in Process	-
Machinery Parts/Finished goods (Cost or NRV, whichever is lower)	-
Stores & Spares	-
<b>Total</b>	-

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*J.A. shuk*  
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## YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

Notes to financial statements for the period ended on 30 June,2023

(Figures in Indian Rupees)

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## Note No 5

## Trade Receivables

Particulars	As at 30 June,2023
<b>Current</b>	
Unsecured Considered good	1,26,51,464
<b>Credit Impaired</b>	
Allowance for doubtful debts	
<b>Total</b>	<b>1,26,51,464</b>

## Note No 6

## Cash and Cash equivalents

Particulars	As at 30 June,2023
(a) Balances with banks	
- in Current Account	2,88,58,616
- in Fixed Deposits (original maturing upto 3 months)	
(b) Cash on hand	-
<b>Total</b>	<b>2,88,58,616</b>

## Note No 7

## Other Financial Assets- Others

Particulars	Non-current	Current
	As at 30 June,2023	As at 30 June,2023
Interest accrued on fixed deposits	-	
<b>Total</b>	<b>-</b>	<b>-</b>

## Note No 8

## Bank Balance Other than Cash and Cash Equivalents

Particulars	As at 30 June,2023
Fixed Deposits (original maturity more than 3 months but upto 12 months)	1,26,22,055
<b>Total</b>	<b>1,26,22,055</b>

## Note No 9

## Current tax assets (net)

Particulars	Current
	As at 30 June,2023
Advance Tax paid /TDS receivable (Net of Provision)	48,27,637
<b>Total</b>	<b>48,27,637</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**  
Notes to financial statements for the period ended on 30 June,2023

(Figures in Indian Rupees)

**Note No 10****Equity Share capital**

Particulars	As at 30 June,2023
<b>Equity share capital</b> The Company has only one class of shares i.e. Equity Shares having a par value of Rs.100 per share	
<b>Authorised shares</b> 22,25,000 Equity Shares of Rs 100/- each	22,25,00,000
<b>Issued, subscribed and fully paid up shares</b> 22,22,222 Equity Shares of Rs 100/- each Issued, subscribed and fully paid-up Capital	22,22,22,200
	22,22,22,200

a) **Movements in equity share capital:**

During the period, the Company has neither issued nor bought back any shares.

b) **Terms and rights attached to equity shares:****Dividends**

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

**Liquidation**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

c) During the last five financial years, no class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.

d) **Information of shareholders holding more than 5 percent Equity Shares**

Name of Shareholder	Relationship	As at 30 June,2023	
		No of Equity shares held	Percentage (%)
Yizumi Precision Machinery (HK) Co Ltd	Holding Company	18,00,000	81
Guangdong Yizumi Precision Machinery Co Ltd	Shareholder	2,00,000	9
Mr. Ramesh Varadan	Shareholder	2,22,222	10
<b>Total</b>		<b>22,22,222</b>	<b>100</b>

f) **Terms /rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**  
**Notes to financial statements for the period ended on 30 June,2023**

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(Figures : Indian Rupees)

Note No. 11

Other Equity

Particulars	Reserve & Surplus		Total
	Retained Earnings	Share Premium Account	
Balance as at 01 April, 2023	(15,97,40,701)		(15,97,40,701)
Profit for the period	(23,80,453)		(23,80,453)
Balance as at 01 June, 2023	(16,21,21,154)	-	(16,21,21,154)

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

Notes to financial statements for the period ended on 30 June,2023

(Figures : Indian Rupees)

**Note No. 12****Borrowings**

Particulars	Non- current	Current
	As at 30 June,2023	As at 30 June,2023
<b>Loan from related party:</b>		
Unsecured, Considered Good	83,31,99,240	-
External commercial borrowing from: Yizumi Precision Machinery (HK) Limited Payable after 5 Years		
<b>Loan from Bank:</b>		
Term Loan from ICICI Bank Limited	15,00,00,000	
<b>Total</b>	<b>98,31,99,240</b>	<b>-</b>

**Note No. 13****Provisions**

Particulars	Non-Current	Current
	As at 30 June,2023	As at 30 June,2023
<b>Provision for Employee Benefits:</b>		
- Provision for Gratuity	-	
- Provision for Leave Encashment	-	
Provision for Taxation		-
<b>Total</b>	<b>-</b>	<b>-</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

Notes to financial statements for the period ended on 30 June,2023

(Figures : Indian Rupees)

**Note No. 14****Deferred tax liability/(asset) (Net)**

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at 30 June,2023
<b>Deferred tax liability</b>	
Excess of net block of property, plant and equipment for books of accounts over net block for tax purpose	-
Amortisation of Preliminary expenses	
Excess of Gratuity paid allowed in for tax purpose	-
<b>Total (A)</b>	-
<b>Deferred tax asset</b>	
Excess of net block of property, plant and equipment for tax purpose over net block for books of accounts	
Provision for Employee benefits	
Carried Forward loss	51,84,529
Minimum Alternative Tax	
<b>Total (B)</b>	<b>51,84,529</b>
<b>Net Deferred Tax Liability/ (Asset) (A) - (B)</b>	<b>(51,84,529)</b>
<b>Deferred Tax Charge / (Credit) for the year</b>	

**Note No. 15****Trade payables**

Particulars	As at 30 June,2023
<b>Trade Payables*</b>	
- Due to Micro and Small Enterprises	
- Other than Micro and Small Enterprises	15,802
<b>Total</b>	<b>15,802</b>

a) Trade payables are non- interest bearing and are normally settled upto 180 days terms.

b) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act,2006" is based on the information available with the company regarding the status of registration of such vendors under the said Act, as per the information received from them on request made by the company.

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**  
**Notes to financial statements for the period ended on 30 June,2023**

(Figures : Indian Rupees)

**Note No. 16**

**Other Financial Liabilities- Current**

Particulars	As at 30 June,2023
Payable for Expenses	7,34,879
Payable for fixed assets	(37,91,775)
<b>Total</b>	<b>(30,56,896)</b>

**Note No. 17**

**Other Current Liabilities**

Particulars	Non- current	Current
	As at June,2023	As at 30 June,2023
Interest Accrued but not due on longterm borrowing		7,58,34,467
Advance from customers		
Statutory Liabilities		1,41,792
Share application money - pending for allotment		
<b>Total</b>		<b>7,59,76,259</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

Notes to financial statements for the period ended on 30 June,2023

155/K

(Figures in Indian Rupees)

**Note No. 18**  
**Revenue from Operations**

Particulars	For the period ended on 30 June,2023
<b>Sale of products :</b>	
<u>Injection Moulding Machine</u>	
Domestic Sales	-
<b>Other Operating revenue</b>	
Scrap sales	-
<b>Revenue from operation</b>	-

**Note No. 19**  
**Other Income**

Particulars	For the period ended on 30 June,2023
Interest Income	1,44,419
Canteen Income	-
Foreign Exchange gain	42,01,308
Sales Commission	-
Rent Income	1,59,54,000
<b>Total</b>	<b>2,02,99,726</b>

**Note No. 20**  
**Cost of raw materials and components consumed**

Particulars	For the period ended on 30 June,2023
Inventory at the beginning of the year	-
Add: Purchases during the year	-
Less: Inventory at the end of the year	-
<b>Total</b>	<b>-</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

Notes to financial statements for the period ended on 30 June,2023

155/L

(Figures in Indian Rupees)

**Note No. 21**

**Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the period ended on 30 June,2023
<b>Opening Stock</b>	
- Finished Goods	
- Machinery Parts	
- Work in Process	
<b>Closing Stock</b>	-
- Finished Goods	
- Machinery Parts	
- Work in Process	
<b>Increase / (Decrease) in Stock</b>	-

**Note No. 22**

**Employee benefit expenses**

Particulars	For the period ended on 30 June,2023
Salaries and Wages including bonus	21,12,977
Contribution to Provident Fund & Other Funds	75,843
Staff Welfare Expenses	-
<b>Total</b>	<b>21,88,820</b>

**Note No. 23**

**Finance Cost**

Particulars	For the period ended on 30 June,2023
Interest - Others	-
Interest on ECB Loan	84,57,998
Interest on Term Loan	36,28,562
Interest on Intercorporate Loan	-
<b>Total</b>	<b>1,20,86,560</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*J. A. Shukh*

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**YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED**

Notes to financial statements for the period ended on 30 June.2023

(Figures in Indian Rupees)

**Note No. 24****Other Expenses**

Particulars	For the period ended on 30 June,2023
Power & Fuel	-
Sub-contracting charges	-
Rent Expenses	-
Freight Outward	-
Security Charges	-
Rates and Taxes	5,19,850
<u>Repair &amp; Maintenance:</u>	
To Plant & Machineries	-
To Others	(1,02,658)
To Building	-
Factory Expenses	4,397.44
Communication Expenses	-
Commission & Brokerage	-
Legal & Professional Charges	2,34,173
Printing and Stationery	-
Insurance Expense	1,33,311
Auditors Fees	-
Travelling & Conveyance Expenses	55,248
Foreign Exchange loss	-
Professional Tax-Company	-
Provision for Doubtful Debts/Advances	-
Postage and Courier	-
Chinese Consultant's Expenses	-
Office Expense	1,000
Preliminary Expenses	-
Sundry Balance Written Off	(1,180)
Bank Charges	34
<b>Total</b>	<b>8,44,175</b>

YIZUMI ADVANCED PROCESSING TECHNOLOGY PVT. LTD.

*J. A. Shek*

DIRECTOR / AUTHO. SIGN.

**ANNEXURE D**

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**DEVADIYA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

UDIN: -23112495BGYWCY9732

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**  
(CIN: U29190GJ2016PTC093223)  
Ahmedabad

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying financial statements of **YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2023**, the profit for the year, total comprehensive income change in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

**DIRECTOR**



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**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701; Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, but does not include the financial statements and our auditor's report thereon. The Company's Annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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DIRECTOR



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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow dealt with by this Report are in agreement with the relevant books of account.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

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- d) 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) On the basis of the written representations received from the directors as on **March 31, 2023** taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2023** from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv.
- (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR



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- (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has 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 h (iv) (a) and (b) above, contain any material misstatement.
- v. As stated in Note No. 45 to the Financial Statement, the interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- 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.

For Devadiya & Associates  
Chartered Accountants

(CA Sanjay Devadiya)

M. No: 112495

FRN No.: 123045W

UDIN: 23112495BGYWCY9732

Place: Ahmedabad

Date: 20/07/2023



FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR

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**Annexure A to the Auditor's Report**

The Annexure A referred to in our independent auditor's report to the members of the company on the standalone financial statement for the year ended 31st March, 2023

In terms of Information & explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant & Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The company does not hold any immovable property.
  - (d) The Company has not revalued its Property, Plant and Equipment (including Right - of-Use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated or are pending against the Company as at 31<sup>st</sup> March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- (ii) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

As disclosed in Note 30.C the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. 5 crore in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns / statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Handwritten Signature]*  
DIRECTOR

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## DEVADIYA & ASSOCIATES

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(iii)  
(A)

According to the information and explanation given to us, the company has not made any investment & not provided any Guarantees to companies, LLP, Partnership Firm, or any other parties during the year and hence reporting under this clause of the Order is not applicable.

According to the information and explanation given to us, the company has granted unsecured loan to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013, which is specified as below:

(a) To Subsidiaries, Joint Ventures, Associates:

(Amount in Thousand)

Sr.No	Nature	Aggregate Amount during the year	Balance Outstanding as on 31.03.2022
1	Associate	46421	10359

(b) To other than Subsidiaries, Joint Ventures, Associates:

(Amount in Thousand)

Sr.No	Nature	Aggregate Amount during the year	Balance Outstanding as on 31.03.2022
Nil			

- (B) The terms and conditions of the grant of loans and advances in the nature of loans is not prejudicial to the interest of the company.
- (C) In respect of loan granted by the company, the schedule of repayment of principal and payment of interest has not been stipulated and the repayments of principal amounts and receipts of interest are regular.
- (D) The amount is not overdue, on the above loan and advances; hence this clause is not applicable;
- (E) As no amount has been overdue and neither any loan renewed nor any fresh loan given to settle any overdue amount and hence Reporting under this clause of the Order is not applicable.
- (F) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Details of the said loan or advances is as follows;

(Amount in Thousand)

Sr.No	Particulars	All Parties	Promoters	Related Parties
1.	Aggregate amount of loans/ advances in nature of loans			
(A)	Repayable on demand	-	-	-
(B)	Agreement does not specify any terms or period of repayment	46421	-	46421
	Total (A+B)	46421	-	46421
2.	Percentage of loans/ advances in nature of loans to the total loans (%)	100	-	100
3.	Closing Balance as on 31.03.2022	10359	-	10359

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Signature]*  
DIRECTOR

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- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The company has not accepted deposits and does not have any unclaimed deposits as at March 31, 2022 and hence reporting under this clause of the Order are not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

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

According to information and explanation given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable

- (b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved (Rs. in Thousand)	Amount Unpaid (Rs. in Thousand)
Income Tax	IT Matter under Dispute	ACIT	A.Y. 2018-19	12527	12527

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year and hence reporting under this clause of the Order is not applicable.

(ix)

- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Signature]*  
DIRECTOR



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- (d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year and hence, reporting under this clause of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- (x)
- (a) According to information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under this clause of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) during the year and hence reporting under this clause of the Order is not applicable.
- (xi)
- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As per the information & explanations and records produced before us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) As the company is not Nidhi Company, and hence reporting under this clause is not applicable.
- (xiii) According to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion and based on our examination, the company is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under this clause is not applicable.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or person connected with him and hence provision of section 192 of Companies Act, 2013 are not applicable to the Company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under this clause of the Order is not applicable

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

  
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- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year and hence reporting under this clause of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)
- (a) *The company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.*
- (b) *There is no any ongoing project of CSR Activity during the year and hence reporting under this clause of the Order is not applicable.*

For Devadiya & Associates  
Chartered Accountants

*Sanjay Devadiya*  
(CA Sanjay Devadiya)  
M. No: 112495  
FRN No.: 123045W  
UDIN: 23112495BGYWCY9732  
Date: 20/07/2023  
Place: Ahmedabad



FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Signature]*  
DIRECTOR

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**"Annexure B" to the Independent Auditor's Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR

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**DEVADIYA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, 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 March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Devadiya & Associates  
Chartered Accountants

*Sanjay*



(CA Sanjay Devadiya)

Mi. No: 112495

FRN No.: 123045W

UDIN: 23112495BGYWCY9732

Date: 20/07/2023

Place: Ahmedabad

FOR: YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Signature]*  
DIRECTOR

A-203, Namarayan Complex, Nr. Swastik Cross Road,  
Navrangpura, Ahmedabad-380009  
Voice : 079 - 4032 6703, Email : sanjay@devadiya.com  
Web : www.devadiya.com  
Offices at : Ahmedabad & Baroda

YIZUMI P 2B

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**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**  
Balance Sheet as at 31st March, 2023

(Amount In Thousand)

	Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	3	29579.20	29579.20
	(b) Share Application Money	4	177923.87	445767.31
	(c) Reserves and surplus			
	(d) Money received against share warrants			
			<b>207583.07</b>	<b>475346.51</b>
2	Non-current liabilities			
	(a) Long-term borrowings	5	82060.90	76076.00
	(b) Deferred tax liabilities (net)		1854.05	495.37
	(c) Other long-term liabilities			
	(d) Long-term provisions			
			<b>83914.95</b>	<b>76571.37</b>
3	Current liabilities			
	(a) Short-term borrowings	6	166907.11	1728.68
	(b) Trade payables	7	1159774.93	467805.90
	(c) Other current liabilities	8	206626.94	161112.92
	(d) Short-term provisions	9	27972.06	57600.00
			<b>1555281.03</b>	<b>688247.50</b>
	<b>TOTAL</b>		<b>1846699.05</b>	<b>1240165.38</b>
<b>B</b>	<b>ASSETS</b>			
1	Non-current assets			
	(a) Property Plant & Equipment	10		
	(i) Property, Plant & Equipment		143677.01	19979.31
	(ii) Intangible assets		796.05	38.74
	(iii) Capital work-in-progress		0.00	65692.35
	(iv) Intangible assets WIP		0.00	0.00
	(v) Fixed assets held for sale		0.00	0.00
			<b>144473.06</b>	<b>85710.39</b>
	(b) Non-current investments			
	(c) Deferred tax assets (net)			
	(d) Long-term loans and advances			
	(e) Other non-current assets	11	611.70	2182.42
			<b>611.70</b>	<b>2182.42</b>
2	Current assets			
	(a) Current investments			
	(b) Inventories	12	771252.15	794384.84
	(c) Trade receivables	13	546963.09	179477.91
	(d) Cash and cash equivalents	14	287251.92	71827.45
	(e) Short-term loans and advances	15	79285.52	101260.14
	(f) Other current assets	16	16861.61	5322.22
			<b>1701614.29</b>	<b>1152272.56</b>
	<b>TOTAL</b>		<b>1846699.05</b>	<b>1240165.38</b>
	(See accompanying notes forming part of the financial statements)	26 to 57		

As per our Report of even date.

For Devadiya & Associates  
Chartered Accountants

CA Sanjay Devadiya  
Partner  
M.No. 112495  
UDIN: 231124958GWWC-9732  
Place: Ahmedabad  
Date : 20/07/2023

For and on behalf of the Board of Directors of  
Yizumi Precision Machinery (India) Pvt. Ltd.

Ramesh Varadan  
Director  
DIN: 01948261

Place: Ahmedabad  
Date : 20/07/2023

Tao Zhang  
Director

DIN: 07273096

Place: Ahmedabad  
Date : 20/07/2023

C-803, Safal Parivesh, Nr. Prahladnagar Garden, Satellite, Ahmedabad - 380015.

CIN: U29180GJ2016PTC093223, PH. 7086-361586, Email: ramesh@yizumi.co.in, www.yizumi.com

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR

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**YIZUMI 伊智米**  
**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2023**

(Amount in Thousand)

	Particulars	Note No.	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (net)	17	2192245.23	1658077.70
2	Other indirect income	18	15399.61	3977.50
3	<b>Total Income</b>		<b>2207644.84</b>	<b>1662055.20</b>
4	Expenses			
	(a) Cost of materials consumed	19	1393607.60	1074083.78
	(b) Changes in inventories of finished goods, work-in-progress	20	150382.36	-63099.86
	(c) Direct Expenses	21	143247.02	170032.50
	(d) Employee benefits expense	22	104218.64	85099.71
	(e) Finance costs	23	5268.70	3925.53
	(f) Depreciation and amortisation expense	24	6671.71	2928.32
	(g) Other expenses	25	299090.91	177100.61
	<b>Total Expenses</b>		<b>2102486.93</b>	<b>1450070.60</b>
5	<b>Profit / (Loss) before tax</b>		<b>105157.91</b>	<b>211984.60</b>
6	Tax expense:			
	(a) Current tax expense for current year		26522.06	55500.00
	(b) Current tax expense relating to prior years		-956.02	2233.14
	(c) Deferred tax		1358.67	-20.08
			26924.71	57713.06
7	<b>Profit / (Loss) from continuing operations</b>		<b>78233.20</b>	<b>154271.53</b>
8	Earnings per share (of Rs. 10/- each):			
	(a) Basic		264.49	521.55
	(b) Diluted		264.49	521.55
	Dividend per Share (Par Value of Rs. 100/- each)			
	Interim Dividend on Equity Share per share Rs.		1,170.00	
	Total Equity Dividend Percentage		1170%	
	See accompanying notes forming part of the financial statements	26 to 57		

As per our Report of even date  
For Devadiya & Associates  
Chartered Accountants

CA Sanjay Devadiya  
Partner  
M.No. 112495  
UDIN: 23112495BGWYWCY9732  
Place: Ahmedabad  
Date : 20/07/2023



For and on behalf of the Board of Directors of  
Yizumi Precision Machinery (India) Pvt. Ltd.

Ramesh Varadan  
Director  
DIN: 01940261

Place: Ahmedabad  
Date : 20/07/2023

Tao Zhang  
Director  
DIN: 07273096

Place: Ahmedabad  
Date : 20/07/2023

C-803, Safal Parivesh, Nr. Prahladnagar Garden, Satellite, Ahmedabad - 380015.

CIN: U29190GJ2016PTC093223. PH. 7096-361586. Email- ramesh@yizumi.com, www.yizumi.com

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR

YIZUMI 伊之智

YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2023

PARTICULARS	Amount in Thousand			
	2022-2023		2021-2022	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extra Ordinary Items	-	1,05,157.91	-	2,11,984.60
Adjustments for:				
Depreciation	6,671.71	-	2,928.32	-
Interest expenses / Exchange Gain	35,352.57	-	11,374.36	-
Interest Income	-317.70	-	-2,752.92	-
Loss on sale of FA	1,892.89	-	-	-
	-	43,599.46	-	11,549.76
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	-	<b>1,48,757.37</b>	-	<b>2,23,534.36</b>
Adjustment for:				
Trade and other receivables	-3,57,049.96	-	-1,01,241.36	-
Inventories	23,132.69	-	-3,87,103.03	-
Trade Payable	7,01,855.11	-	2,61,812.77	-
Loans & Advances - Deposit	1,656.00	-	-1,228.80	-
Misc Expenses Written Off	-	3,69,593.85	-	-2,27,760.42
<b>CASH GENERATED FROM OPERATIONS</b>	-	<b>5,18,351.22</b>	-	<b>-4,226.05</b>
Direct Taxes paid /Payable	-25,566.04	-	-57,733.14	-
	-	-25,566.04	-	-57,733.14
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	-	<b>4,92,785.19</b>	-	<b>-61,959.20</b>
Extraordinary Items: Pre Operative Expenses	-	-	-	-
Prior period adjustments	-	-	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	-	<b>4,92,785.19</b>	-	<b>-61,959.20</b>

C-803, Safal Perivesh, Nr. Prahladnagar Garden, Satellite, Ahmedabad - 380015.

CIN- U29190GJ2016PTC093223, PH. 7088-361586, Email- ramesh@yizumi.com, www.yizumi.com

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR

YIZUMI 伊之诺

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## YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED

<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
	Purchase of Fixed Assets ( Net of Modvat benefit )	-67,655.25	-	-70,326.90	-
	Sale of Fixed Asset	242.71	-	-	-
	Interest Received	-	-67,412.54	-	-70,326.90
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	-	<b>-67,412.54</b>	-	<b>-70,326.90</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
	Proceeds from Capital Introduction				
	Proceeds from Premium on Capital Share Application Money				
	Proceeds/(Repayment) from secured Borrowings				
	Proceeds/(Repayment) from Unsecured Borrowings	1,71,163.32	-	2,942.57	-
	Proceeds from Bank borrowings for Working Capital Facilities				
	Deferred payment credits against vehicles (Net of repayment)				
	Corporate Dividend Paid	-3,46,076.64	-	-	-
	Interest Paid	-35,034.86	-	-8,621.44	-
		-	-2,09,948.18	-	-5,678.87
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	-	<b>-2,09,948.18</b>	-	<b>-5,678.87</b>
	<b>NET INCREASE/(DECREASE) IN CASH</b>	-	<b>2,15,424.47</b>	-	<b>-1,37,964.97</b>
	<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	-	<b>71,827.45</b>	-	<b>2,09,793.42</b>
	<b>CASH AND CASH EQUIVALENTS AS AT THE CLOSING OF THE YEAR</b>	-	<b>2,87,251.92</b>	-	<b>71,827.45</b>

As per our Report of even date  
For Devadliya & Associates  
Chartered Accountants

CA Sanjay Devadliya  
Partner  
M.No. 112495  
UDIN: 231124958G/WCY9732  
Place: Ahmedabad  
Date : 20/07/2023



For and on behalf of the Board of Directors of  
Yizumi Precision Machinery (India) Pvt. Ltd.

Director  
DIN: 01940261

Director  
DIN: 07273096

Place: Ahmedabad  
Date : 20/07/2023



C-803, Safal Parivesh, Nr. Prahladnagar Garden, Satellite, Ahmedabad - 380015.

CIN: U28190GJ2016PTC093223. PH. 7896-361586. Email- ramesh@vizumi.com. www.vizumi.com

FOR: YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

Director

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**Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**1. Corporate Information**

**Yizumi Precision Machinery (India) Private Limited** is a Gujarat Based Private Limited Company incorporated on **04/08/2016** under Companies Act, 2013 with CIN: U29190GJ2016PTC093223. The company is engaged in the business of Manufacturing and Trading of Machinery in the field of Plastic Industry. The main shareholding of the company belongs to Guangdong Yizumi Precision Machinery Co Ltd (a company registered in China).

**2. Summary of Significant Accounting Policies**

**a) Basis of Preparation of Financial Statement**

i) The Financial Statements of the company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

**ii) Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the management to make judgment, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of Financial Statements and reported amounts of revenues and expenses for the year. Although these estimates are based on Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**iii) Current & Non-Current Classification**

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**b) Valuation of Inventories (Stock-in-trade)**

Inventories (Stock-In-Trade) are valued at lower of Cost or Net Realizable Value by following FIFO Method.



FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Signature]*  
DIRECTOR

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**c) Cash Flow Statement****i) Cash & Cash Equivalents (for purpose of cash flow statement)**

Cash comprises cash on hand and demand deposit with banks. Cash Equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**ii) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

**d) Prior Period and Exceptional items****i) All identifiable items of income and expenditure pertaining to prior period are accounted through "Prior Period items". There are no Prior Period items to be reported in the financial year.****ii) Exceptional items are generally non-recurring items of income and expense within profit or loss from ordinary activities, which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year. There is no Exceptional Items to be reported in the financial year.****e) Property, Plant & Equipment****i) Recognition and Measurement**

An item of Property, Plant and Equipment that qualifies for recognition as an Assets is initially measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. Carrying value of fixed assets is tested for impairment as at the reporting date.

**ii) Subsequent measurement**

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

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.



DIRECTOR



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iii) De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

(iv) Depreciation Methods and Estimated useful lives

Properties, Plant & Equipment are stated at cost less accumulated depreciation thereon. The Company provides depreciation on pro-rata basis using straight line method from the date on which asset is acquired/ ready for intended use. Depreciation has been provided as per Schedule II of the Companies Act, 2013 considering useful life of the asset.

Useful life considered for calculation of depreciation for various assets class other than above mentioned are as under:

Asset Category	Estimated useful life in Years
Plant and Equipment	5-15 years
Computers	3-6 years
Electrical installation	10 years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years

f) Intangible Assets and amortization:

i) Recognition and Measurement

Intangible assets with finite useful lives that are acquired separately are measured on initial recognition at cost. An intangible asset is recognized when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured. Intangible assets with indefinite life are stated at cost. Intangible Assets are carried at acquisition cost less deductions for accumulated amortization and impairment losses, if any. Costs associated with maintaining software/intangible assets are recognized as an expense as and when incurred.

ii) Amortization methods and periods

The Company amortizes Computer Software using straight-line method over the period of 3 years and Technical Know How wherein there is agreement, over the period of the agreement, other than that, it is amortized over the period of 5 Years.

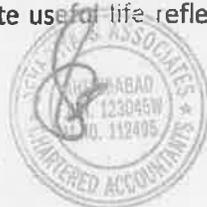
Asset Category	Estimated useful life in Years
Software	3 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Handwritten Signature]*  
DIRECTOR



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g) **Revenue Recognition**

Revenue is recognized when consideration can be reasonably measured and there exists reasonable certainty about amount to be realized.

- i) Sales of Goods are recognized when the significant risk and rewards of ownership of the goods have been passed to the customer and net of Value added tax and return.
- ii) Other Incomes are recognized on receipt of confirmation regarding acceptance of claim from the counterpart or when it is a part of oral expressed understanding.
- iii) Interest Income is recognized on time proportion basis taking into account the amount outstanding amount and the rate applicable.

h) **Foreign Currency Transactions**i) **Initial Recognition and measurement**

Foreign currency transaction is recorded, on initial recognition in the reporting currency by applying to the foreign currency amount at the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Subsequent Measurement**

Foreign currency receivables, payables and investments (monetary items) are subsequently measured as stated below:

At the year- end, monetary items denominated in foreign currencies, other than those covered by forward contracts are converted into rupee equivalents at the year- end exchange rates

iii) **Exchange Differences**

All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Statement of Profit and loss.

i) **Investments**

- i) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and quoted/fair value, computed category-wise. All other investments are classified as long-term investments.
- ii) Long-term investments are stated at cost. Provisions for diminution in the value of long-term investments are made only if such a decline is other than temporary in nature in the opinion of the management.

j) **Employee Benefits**a) **Short-term**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

  
DIRECTOR



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- b) **Long Term**  
The company wants to start both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.
- c) **Defined Contribution Plans**  
These are the plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contribution to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period under which an employee performs the services that the payment covers.
- d) **Defined Benefit Plans**  
Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increase, using a discounted rate corresponding to the interest rate estimated by the Management / actuary having regard to the interest rate on Government Bonds with a remaining term i.e., almost equivalent to the average balance working period of employees.
- e) **Leave Encashment**  
The company is providing for Leave Encashment on the basis of unutilized leave by the employees.
- k) **Borrowings and borrowing costs**  
Borrowing costs consist of interest and transactions costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.  
Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the statement of profit and loss.  
Investment income earned on the temporary investment of funds for specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
- l) **Related Party transactions**  
Disclosure of transactions with related parties, as required by Accounting Standard 18 "Related Party Disclosure" as specified in the Companies (Accounting Standard) Rules, (as amended), has been set out in a separate statement annexed to this note. Related parties as defined under paragraph 3 of the Accounting Standard 18 have been identified on the basis of representation made by the management and information available with the company.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

  
 DIRECTOR


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m) **Lease**

Lease arrangement where risk and rewards incidental to ownership of an asset substantially vest with the lesser are recognized as Operating Leases. The Company's significant Leasing arrangement is in respect of operating leases for immovable property which includes Factory, etc. The aggregate lease rentals payable/receivables are recognized as expenditure/income in the statement of profit and loss as per the respective lease agreements. Initial direct costs incurred specifically to earn revenues from an operating lease are recognized as an expense in the statement of profit and loss in the period in which they are incurred.

n) **Earnings per Share**

The company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 as specified in the Companies (Accounting Standard) Rules, (as amended). The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of Equity shares outstanding during the accounting year. There are no dilutive potential equity shares so Diluted EPS is same as Basis EPS.

Basic EPS (Face value- Rs.100)	Rs.264.49 per share
Diluted EPS (Face value- Rs.100)	Rs.264.49 per share

o) **Provision for Tax**

Tax expenses comprises of current tax and deferred tax.

i) **Current Tax**

Provision for taxation has been made in accordance with the direct tax laws prevailing for the relevant assessment years.

ii) **Deferred Tax**

In accordance with the Accounting Standard 22- Accounting for Taxes on Income, as specified in the Companies (Accounting Standard) Rules (as amended), the deferred tax for timing differences between the book profit and tax profits for the year is accounted for by using the tax rates and Laws that have been enacted or substantively enacted as of the Balance Sheet Date.

Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability /asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

Following are the major components of Deferred Tax Assets/ Deferred Tax Liabilities

- a) Depreciation
- b) Unabsorbed Loss
- c) Preliminary Expenses



FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Signature]*  
DIRECTOR

**p) Impairment of Fixed Assets**

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- i) The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. The recoverable amount is the greater of the asset's net selling price and its value in the uses which is determined based on the estimated future cash flow discounted to their present values. If there is no reason to believe that an asset's value in use materially exceeds its net selling price, the asset's recoverable amount may be taken to be its net selling price.
  - ii) The impairment loss is recognized whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. All impairment losses are recognized in the statement of Profit and Loss.
  - iii) An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognized in the Statement of Profit and Loss, unless the asset is carried at revalued amount in accordance with AS 10 Accounting for Fixed Assets.

**q) Provision, Contingent Liabilities and Contingent Assets**

Provision is recognized for when

- i) The company has at present, legal or contractual obligation as a result of Past events,
- ii) It is probable that an outflow of resources embodying economic outgo or loss will be occurred, and;
- iii) The amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of Past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly in control of the company are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

**s) Accounting of claims**

- i) Claims received are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.
- ii) Claims raised by Government authorities regarding taxes and duties, which are disputed by the company, are accounted based on legality of each claim. Adjustments, if any, are made in the year in which disputes are finally settled.

**t) Corporate Social Responsibility:**

In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the latter on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR



**YIZUMI 伊之智**  
**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

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**Notes forming part of the financial statements**

**Note 3 Share capital**

Amount in Thousand

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
<b>A</b> Authorised Equity shares of Rs. 100 each with voting rights	3,00,000.00	30,000.00	3,00,000.00	30,000.00
<b>B</b> issued. Equity shares of Rs. 100 each with voting rights	2,95,792.00	29,579.20	2,95,792.00	29,579.20
<b>C</b> Subscribed and fully paid up Equity shares of Rs. 100 each with voting rights	2,95,792.00	29,579.20	2,95,792.00	29,579.20
<b>Total</b>	<b>2,95,792.00</b>	<b>29,579.20</b>	<b>2,95,792.00</b>	<b>29,579.20</b>

**Terms/Rights attached to Equity Shares**

The Company has single class of Equity shares having par value of Rs. 100 per shares. Accordingly, all equity share rank equality with regard to dividends and shares in the Company's residual assets. The Equity shares are entitled to receive dividend declared from time to time.

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Amount in Thousand

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Shares outstanding at the beginning of the year	2,95,792.00	29,579.20	2,95,792.00	29,579.20
Shares Issued during the year	-	-	-	-
Shares Converted from Pref to Equity Shares	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>2,95,792.00</b>	<b>29,579.20</b>	<b>2,95,792.00</b>	<b>29,579.20</b>

**Shares in the company held by each shareholder holding more than 5 percent shares**

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	% of Holding	Number of shares	% of Holding
Guangdong Yizumi Precision Machinery Co Ltd	2,66,213.00	90.00	2,66,213.00	90.00
Ramesh Varadan	29,579.00	10.00	29,579.00	10.00
<b>Total</b>	<b>2,95,792.00</b>	<b>100.00</b>	<b>2,95,792.00</b>	<b>100.00</b>

As per the Records of the company, including its Register of Shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares.



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*(Signature)*  
**DIRECTOR**

YIZUMI 伊之密

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## Shares held by Promoters at the end of the year

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	% of Holding	Number of shares	% of Holding
Guangdong Yizumi Precision Machinery Co Ltd	2,66,213.00	90.00	2,66,213.00	90.00
Ramesh Varadan	29,579.00	10.00	29,579.00	10.00
<b>Total</b>	<b>2,95,792.00</b>	<b>100.00</b>	<b>2,95,792.00</b>	<b>100.00</b>

## Note 4 Reserves and surplus

Amount in Thousand

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>A</b> <u>Surplus / (Deficit) in Statement of Profit and Loss</u>		
Opening balance	3,47,051.01	1,92,779.47
Add Transferred surplus from Statement of Profit and Loss A/c	78,233.20	1,54,271.53
Less Utilised / transferred during the year:		
Issuing bonus shares		
Less Dividend Payment.	-3,46,076.64	-
	79,207.57	3,47,051.01
<b>B</b> <u>Others (give details):-</u>		
Share Premium Account	98,716.30	98,716.30
<b>Closing balance</b>	<b>1,77,923.87</b>	<b>4,45,767.31</b>

## Note 5 Long-term borrowings

Amount in Thousand

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>A</b> Loans from Banks		
Bank Overdraft		
<b>A</b> Unsecured Loans from related parties (*)	82,060.90	76,076.00
<b>B</b> Unsecured loan from Director		
(*) ECB loan is repayable after 5 years from the granting of loan i.e. in 2024		
<b>Total</b>	<b>82,060.90</b>	<b>76,076.00</b>



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**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

Notes forming part of the financial statements

**Note 6 Short-term borrowings**

(Amount in '000)

Particulars		As at 31 March, 2023	As at 31 March, 2022
A	Loans from Related Parties (Unsecured considered good) (Includes Rs. 1907.11 {P. Y. Rs.1728.68} from related Party as interest payable within 1 year)	1,907.11	1,728.68
B	Working Capital Loans From Bank Rupee Loan	1,65,000.00	-
<b>Total</b>		<b>1,66,907.11</b>	<b>1,728.68</b>

**Note 7 Trade payables**

Particulars		As at 31 March, 2023	As at 31 March, 2022
A	Trade payables:		
A1	Creditor for goods Domestic	97,700.42	78,943.01
A2	Creditor for goods import	9,76,563.54	3,59,525.80
A3	Creditor for expenses	79,255.65	29,337.10
A4	Creditors for Capex	255.32	-
<b>Total</b>		<b>11,53,774.93</b>	<b>4,67,805.90</b>

**Note 8 Other Current Liability**

Particulars		As at 31 March, 2023	As at 31 March, 2022
A.	<b>Statutory Liability</b>		
A1	GST Payable	11415.99	8,385.50
A2	ESIC Payable	167.31	51.63
A3	Gratuity Fund payable	3828.54	2,839.48
A4	PF Payable	498.21	906.92
A5	Professional Tax Payable	283.91	41.91
A6	TDS / TCS Payable	63585.08	12,376.71
A7	Gujarat Labour Welfare Fund Payable	4.70	3.52
B	<b>Other Current Liability</b>		
B1	Other Current Liability	-	-
B2	Advance from Customers	1,26,843.21	1,36,507.26
<b>Total</b>		<b>2,06,626.94</b>	<b>1,61,112.91</b>

**Note 9 Short term provisions**

Particulars		As at 31 March, 2023	As at 31 March, 2022
A	Provision for Taxation	26,522.06	55,500.00
B	Provision for CSR Activity	1,450.00	2,100.00
<b>Total</b>		<b>27,972.06</b>	<b>57,600.00</b>

**Note 11 Other non-current assets**

Particulars		As at 31 March, 2023	As at 31 March, 2022
A	Deposits	526.42	2,182.42
B	Company Formation Fees less: Amortised	-	-
C	Assets held for sale	85.28	-
<b>Total</b>		<b>611.70</b>	<b>2,182.42</b>

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NOTE 10 Property, Plant &amp; Equipment

Amount in Thousand

Sr.No.	Particulars	Gross block			Accumulated depreciation				Net block		
		Opening Balance as at 1 April, 2022	Additions	Disposals	Closing Balance as at 31 March, 2023	Opening Balance as at 1 April, 2022	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Closing Balance as at 31 March, 2023	Closing Balance as at 31 March, 2023	Opening Balance as at 1 April, 2022
	<b>Property, Plant &amp; Equipment</b>										
(a)	Air Conditioner	375.37	78.49	335.27	118.59	100.06	18.96	103.38	15.64	102.95	275.31
(b)	Furniture - Office	2001.71	17604.97	1695.00	17911.69	886.97	705.24	886.81	705.40	17206.28	1114.74
(c)	Computer System	5409.02	934.40	0.00	6343.42	4129.23	610.38	0.00	4739.61	1603.81	1279.79
(d)	Printer	10.55	0.00	0.00	10.55	10.02	0.00	0.00	10.02	0.53	0.53
(e)	Store Fencing	231.64	920.44	231.64	920.44	108.14	41.54	122.97	26.71	893.73	123.49
(f)	Electrical Installation	3638.71	3786.14	18.00	7406.85	1652.61	444.83	9.29	2088.16	5318.70	1986.10
(g)	Vehicle	5714.82	4044.93	0.00	9759.75	1841.18	819.79	0.00	2560.97	7098.78	3873.64
(h)	Office Equipment	1173.67	7841.49	264.40	8750.75	643.35	473.63	244.26	872.72	7878.03	530.31
(i)	Plant & Machinery	14823.49	97206.84	1555.36	110474.97	4028.10	3374.74	502.08	6900.76	103574.21	10795.39
	<b>Total</b>	<b>33378.97</b>	<b>132417.71</b>	<b>4099.67</b>	<b>161697.01</b>	<b>13399.67</b>	<b>6489.12</b>	<b>1868.78</b>	<b>18020.00</b>	<b>143677.01</b>	<b>19979.31</b>
	<b>Intangible Assets</b>										
(a)	Software	699.56	939.90	0.00	1639.46	660.83	182.59	0.00	843.42	796.05	38.74
	<b>Total</b>	<b>699.56</b>	<b>939.90</b>	<b>0.00</b>	<b>1639.46</b>	<b>660.83</b>	<b>182.59</b>	<b>0.00</b>	<b>843.42</b>	<b>796.05</b>	<b>38.74</b>
	<b>Total (C Y)</b>	<b>34078.54</b>	<b>133357.61</b>	<b>4099.67</b>	<b>163336.47</b>	<b>14060.50</b>	<b>6671.71</b>	<b>1868.78</b>	<b>18863.42</b>	<b>144473.06</b>	<b>20018.04</b>
	<b>Total (P Y)</b>	<b>29443.99</b>	<b>4634.55</b>	<b>0.00</b>	<b>34078.54</b>	<b>11132.17</b>	<b>2928.32</b>	<b>0.00</b>	<b>14060.50</b>	<b>20018.04</b>	<b>18311.82</b>



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**Note 12 Inventories**

(At lower of cost and net realisable value)

	Particulars	As at 31 March, 2023	As at 31 March, 2022
A	Raw Material {Incl. Goods in Transit of C.Y. 83303447.83 (P.Y. Rs. 134004659.79)}	706,733.58	579,483.92
B	Work In Progress	3,740.99	205,408.25
C	Finished Goods	60,777.58	9,492.68
	<b>Total</b>	<b>771,252.15</b>	<b>794,384.84</b>

**Note 13 Trade receivables**

	Particulars	As at 31 March, 2023	As at 31 March, 2022
A	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
A1	Secured, considered good	-	-
A2	Unsecured, considered good	35,957.39	31,883.73
	<b>Total</b>	<b>35,957.39</b>	<b>31,883.73</b>
B	Other Trade receivables		
B1	Secured, considered good	-	-
B2	Unsecured, considered good	511,005.70	147,594.19
	<b>Total</b>	<b>511,005.70</b>	<b>147,594.19</b>
	<b>Total</b>	<b>546,963.09</b>	<b>179,477.91</b>

**Note 14 Cash and cash equivalents**

	Particulars	As at 31 March, 2023	As at 31 March, 2022
A	Cash on hand	-	25.90
B	Balances with banks In Current Account	287,251.92	71,801.54
	<b>Total</b>	<b>287,251.92</b>	<b>71,827.45</b>

**Note 15 Short-term loans and advances**

	Particulars	As at 31 March, 2023	As at 31 March, 2022
A	Advance Recoverable in Cash or Kind or Value to be receive	1,954.41	12,329.56
B	Balance with Government Authority	77,331.11	88,930.58
	<b>Total</b>	<b>79,285.52</b>	<b>101,260.14</b>

**Note 16 Other current assets**

	Particulars	As at 31 March, 2023	As at 31 March, 2022
A	Advance to Creditors	16,861.61	5,322.22
B	Fixed Assets held for sale		
	<b>Total</b>	<b>16,861.61</b>	<b>5,322.22</b>

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**Annexure 1**  
**Trade Payables ageing Schedule**  
**As at 31st March 2023**

(Amount in Rs.)

Particulars	Outstanding for following Periods from due date of Payment					Total
	Not due for Payment	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	1,133,195,369	20,479,781	-	99,781.00	1,153,774,931
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues Others	-	-	-	-	-	-

**Trade Payables ageing Schedule**  
**As at 31st March 2022**

(Amount in Rs.)

Particulars	Outstanding for following Periods from due date of Payment					Total
	Not due for Payment	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	467,722,689	74,686	-	8,528	467,805,903
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues Others	-	-	-	-	-	-

**Annexure 2**  
**Trade Receivable ageing Schedule**  
**As at 31st March 2023**

(Amount in Rs.)

Particulars	Outstanding for following Periods from due date of Payment							Total
	Not due for Payment	Unbilled	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivable-considered Good	-	-	511,005,702	22,979,704	10,544,251	-	2,433,437	546,963,094
(ii) Undisputed Trade Receivable-considered Doubtfull	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivable-considered Good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable-considered Doubtfull	-	-	-	-	-	-	-	-

**Trade Receivable ageing Schedule**  
**As at 31st March 2022**

(Amount in Rs.)

Particulars	Outstanding for following Periods from due date of Payment							Total
	Not due for Payment	Unbilled	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivable-considered Good	-	-	147,594,304	17,698,205	13,457,618	727,787	-	179,477,914
(ii) Undisputed Trade Receivable-considered Doubtfull	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivable-considered Good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable-considered Doubtfull	-	-	-	-	-	-	-	-

FOR, YIZUMA PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR





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## Notes forming part of the financial statements

## Note 20 Changes In inventories of finished goods

Amount in Thousands

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A	Inventories at the end of the year:		
	Finished goods:		
	Machinery Parts	60,777.58	9,492.68
	Work in Progress	-	-
		3,740.99	2,05,408.25
	Total	64,518.57	2,14,900.93
B	Inventories at the beginning of the year:		
	Finished goods	9,492.68	3,385.39
	Machinery Parts	-	-
	Work in Progress	2,05,408.25	1,48,415.68
	Total	2,14,900.93	1,51,801.07
B-A	Net (increase) / decrease	1,50,382.36	-63,099.86

## Note 21 Direct Expenses

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A	Frieght Inward	6,903.20	3,222.78
B	Import Clearance Charges	1,14,808.41	1,53,121.92
C	Diesel for Forklift	109.52	100.20
D	Contractual Employees Salary Expense	21,425.88	13,587.60
	Total	1,43,247.02	1,70,032.50

## Note 22 Employee benefits expense

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A	ESIC Expense	161.90	245.49
B	Gratuity Expense	989.06	947.56
C	Leave Encashment	2,356.78	1,956.27
D	PF Administration Charges	188.07	100.18
E	PF Employer's Contribution	2,846.24	2,450.58
F	Salaries, wages, Bonus, HRA, etc	57,585.80	49,184.55
G	Director's Remuneration	24,127.18	22,464.70
H	Staff Wealfare Expense	15,963.61	7,750.39
	Total	1,04,218.64	85,099.72

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## Notes forming part of the financial statements

## Note 23 Finance costs

Amount in Thousands

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
A	Bank Interest and Financial Charges		
A1	Bank Charges	101.87	136.63
B	Other Financial Cost		
B1	Interest to Related Parties	4,015.27	3,788.90
B2	Interest Expense Others	1,151.56	-
	<b>Total</b>	<b>5,268.70</b>	<b>3,925.53</b>

## Note 24 Depreciation &amp; Amortization

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
A	Depreciation	6,671.71	2,928.32
B	Amortization		
	<b>Total</b>	<b>6,671.71</b>	<b>2,928.32</b>

## Note 25 Other expenses

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Advertisement Exp.	19,328.87	1,245.02
	Business Promotion Expense	-	1,691.20
	Conveyance Expenses	2,421.74	1,881.74
	Electricity Expenses	5,528.69	2,653.49
	Insurance Expenses	2,389.08	1,482.94
	Interest on delay payment of taxes & Duties	250.46	312.91
	Printing & Stationery Expenses	894.25	719.93
	Commission Expenses	93,021.59	68,714.88
	Documentation charges	87.67	9.63
	Rent Expenses	41,296.75	12,314.63
	Legal & Professional Charges	1,610.80	3,874.10
	Technical Consultancy Fees	49,834.23	44,323.58
	Freight Outward	14,751.48	6,587.53
	Security Expenses	2,227.44	1,270.88
	Repair & Maintenance Expenses	797.43	1,012.49
	Repairing Expenses (Building)	291.90	509.35
	Telephone & Internet Expenses	523.10	406.20
	Other Business Expenses	13,815.66	12,272.29
	Travelling Expenses	14,841.15	5,882.34
	Foreign Exchange Fluctuation Loss	30,185.73	7,585.46
	Donation / CSR Expense	2,850.00	2,100.00
	Loss / (Profit) on Assets Sold/discarded	1,892.89	-
	Audit Fees	250.00	250.00
	<b>Total</b>	<b>2,99,090.91</b>	<b>1,77,100.67</b>

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*[Signature]*  
 DIRECTOR



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**26. Auditor's Remuneration (Excluding GST)**

(Amount in Thousand)

Particulars	Year 2022-2023	Year 2021-22
Statutory Audit Fees	250.00	250.00
Taxation Matters	557.50	432.50
Certification Fees & Other Services	371.50	337.00
<b>Total</b>	<b>1179.00</b>	<b>1019.50</b>

**27. Deferred Tax:**The breakup of net deferred tax liability as at 31<sup>st</sup> March, 2023 is as under:

(Amount in Thousand)

Particulars	2022-2023	2021-2022
<b>Deferred Tax Assets</b>		
-Provision for Gratuity, PF, ESIC, Non-Payment of TDS Disallowance	255.29	275.11
<b>Sub Total (A): -</b>	<b>255.29</b>	<b>275.11</b>
<b>Deferred Tax Liabilities</b>		
- Depreciation difference	(2109.34)	(770.49)
<b>Sub Total (B): -</b>	<b>(2109.34)</b>	<b>(770.49)</b>
Net Deferred Tax Assets /(Liabilities)	<b>(1854.05)</b>	<b>(495.38)</b>
<b>TOTAL (A-B)</b>		

**28. EARNING PER SHARE:**

(Amount in Thousand)

Particulars	2022-2023	2021-2022
a) Net Profit After Tax for The Year	78147.92	154272
b) Opening Balance of Share Issued	295792	295792
c) New issued during the year	Nil	Nil
d) Weighted Average Number of Equity Share	295792	295792
e) Basic & Diluted Earnings Per Share in Rupees	264.20	521.55

**29. Related Party Disclosure:**

As per the Accounting Standard 18, disclosures of transactions with related parties (As identified by the Management), as defined in Accounting Standard are given below:

**a) Parent Company**

- 1) Guangdong Yizumi Precision Machinery Co Ltd



FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

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**b) Associated Enterprise**

- 1) Guangdong Yizumi High Speed Packaging System Company Limited
- 2) Guangdong Yizumi Precision Injection Molding & Die Casting Technology Co., Ltd.
- 3) Yizumi Precision Machinery (HK) Co., Ltd.
- 4) Yizumi Precision Machinery (Suzhou) Co., Ltd.
- 5) Yizumi Rubber Machinery Co. Ltd
- 6) Yizumi Advance Processing Technology Pvt. Ltd.
- 7) Yizumi Precision Molding Technology Co. Ltd

**c) Key Managerial Personnel**

- 1) Ramesh Varadan (Director)
- 2) Tao Zhang (Representative Director of Guangdong Yizumi Precision Machinery Co Ltd)
- 3) Miaoyu Yu
- 4) Zhuoyuan Mai

(₹. In ,000)

Sr. No	Nature of Transaction	Name of Related Party	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
			Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount
1	Dividend Payment	Guangdong Yizumi Precision Machinery Co Ltd	311468.98	Nil	Nil	Nil
2	Purchase of Material	Yizumi Precision Molding Technology Co. Ltd	336212.99	334952.45	Nil	Nil
3	Purchase of Material	Guangdong Yizumi High Speed Packaging System Company Limited	66391.43	27613.82	36158.00	169001.00
4	Purchase of Material	Guangdong Yizumi Precision Injection Molding & Die Casting Technology Co., Ltd.	367851.26		819529.00	307154.00
5	Technical Fees	Guangdong Yizumi Precision Injection Molding & Die Casting Technology Co., Ltd.	49834.23	263295.67	44324.00	
6	Purchase of Material	Yizumi Precision Machinery (HK) Co., Ltd.	114383.18	101100.60	17405.00	4045.00

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7	Sales Commission Income	Yizumi Precision Machinery (HK) Co., Ltd.	17796.65		Nil	
8	Interest on External Commercial Borrowings	Yizumi Precision Machinery (HK) Co., Ltd.	4015.28	83968.01	3789.00	77805.00
9	Purchase of Material	Yizumi Precision Machinery (Suzhou) Co., Ltd.	312147.23	235481.46	107742.00	31426.00
10	Purchase of Material	Yizumi High Speed Packaging Technology Co., Ltd.	14051.09	14119.55		
11	Capital WIP – Crane	Yizumi Advance Processing Technology Private Limited	Nil	Nil	30829.00	30808.00
12	Interest Income	Yizumi Advance Processing Technology Private Limited	174.52		1109.00	10359.00
13	Loan Given & Reimbursement of Expense	Yizumi Advance Processing Technology Private Limited	Nil	Nil	45423.00	
14	Rent Expenses	Yizumi Advance Processing Technology Private Limited	37828.44	11486.88	108.00	Nil
15	Remuneration	Ramesh Varadan	24127.18		22465.00	11091.00
16	Rent	Ramesh Varadan	480.00		480.00	Nil
17	Dividend Payment	Ramesh Varadan	34607.67	Nil	NIL	NIL

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30. Wherever, evidences / supporting for expenditure incurred by the Assessee are not available, we have relied upon the Vouchers / Statements duly certified by the Directors.
31. *With regards to the Working Capital Loan,*
- A. *Working Capital Loans from Banks of Rs. 16.50 Crore (Previous Year Rs. NIL) are secured by hypothecation of present and future stock of raw materials, work-in-progress, finished goods, stores and spares, book debts, outstanding monies, receivables, claims, bills, materials in transit, etc.*
- B. *The Company has satisfied all the covenants prescribed in terms of borrowings.*
- C. *In respect of working capital loans, quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts. The company has taken a working capital facility from HSBC Bank in March 2023 only and hence has not submitted any quarterly statement with bank.*
32. *It is not possible for us to verify whether the payment and receipt in excess of Rs. 200000/- have been made otherwise than by crossed cheque or bank draft as the necessary evidence is not in possession of the Assessee. Payment in excess of aforesaid if any, made to Government Authority or bank is not reported.*
33. *It is not possible for us to verify whether the expenses paid in excess of Rs 10000/- have been made otherwise than by crossed cheque or bank draft as the necessary evidence is not in possession of the Assessee. Payment in excess of aforesaid if any, made to Government Authority or bank is not reported.*
34. *It is not possible for us to verify whether the amount paid for assets in excess of Rs 10000/- have been made otherwise than by crossed cheque or bank draft as the necessary evidence is not in possession of the Assessee. Payment in excess of aforesaid if any, made to Government Authority or bank is not reported.*
35. *In the opinion of the management, current assets, loans & advances are approximately of the values stated, if realized in the ordinary course of business. Balances of balance sheets like debtors, creditors, loans, advances etc. including squired up accounts are subject to confirmation and hence subject to adjustment, if any arising out of reconciliation. Inventories are taken, as valued and certified by the Assessee or management.*
36. *The Company has not received information from the suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosure, if any, relating to amount unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act have not been made, compiled & disclosed.*
37. *During the FY 2019-20, the company had taken an External Commercial Borrowing (ECB) from its Associated Enterprise M/s Yizumi Precision Machinery (HK) Co., Ltd. amounting to Rs. 7,00,38,250/- (Rupees Seven Crore Thirty-Eight Thousand Two Hundred Fifty Only) equivalent to US\$ 1000000 (U. S. Dollar Ten Lakh Only) for the purpose of Working Capital utilization at interest rate of 5% p.a. repayable after 5 years i.e., FY 2024-25. Further, the company have to pay interest on annual basis. The Company has not hedged its liability.*

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

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38. As per the Accounting Standard -15, an enterprise should consider the actuarial assumptions only, if it is unbiased and mutually compatible. The actuarial assumptions have to treat as an enterprise's best estimate of the post-employment benefits. The calculation should be prudent and not too conservative. As this Accounting standard is not applicable to the company, the company has not obtained Report from Actuaries for the purpose of Actuarial Valuation for Gratuity Provision. And hence we have taken and accepted as correct the management's view and calculation for the provision for Gratuity of amounting to Rs. 9,89,064/- (P. Y. 9, 47,556/-).
39. Previous year figures are regrouped – rearranged wherever it required making them comparable with the current year figures.
40. **Contingent Liabilities and Commitments:**

Particulars	As at 31.03.2023 (Rs. In Thousand)	As at 31.03.2022 (Rs. In Thousand)
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts: <i>Tax matters in dispute (*)</i>	12527	12527
Performance Bank Guarantee issued	754	0

(\*) The Income -Tax Assessments of the Company have been completed and an order in favour of the Company is issued by the Honorable ITAT for the Assessment Year 2018-19 and the claim against the Company of Rs. 12527 thousand is nullified and based on the decisions of the Appellate authorities and the interpretations of other relevant provisions of the Income tax Act, 1961, no provision is considered necessary.

41. Value of Material on C.I.F basis:

Particulars	FY 2022-2023 (Rs. In Thousand)	FY 2021-2022 (Rs. In Thousand)
Value of Import of C.I.F basis:	-	-
Raw Material	11,27,366.13	10,29,452.07
Components	-	-
Spare Parts	-	-
Capital Goods	-	-

42. Expenditure in Foreign Currency:

(Amount in Thousand)

Particulars	FY 2022-2023		FY 2021-2022	
	Foreign Currency (USD)	Equivalent Indian Currency	Foreign Currency (USD)	Equivalent Indian Currency
Technical Fees	60.28	49834.23	583.00	44324.00
Chinese Consultation Charges	Nil	Nil	Nil	Nil
Interest on ECB	50	4015.28	50.00	3789.00
Travel Expenses (Approx)	6.95	546.35		

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

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## 43. Value of Imported and indigenous raw materials, spare parts and components purchase:

Particular	FY 2022-2023		FY 2021-22	
	Value (Rs.)	% of Total Consumption	Value (Rs.)	% of Total Consumption
Imported	1210669.58	79.52	1041325	79.52
Indigenous	209245.91	20.48	268119	20.48
Total Purchase	1419915.49	100.00	1309444	100.00

44. The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 which gives a onetime irreversible option to domestic companies for payment of corporate tax at reduced rates. Based on that provision for Income Tax is recorded.

45. The Board of Directors at its meeting held on March 1, 2023 has declared interim dividend of 1170% i.e. Rs. 1170.00 per equity share of Rs. 100 each out of the Profit generated up to the quarter ending on 31<sup>st</sup> December, 2022 of the FY 2022-23 and out of the profit of previous financial years.

## 46. Earning in Foreign Currency:

Particulars	Rs. In '000	
	FY 2022-2023	FY 2021-2022
Export of the Goods	2	1570
Royalty, Know How, Professional & Consultation Fees	Nil	Nil
Interest & Dividend	Nil	Nil
Other Income indicating nature thereof	Nil	Nil

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.


  
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Additional regulatory Requirement:

## 47. Key Financial Ratios:

Sr. No	Ratios	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance
1	Current Ratio	Current Assets	Current Liabilities	1.09	1.67	-0.21
2	Debt-equity ratio	Total Debt (Borrowings)	Total Equity	7.90	1.61	0.05
3	Debt service coverage ratio	Earnings available for debt service	Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	17.44	42.49	8.33
4	Return on Equity	Profits after tax	Average Total Equity	0.23	0.39	-0.06
5	Inventory turnover Ratio	Cost of goods sold	Average Inventory	1.97	1.68	0.14
6	Trade receivables turnover ratio	Revenue from Sale of Products and Services	Average Trade receivables	6.08	10.21	7.96
7	Trade payables turnover ratio	Net Purchases of raw material, Packing material and stock-in-trade	Average Trade payables	1.75	2.80	0.86
8	Net capital turnover ratio	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	14.98	3.57	0.96
9	Net profit ratio	Profit after tax	Revenue from Operations	0.04	0.09	-0.03
10	Return on capital Employed	Profit before interest (excluding interest on lease liabilities), exceptional items and tax	Average Capital Employed [Total Equity + Total Debt (Borrowings)]	0.20	0.57	-0.03
11	Return on Investment	Income during the year	Time weighted average of Investment			
A	Return on Fixed Deposits					
B	Return on quoted equity Investment					

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.


  
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## 48. Particulars Relating to Corporate Social Responsibility:

Amount required to be spent by the company during the year	Amount of expenditure incurred	Short fall at the end of the year	Total of Previous years shortfall	Reason for Shortfall	Nature of CSR activities	Details of related Party transactions	Details of movements in the provision during the year
2850	3500	1450	1450	The Company is in process of transferring the required fund specified in Schedule VII to the Act.	Contribution made to Charitable trust carrying CSR Activities.	Nil	Nil

49. The Company does not have any relationship with struck off companies as on the balance sheet date, and hence disclosure is not required for the relationship with struck off companies.

50. The Company has not been declared willful defaulter by any bank or financial institution or other lender or government or any government authority.

51. 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.

52. 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 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 on behalf of the ultimate beneficiaries

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

  
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53. There is 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 the books of account.
54. The Company has not traded or invested in crypto currency or virtual currency during the year.
55. The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
56. The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
57. The Company has not prepared any scheme of Arrangements in terms of section 230 to 237 of the Companies Act, 2013.

For, Devadiya and Associate  
Chartered Accountants

CA Samay Devadiya  
Partner  
M. No. 112495  
FRN 123045W  
Date: 20/07/2023  
Place: Ahmedabad  
UDIN: 23112495BGYWCY9732



For, Yizumi Precision Machinery (India) Pvt. Ltd.

Mr. Ramesh Varadan  
(Director)  
DIN: 01940261

Date: 20/07/2023  
Place: Ahmedabad

Mr. Tao Zhang  
(Director)

DIN: 07273096



FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR

## ANNEXURE - B.1

## YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED 97/A

Unaudited Provisional Balance Sheet as at 30-June-2023

CIN: U29190GJ2016PTC093223

(Figures : Indian Rupees)

Particulars	Notes	As at 30-June-2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant & Equipment	1	14,10,85,363
Capital Work in Progress	1	-
Intangible Assets	1	7,21,838
		<b>14,18,07,201</b>
Financial Assets		
- Loans	2	-
Deferred tax Asset (Net)	14	-
Other non-current assets	3	6,50,171
<b>Total Non-current assets</b>		<b>6,50,171</b>
<b>Current assets</b>		
Inventories	4	89,33,92,170
Financial Assets		
- Trade Receivables	5	61,01,97,200
- Cash and Cash equivalents	6	8,31,17,340
- Bank Balance other than Cash and Cash Equivalents	8	24,73,048
- Loans	2	-
- Other Financial Assets	7	-
Current tax assets (net)	9	6,06,99,453
Other current assets	3	5,20,54,286
		<b>1,70,19,33,497</b>
<b>TOTAL ASSETS</b>		<b>1,84,43,90,869</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	10	2,95,79,200
Other Equity	11	28,53,96,076
<b>Total Equity</b>		<b>31,49,75,276</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
- Borrowings	12	8,46,12,706
Provisions	13	38,28,543
Deferred tax liabilities (Net)	14	24,69,302
<b>Total Non-current liabilities</b>		<b>62,97,845</b>
<b>Current liabilities</b>		
Financial liabilities		
- Short Term Borrowings	15	15,50,00,000
- Trade Payables		
- Due to Micro and Small Enterprises	16	-
- Other than Micro and Small Enterprises	16	1,05,52,93,742
- Other financial liabilities	17	6,50,95,224
Other current liabilities	18	13,65,94,019
Provisions	13	2,65,22,057
<b>Total Current liabilities</b>		<b>1,43,85,05,041</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,84,43,90,869</b>

FOR YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

DIRECTOR

**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

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**Unaudited Provisional Statement of Profit and Loss for the period ended on 30-June-2023**

(Figures : Indian Rupees)

Particulars	Notes	For the period ended on 30-June-2023
<b>Income</b>		
Revenue from Operations	19	50,85,31,372
Other income	20	2,69,98,726
<b>Total Income</b>		<b>53,55,30,097</b>
<b>Expenses</b>		
Cost of raw materials and components consumed	21	16,97,64,648
Cost of raw materials purchased	21	14,57,60,904
Changes in inventories of finished goods	22	1,00,93,805
Employee benefits expense	23	2,26,73,860
Finance Cost	24	48,87,737
Depreciation and amortization expense	1	33,27,513
Other Expenses	25	7,11,98,896
<b>Total Expenses</b>		<b>42,77,07,363</b>
<b>Profit/(loss) before Tax</b>		<b>10,78,22,734</b>
<b>Tax Expenses</b>		
- Current Tax	14	-
- Deferred Tax	14	-
<b>Profit/loss after Tax</b>		<b>10,78,22,734</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.


  
 DIRECTOR

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**YZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

Notes to financial statements for the period ended on 30-June-2023

(Figures : Indian Rupees)

Note No 1

**Property, plant and equipment, Intangible assets and Capital work-in-progress**

Particulars	Gross Block				Accumulated Depreciation/ Amortisation				Net Block
	As at 01 April,2023	Additions during the period	Deletions during the year	As at 30-June-2023	As at 01 April,2023	Depreciation charge for the period	Adjustments during the year	As at 30-June-2023	
Plant & Machinery	11,04,74,966	62,300	-	11,05,37,266	69,00,758	17,44,125	-	86,44,883	10,18,92,383
Electrical Installation	74,06,854	-	-	74,06,854	20,88,157	1,75,857	-	22,64,014	51,42,840
Office Equipment	87,50,749	-	-	87,50,749	8,72,722	3,97,029	-	12,69,751	74,80,997
Air conditioner	1,18,592	-	-	1,18,592	15,642	1,872	-	17,514	1,01,078
Printer	10,547	-	-	10,547	10,020	-	-	10,020	527
Store Fencing	9,20,440	78,365	-	9,98,805	26,711	22,882	-	49,593	9,49,212
Computer System	63,43,421	3,93,988	-	67,37,409	47,39,610	1,96,607	-	49,36,217	18,01,192
Vehicle	97,59,753	-	-	97,59,753	26,60,974	2,89,071	-	29,50,045	68,09,708
Furniture & Fixtures	1,79,11,686	1,27,000	-	1,80,38,686	7,05,404	4,25,857	-	11,31,261	1,69,07,426
<b>Total</b>	<b>16,16,97,008</b>	<b>6,61,653</b>	<b>-</b>	<b>16,23,58,660</b>	<b>1,80,19,997</b>	<b>32,53,300</b>	<b>-</b>	<b>2,12,73,297</b>	<b>14,10,85,363</b>
Previous Year									
<b>Capital Work in Progress</b>									
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous Year									
<b>Intangible Assets</b>									
Software	16,39,464	-	-	16,39,464	8,43,413	74,213	-	9,17,626	7,21,838
<b>Total</b>	<b>16,39,464</b>	<b>-</b>	<b>-</b>	<b>16,39,464</b>	<b>8,43,413</b>	<b>74,213</b>	<b>-</b>	<b>9,17,626</b>	<b>7,21,838</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.


  
 V. S. Srinivas  
 DIRECTOR

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**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

Notes to financial statements for the period ended on 30-June-2023

(Figures in Indian Rupees)

**Note No 2**

**Loans**

Particulars	Non-current	Current
	As at 30-June-2023	As at 30-June-2023
<i>Unsecured, considered good</i>		
Loans to Employees	-	-
Security Deposits		
Loan given	-	-
<b>Total</b>	-	-

**Note No 3**

**Other Assets**

Particulars	Non-current	Current
	As at 30-June-2023	As at 30-June-2023
Deposits	6,50,171	
Advance recoverable in cash or in kind or value to be received	-	98,70,159
Balance with Government authorities	-	1,89,95,678
Advances to Suppliers	-	2,31,88,448
Other Advances (Un amortised Expenses)	-	
<b>Total</b>	<b>6,50,171</b>	<b>5,20,54,286</b>

**Note No 4**

**Inventories**

Particulars	As at 30-June-2023
Raw Materials and Packing Materials	70,48,15,865
Work in Process	13,80,674
Machinery Parts/Finished goods (Cost or NRV, whichever is lower)	9,99,67,574
Goods in Transit	8,72,28,057
<b>Total</b>	<b>89,33,92,170</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Signature]*  
DIRECTOR

**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

Notes to financial statements for the period ended on 30-June-2023

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(Figures in Indian Rupees)

**Note No 5**
**Trade Receivables**

Particulars	As at 30-June-2023
<b>Current</b>	
Unsecured Considered good	61,01,97,200
<b>Less:</b>	
Provision for doubtful debts	-
<b>Total</b>	<b>61,01,97,200</b>

**Note No 6**
**Cash and Cash equivalents**

Particulars	As at 30-June-2023
(a) Balances with banks	
- in Current Account	8,31,17,340
- in Fixed Deposits ( <i>original maturing upto 3 months</i> )	
(b) Cash on hand	-
<b>Total</b>	<b>8,31,17,340</b>

**Note No 7**
**Other Financial Assets- Others**

Particulars	Non-current	Current
	As at 30-June-2023	As at 30-June-2023
Interest accrued on fixed deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No 8**
**Bank Balance Other than Cash and Cash Equivalents**

Particulars	As at 30-June-2023
Fixed Deposits (original maturity more than 3 months but upto 12 months)	24,73,048
<b>Total</b>	<b>24,73,048</b>

**Note No 9**
**Current tax assets (net)**

Particulars	Current
	As at 30-June-2023
Advance Tax paid /TDS receivable (Net of Provision)	6,06,99,453
<b>Total</b>	<b>6,06,99,453</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.



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**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

Notes to financial statements for the period ended on 30-June-2023

(Figures in Indian Rupees)

**Note No 10****Equity Share capital**

Particulars	As at 30-June-2023
<b>Equity share capital</b>	
The Company has only one class of shares i.e. Equity Shares having a par value of Rs.100 per share	
<b>Authorised shares</b>	
300,000 Equity Shares of Rs 100/- each	3,00,00,000
<b>Issued, subscribed and fully paid up shares</b>	
295,792 Equity Shares of Rs 100/- each Issued, subscribed and fully paid-up Capital	2,95,79,200
	2,95,79,200

a) **Movements in equity share capital:**

During the period, the Company has neither issued nor bought back any shares.

b) **Terms and rights attached to equity shares:****Dividends**

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

**Liquidation**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

c) During the last five financial years, no class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.

d) **Information of shareholders holding more than 5 percent Equity Shares**

Name of Shareholder	Relationship	As at 30-June-2023	
		No of Equity shares held	Percentage (%)
Guangdong Yizumi Precision Machinery Co Ltd	Holding Company	2,66,213	90
Mr. Ramesh Vardan	Shareholder	29,579	10
<b>Total</b>		<b>2,95,792</b>	<b>100</b>

f) **Terms /rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share.

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

  
 DIRECTOR

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**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**  
**Notes to financial statements for the period ended on 30-June-2023**

(Figures : Indian Rupees)

Note No. 11

Other Equity

Particulars	Reserve & Surplus		Remeasurement gain/(loss) on defined benefit plans	Total
	Retained Earnings	Share Premium Account		
Balance as at April 01, 2023	7,88,57,042	9,87,16,300		17,75,73,342
Less : Dividend paid	-			-
Profit for the period	10,78,22,734			10,78,22,734
<b>Balance as at June 30, 2023</b>	<b>18,66,79,776</b>	<b>9,87,16,300</b>	-	<b>28,53,96,076</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

*[Signature]*  
 DIRECTOR

**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**  
Notes to financial statements for the period ended on 30-June-2023

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(Figures : Indian Rupees)

**Note No. 12****Borrowings**

Particulars	Non- current
	30-June-2023
<b>Loan from related party</b>	
Unsecured	8,46,12,706
External commercial borrowing from Yizumi Precision Machinery (HK) Limited	
<b>Total</b>	<b>8,46,12,706</b>

**Note No. 13****Provisions**

Particulars	Non- current	Current
	As at 30-June-2023	As at 30-June-2023
<b>Provision for Employee Benefits:</b>		
- Provision for Gratuity	38,28,543	
- Provision for Leave Encashment	-	
Provision for Taxation		2,65,22,057
<b>Total</b>	<b>38,28,543</b>	<b>2,65,22,057</b>

**Note No. 14****Deferred tax liability/(asset) (Net)**

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at 30-June-2023
<b>Deferred tax liability</b>	
Excess of net block of property, plant and equipment for books of accounts over net block for tax purpose	-
Excess of Gratuity paid allowed in for tax purpose	
<b>Total (A)</b>	<b>-</b>
<b>Deferred tax asset</b>	
Excess of net block of property, plant and equipment for tax purpose over net block for books of accounts	(24,69,302)
Provision for Employee benefits	
Remeasurement of post employment benefit obligations	
Minimum Alternative Tax	
<b>Total (B)</b>	<b>(24,69,302)</b>
<b>Net Deferred Tax Liability/ (Asset) (A) - (B)</b>	<b>24,69,302</b>
<b>Deferred Tax Charge / (Credit) for the year</b>	<b>-</b>

**Movement in deferred tax balances for the period June 30, 2023**

Particulars	Recognised in Profit and Loss
Property, plant and equipment	
Provision for Employee benefits	
Remeasurement of post employment benefit obligations	

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

  
DIRECTOR

**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**  
**Notes to financial statements for the period ended on 30-June-2023**

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(Figures : Indian Rupees)

**Movement in deferred tax balances for the period June 30, 2023**

Particulars	
Property, plant and equipment	
Provision for Employee benefits	
Remeasurement of post employment benefit obligations	
Minimum Alternative Tax	-

**Note No. 15****Short Term Borrowings**

Particulars	As at 30-June-2023
<b>Secured Loan</b>	
Working capital Loan from Bank	15,50,00,000
<b>Total</b>	<b>15,50,00,000</b>

**Note No. 16****Trade payables**

Particulars	As at 30-June-2023
<b>Trade Payables*</b>	
- Due to Micro and Small Enterprises	
- Other than Micro and Small Enterprises	1,05,52,93,742
<b>Total</b>	<b>1,05,52,93,742</b>

a) Trade payables are non- interest bearing and are normally settled upto 180 days terms.

b) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act,2006" is based on the information available with the company regarding the status of registration of such vendors under the said Act, as per the information received from them on request made by the company.

**Note No. 17****Other Financial Liabilities- Current**

Particulars	As at 30-June-2023
Payable for Expenses	6,50,95,224
Payable for fixed assets	
<b>Total</b>	<b>6,50,95,224</b>

**Note No. 18****Other Current Liabilities**

Particulars	As at 30-June-2023
Advance from customers	13,37,62,681
Statutory Liabilities	28,31,338
Provision for Taxation (Net of Advance Tax paid)	-
<b>Total</b>	<b>13,65,94,019</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.


  
DIRECTOR

**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**

Notes to financial statements for the period ended on 30-June-2023

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(Figures in Indian Rupees)

**Note No. 19**

**Revenue from Operations**

Particulars	For the period ended on 30-June-2023
<b>Sale of products :</b>	
Injection Moulding Machine Sales	50,85,31,372
<b>Revenue from operation</b>	<b>50,85,31,372</b>

**Note No. 20**

**Other Income**

Particulars	For the period ended on 30-June-2023
Scrap sales	3,85,323
Labour Charges Income	-
Interest Income	59,209
Sales Commission	-
Sundry balance written off	
Gain on sale of Fixed Assets	
Foreign Exchange Fluctuation Gain	2,61,76,129
Other Income (Misc)	-
Service Income	3,78,064
<b>Total</b>	<b>2,69,98,726</b>

**Note No. 21**

**Cost of raw materials and components consumed**

Particulars	For the period ended on 30-June-2023
Inventory at the beginning of the year	62,34,30,134
Add: Purchases during the year	25,11,50,379
Less: Inventory at the end of the year	(70,48,15,865)
<b>Total</b>	<b>16,97,64,648</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

V. K. Singh  
DIRECTOR

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**Cost of raw materials purchased**

Particulars	For the period ended on 30-June-2023
Inventory at the beginning of the year	67,15,354
Purchases during the year	19,26,84,388
Less: Inventory at the end of the year	(5,36,38,839)
<b>Total</b>	<b>14,57,60,904</b>

**Note No. 22****Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the period ended on 30-June-2023
<b>Opening Stock</b>	
- Finished Goods	5,40,62,221
- Work in Process	37,40,993
	5,78,03,214
<b>Closing Stock</b>	
- Finished Goods	4,63,28,735
- Work in Process	13,80,674
	4,77,09,409
<b>Increase / (Decrease) in Stock</b>	<b>1,00,93,805</b>

**Note No. 23****Employee benefit expenses**

Particulars	For the period ended on 30-June-2023
Salaries and Wages including bonus	1,86,37,868
Contribution to Provident Fund & Other Funds	7,80,387
Staff Welfare Expenses	32,55,605
<b>Total</b>	<b>2,26,73,859.67</b>

**Note No. 24****Finance Cost**

Particulars	For the period ended on 30-June-2023
Interest - Others	1,02,064
Interest on ECB Loan	10,19,398
Interest On Working Capital Loan-HSBC	37,57,852
Interest on Delay payment of Taxes	8,423
<b>Total</b>	<b>48,87,737</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.

  
 DIRECTOR

**YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED**  
**Notes to financial statements for the period ended on 30-June-2023**

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(Figures in Indian Rupees)

**Note No. 25****Other Expenses**

Particulars	For the period ended on 30-June-2023
Power & Fuel	22,71,187
Contractual Employees Salary Expenses	60,02,879
Rent Expenses	1,61,89,407
Freight Outward	34,61,700
Security Charges	4,88,162
Rates and Taxes	
<u>Repair &amp; Maintenance:</u>	
To Plant & Machineries	
To Others	2,76,010
To Building	-
Factory Expenses	9,48,354
Communication Expenses	1,50,985
Sales Commission	2,40,99,900
Legal & Professional Charges	86,400
Printing and Stationery	1,58,780
Insurance Expense	7,45,873
Auditors Fees	-
Travelling & Conveyance Expenses	57,30,305
Advertisement & Sales Promotion Expenses	4,27,250
Technical fees & Incentive	95,05,733
Professional Tax	-
Provision for Doubtful Debts/Advances	-
Postage and Courier	5,41,484
Cash Discount on Sales	
Chinese Consultant's Expenses	1,410
Chinese Consultation charges	
Loss on assets sold/discarded	-
Office Expense	61,090
Foreign Exchange Fluctuation Loss	-
Donation	-
Sundry Balance Written Off	(13,373)
Preliminary Expenses written off	-
Bank Charges	65,360
Corporate Social Responsibility Expense	-
<b>Total</b>	<b>7,11,98,896</b>

FOR, YIZUMI PRECISION MACHINERY (INDIA) PVT. LTD.


  
 DIRECTOR

**Annexure E: Shareholding of Directors of Applicant Companies**

**A. Yizumi Precision Machinery (India) Private Limited (“Transferor Company”)**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Shares held</b>	<b>Amount (INR)</b>	<b>% of Shareholding</b>
1.	Ramesh Varadan	29,579	29,57,900	10%
<b>Total</b>			<b>29,57,900</b>	

**B. Yizumi Advanced Processing Technology Private Limited (“Transferee Company”)**

None of the Directors in Transferee Company holds any share in the Transferee Company.