

# DELTA AUTOCORP LIMITED

R/O Plot NO 304 P, Pithakiary, Post-Rupnarayanpur, Bardhaman, West Bengal, India, 713386  
CIN: U29304WB2023PLC263697 Email Id: finance@deltic.co

## DIRECTORS' REPORT

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Dear Members,

Your directors have the pleasure in presenting before you the 01<sup>st</sup> Annual Report on the business and operations of Delta Autocorp Limited (the "Company") (formerly known as Delta Autocorp Private Limited), together with the audited financial statements for the financial year ended March 31, 2024 and other accompanying reports, notes, and certificates.

### Company Overview

We manufacture and sell 2W & 3W EVs using cutting edge components procured from reputed Original Equipment Manufacturers (OEMs) who use design & engineering specifications given by us using state-of-the-art manufacturing process. We supply specific components designed and compatible for our vehicles. Our Company operating under the brand name "Deltic". Specializing in the production of Electric 2W and 3W vehicles, our journey began with the establishment of Delta Autocorp LLP in 2016 by our visionary promoters Mr. Ankit Agarwal. Initially concentrating on the development of electric 3W prototypes, we marked a significant milestone in 2017 with the launch of our first E-Rickshaw, boasting an impressive mileage of over 150 Kms. This not only contributed in our successful launch but also enabled E-Rickshaw drivers to enhance their daily earnings significantly. Furthermore, our Research and Development (R&D) Department has implemented several enhancements, including refining the aerodynamic structure of E-rickshaws for optimal performance even on hilly terrains. Additionally, we have boosted the torque, improved strength & durability by using stronger metallurgy, and improved the gradability to a range of 7 to 10 degrees in our E-Rickshaws. These notable advancements contribute significantly to meeting the evolving demands of the market.

After observing market dynamics and adapting to changing customer preferences, we strategically broadened our product range to include electric 2W vehicles. The year 2018 saw the commencement of prototype development for electric 2W, and in 2019, we proudly unveiled our inaugural electric 2W model. We identified a whitespace in Bharat i.e. tier-2, tier 3 towns of India and beyond where customers wanted an affordable yet sturdy scooter without compromising on the looks. Hence, we launched well designed full scooters suitable to run on Indian roads with high ground clearance, good footboard space, and a large seat at very reasonable price coming at a very pocket friendly price. Moreover, in the interest of longevity, cost efficiency, and customer safety we are transitioning to Lithium Ferro Phosphate (LFP) batteries from Nickel-Manganese-Cobalt (NMC) batteries.

Our commitment to innovation and meeting consumer demands has driven our continued success in the market. Over the subsequent years, we have introduced a diverse range of both 3W and 2W electric vehicles. Presently, our product range encompasses electric scooters in the 2W category, along with electric rickshaws, electric loaders, and electric garbage carts in the 3W category along with spare parts and accessories of 2W and 3W like motors, DC-DC Converter, Speedometer etc.

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SUBHASH PLACE, WAZIRPUR DELHI-110034**

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## Financial Performance

The Financial statements are prepared under historical cost convention on accrual basis of accounting and on a going concern basis in compliance with all material aspects of applicable accounting standards specified under Section 133 of Companies Act, 2013. During the year, the financial performance of the Company, set a new milestone for its future performance. Below is the summary of the financial performance of the Company for the year.

The summarized financial highlight is depicted below:

	(₹ in Lakh)
	For the year ended 31st March 2024
Revenue	
Revenue from operations	6,307.28
Other income	26.51
Total income	6,333.79
Expenses	
Cost of Raw Material Consumed	4,739.19
Change in Inventories of Finished Goods & Work in Progress and Stock-In-Trade	(133.73)
Employee Benefits Expense	325.77
Finance Costs	1.42
Depreciation and Amortization Expense	28.20
Other Expenses	455.37
Total Expenses	5,416.22
Profit /(Loss) before tax	917.57
Tax Expense	
Current tax	242.33
Deferred tax	(8.74)
Profit for the year	683.98
Earnings per share (nominal value of shares Rs. 10 per share)	
Basic	221.96
Diluted	221.96

## Performance Highlights

During the Financial Year 2023-24, the Company has marked a tremendous growth in its business operations. During the period under review company recorded a revenue of INR 6,307.28 lakh and net profit of INR 683.98 lakh.

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The detailed analysis on the state of affairs, operations of the Company and future outlook is explained in the Management discussion and analysis report forming part of the Annual Report of the Company for the year under review.

## Key Financial Ratios:

S. No	Ratios	Numerator	Denominator	For the year ended 31 March 2024
1	Current ratio (in times)	Current assets	Current liabilities	2.47
2	Debt equity ratio (in times)	Debt	Shareholders equity	0.22
3	Debt service coverage ratio (in times)	Earnings for Debt Service (Profit before tax + Depreciation + Finance cost)	Debt Service (Interest payments + Principal repayments)	665.16
4	Return on equity ratio (in %)	Net Profit for the year	Average shareholders equity	77%
5	Inventory turnover ratio	Cost of goods consumed	Average Inventory	3.31
6	Trade receivables turnover ratio	Revenue from operations	Average trade receivables	44.73
7	Trade payables turnover ratio	Purchases during the year	Average trade payables	13.81
8	Net capital turnover ratio	Revenue from operations	Working Capital (current assets - current liabilities)	6.87
9	Net profit ratio (in %)	Net Profit for the year	Revenue from operations	11%
10	Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Net worth + borrowings)	42%

[1]	Since this is the first year of Company, there is no requirement to disclose reason for variances in ratios.
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## Dividend and Reserves

### Dividend

The Board of Directors of your Company ("Board"), after considering the relevant circumstances holistically and keeping in view the Company's Dividend Distribution Policy, has decided that it would be prudent not to recommend any dividend for the year under review.

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## Reserves

The Board of Directors have decided to retain the entire amount of profit under "Retained Earnings". Accordingly, your Company has not transferred any amount to General Reserves for the year ended 31 March, 2024.

## Change in the Nature of Business

There is no change in nature of the business of the Company during the financial year ended on March 31, 2024.

## Material Changes and Commitments, affecting the Financial Position of the Company:

There were material changes and commitments affecting the financial position of your Company between the end of FY 2023-24 and the date of this report, which could have an impact on your Company's operation in the future or its status as a "Going Concern". After the closure of the financial year company increased the share capital by way of issue of Bonus Shares.

Company is in the process of Listing on NSE under SME IPO. Draft Red Herring Prospectus has been filed with NSE on 23<sup>rd</sup> July, 2024 and In Principal Approval application filed on 30<sup>th</sup> July, 2023.

## Issued Share Capital and Authorized Share Capital

During the year under review, the Authorized share capital and Issued Share Capital of the Company was changed. As on March 31, 2024 the Authorised Share Capital is Rs. 16,00,00,000/- comprising of 1,60,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. Paid-up capital is Rs. 30,81,540/- comprising of 3,08,154 Equity Shares of Rs. 10/- each as per detail mentioned below:

### Changes in Share Capital of the Company

#### 1. Increase in Authorised Share Capital of the Company:

Pursuant to Board Meeting and Extra-ordinary General Meeting dated 21.12.2023, The Company has increased its Authorised Share Capital from ₹ 15,00,000/- (Rupees Fifteen Lakh only) divided into 1,50,000 equity shares of ₹ 10/- (Rupees Ten only) each to ₹ 16,00,00,000/- (Rupees Sixteen Crores only) divided into 1,60,00,000 equity shares of ₹10/- (Rupees Ten only) each.

#### 2. Issue of Equity Shares consequent to conversion of Loan into Equity

Pursuant to Board Meeting dated 15.01.2024 the Company has issued 1,58,154 equity shares pursuant to conversion of unsecured loan into equity shares.

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Details of the conversion of Loan:

Sr. No	Name of Shareholder	No. of Shares	Face Value	Securities Premium	Issue Price
1	Ankit Agarwal	1,51,134	10	672	682
2	Priyanka Agarwal	7,020	10	672	682

## Subsidiaries, Joint Ventures & Associates:

### Details of Subsidiaries

As on 31<sup>st</sup> March 2024, the Company had no Subsidiaries, Associates, Joint ventures and Holding Company.

### Corporate Social Responsibility (CSR)

Reporting period is the first year of the company. For period under review company reported the Net Profit before Tax of INR 917.57 lakh. Due to this the provisions of Section 135 of the Companies Act, 2013 become applicable on the company. Company will constitute the Corporate Social Responsibility Committee under the provisions of the Companies Act, 2013.

### Directors and Key Managerial Personnel

#### Board of Directors

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act.

As on 31<sup>st</sup> March, 2024 following are the directors of the company:

1. Ankit Agarwal
2. Priyanka Agarwal
3. Sanwarmall Agarwalla

#### Annual Report.

Further, all the Directors and senior management personnel of the Company affirmed compliance with the Code of Conduct for the financial year 2023-2024 and the declaration in this respect appears elsewhere in the Annual Report.

#### Directors

During the year under review, Mr. Sanwarmall Agarwalla appointed as Director of the company.

#### Meetings of the Board of Directors

The details of composition of the Board, their meetings held and attendance of the Directors at such meetings are re produced here.

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Following are the meeting of Board of Directors during the Financial Year 2023-24.

Sr. No	Date of Board Meeting	No. of Directors	No. of Directors Present
1.	21.07.2023	2	2
2.	21.08.2023	2	2
3.	29.08.2023	2	2
4.	01.10.2023	2	2
5.	20.10.2023	2	2
6.	24.11.2023	2	2
7.	02.12.2023	2	2
8.	08.12.2023	3	3
9.	21.12.2023	3	3
10.	02.01.2024	3	3
11.	08.01.2024	3	3
12.	15.01.2024	3	3
13.	14.03.2024	3	3

## Internal Financial Control Systems and their Adequacy

The Company has established and maintained adequate internal financial controls with respect to financial statements. Such controls have been designed to provide reasonable assurance with regard to providing reliable financial and operational information. During the year under review, such controls were operating effectively, and no material weaknesses were observed.

## Risk Management Policy

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, in the case of a Listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; Not Applicable and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Statutory Auditors & Auditors' Report

### Statutory Auditors

M/s Padam Dinesh & Co, Chartered Accountants, with Firm registration number 009061N and M/S V. Singhi & Associates, Chartered Accountants, with Firm registration number 0311017E, have been appointed as First Statutory Auditors of the Company to hold office until the conclusion of the 1<sup>st</sup> Annual General Meeting of the Company. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Audit Report does not contain any qualification, reservation, adverse remark, or disclaimer.

Further, Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under.

### Cost Auditor

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is not required to maintain cost records

### Secretarial Auditors

This Report is Applicable to Listed Company and every public company having a paid-up share capital of Rs. 50 crore or more or every public company having a turnover of Rs. 250 Crore or more. Hence, it is not applicable to the company.

### Auditor's Report

The statutory auditor's report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

### Compliance with secretarial standards

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

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## Particulars of Loans, Guarantees and Investments

There were no Investments and Guarantees made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

## Prevention of Sexual Harassment at Workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has laid down a Prevention of Sexual Harassment (POSH) Policy and has constituted Internal Complaints Committees (ICs), at all relevant locations across India to consider and resolve the complaints related to sexual harassment. The ICs includes external members with relevant experience. The ICs, presided by senior women, conduct the investigations and make decisions at the respective locations. Company has zero tolerance on sexual harassment at the workplace. The ICs also work extensively on creating awareness on relevance of sexual harassment issues, including while working remotely. The employees are required to undergo a mandatory training/certification on POSH to sensitize themselves and strengthen their awareness.

During the year under review, your Company has received no complaint pertaining to sexual harassment.

All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by your Company.

## Vigil Mechanism/Whistle Blower Policy

As per the provision of sub-section (9) of Section 177 of the Companies Act, 2013, read with Companies (Meeting of Board and its Powers) Rules, 2014, Every listed company or Companies which accept deposits from the public; or Companies which have borrowed money from banks and public financial institutions in excess of Rs. 50 Crores, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as prescribed in Companies (Meeting of Board and its Powers) Rules, 2014. Hence, it is not applicable to the Company.

## Conservation of energy, technology absorption and foreign exchange earnings and outgo

Your company has no activity relating to conservation of energy or technology absorption. Hence, the question of giving the particulars regarding Conservation of Energy, Technology Absorption as required under Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 does not arise. Therefore, the directors have no comments to offer.

Foreign Exchange Earning	:	Nil
Foreign Exchange Expenditure	:	INR 736.17 Lakh

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## **Cyber Security**

In view of increased cyberattack scenarios, the cyber security maturity is reviewed periodically and the processes, technology controls are being enhanced in-line with the threat scenarios. Your Company's technology environment is enabled with real time security monitoring with requisite controls at various layers starting from end user machines to network, application, and the data.

During the year under review, your Company did not face any incidents or breaches or loss of data breach in cyber security.

## **Particulars of Employees and Related Disclosures**

There are no employees during the period drawing remuneration attracting the provisions of Clause 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with amendments in notification G.S.R. 646(E) dated 30th June, 2016.

The statement containing the name of every employee who was in the receipt of "One Crore and twenty lakh rupees" or more during the financial year, if employed throughout the financial year is NIL.

The statement containing the name of the employees of the company, who were in receipt of remuneration for any part of the year, if employed for the part of the financial year which in aggregate is more than or equal to "Eight lakh and fifty thousand rupees" per month is NIL.

## **Industrial Relations**

The Industrial Relations scenario continued to be cordial during the year under review.

## **Deposits**

The Company has not accepted any deposits from public, during the year under review, within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014. No amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## **Extract of annual return**

Pursuant to the provisions of Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 and Section 134(3)(a) of the said Act, the Annual Return containing details as of March 31, 2024, is attached as Annexure I of the report.

## **Frauds reported by the auditors**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or to the Board as required under Section 143(12) of the Act and the rules made thereunder.

## **Cautionary Statement**

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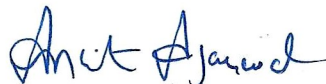
Statements in the Annual Report, including those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ

## Acknowledgement

Your directors are highly grateful for all the guidance, support and assistance received from the Government of India, Governments of various states in India, concerned Government departments, Financial Institutions and Banks. Your directors thank all the esteemed shareholders, customers, suppliers and business associates for their faith, trust and confidence reposed in your Company.

Your directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that your Company continues to grow and excel.

For and on behalf of the Board  
of Delta Autocorp Limited



Ankit Agarwal  
Managing Director  
DIN: 03289175



Priyanka Agarwal  
Whole Time Director  
DIN:08421025

Place: 18.09.2024

Date: New Delhi