2. CORETEC ENGINEERING INDIA PRIVATE LIMITED

NOTICE

NOTICE is hereby given that the **23rd** Annual General Meeting of the Members of **CORETEC ENGINEERING INDIA PRIVATE LIMITED** will be held on Thursday, 09th September, 2021 at 12.00 Noon at the Registered Office of the Company situated at B-59, Dyavasandra Industrial Estate, Mahadevapura, Whitefield Road, Bengaluru - 560048 to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Shashikant Kala Naik (DIN: 03533778), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board,
For CORETEC ENGINEERING INDIA PRIVATE LIMITED

Shashikant Kala Naik
Director
DIN: 03533778

Place: Bengaluru
Date: 05.06.2021

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form duly signed must be deposited at the registered office of the Company not less than 48 hours before the time of holding meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company atleast seven days before the date of Annual General Meeting to enable the Company to keep the information ready at the meeting.

BOARD'S REPORT

To,

The Members of
Coretec Engineering India Private Limited

The Board of Directors are pleased to present the **23rd** Annual Report of the business and operations of the Company together with the audited financial statements for the year ended 31st March, 2021.

FINANCIAL RESULTS:

Financial highlights:

(Rs. In Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Total Income	**2,095.23**	**2,410.07**
Total expenditure	2,075.15	2,370.08
Profit/(Loss) before interest, depreciation and tax	20.08	39.99
Finance cost	130.04	127.34
Depreciation	91.57	82.33
Profit/(Loss) before Tax	**(201.53)**	**(169.68)**
Provision for taxation (Net of deferred tax)	(92.68)	(9.97)
Profit/(loss) after tax	**(108.85)**	**(159.71)**
Net comprehensive income for the year	1.08	(0.43)
Total comprehensive income for the year	**(107.77)**	**(160.14)**
Balance in Statement of profit and loss	**8.58**	**168.72**
Amount available for appropriation	**(99.19)**	**8.58**
Appropriations:		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
Balance carried to Balance Sheet	**(99.19)**	**8.58**

PERFORMANCE REVIEW:

During the year, your Company has earned total revenue of Rs. 2,095.23 lakhs as compared to previous year total revenue of Rs. 2,410.07 lakhs. The total revenue is decreased due to COVID-19 pandemic situation globally. The Company has registered a net Loss of Rs. 107.77 lakhs.

Your Directors are making all efforts to ensure optimal operational results in coming years and achieving higher margins. Directors are putting effort to control the cost and thereby improving the profitability in line with the increase in the revenue.

ANNUAL RETURN:

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the Company, if any and the web-link of such annual return shall be disclosed in the Board's report. Whereas since the Company do not have its website, hence the web-link is not given.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year 2020-21, there were 4 Board Meetings held on the following dates; 26.06.2020, 05.08.2020, 05.11.2020 and 11.02.2021.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:

(a) In the preparation of the annual accounts, 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 as at the end of the financial year and of the profit and loss of the Company for that period;

(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 had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not made any loans or advances or given guarantees or provided securities or made investments in other bodies corporate during the financial year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts or arrangements with related parties, entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business.

As per requirements of Indian Accounting Standard 24, the transactions with related parties are disclosed in the Note No. 33 of the Notes forming part of the financial statements.

A statement in Form AOC-2 pursuant to the provisions of Clause (h) of sub-section (3) of section 134 of the Act read with sub-rule (2) of rule 8 of Companies (Accounts) Rules, 2014 is furnished in "***Annexure-1***" is forming part of this report.

DETAILS OF AMOUNTS TRANSFEREED TO RESERVES:

The Company has not transferred any amount to reserves during the year.

DIVIDEND:

Your directors do not recommend any dividend for the financial year ended 31st March, 2021 to conserve cash for the future expansion.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:

To curb the effects of the COVID-19 pandemic, the Company has undertaken several measures to operate in the safest ways possible.

The recent Second wave of Covid-19 also affected all the industries very badly. On impact of Second wave, due to lock down in the State of Karnataka from mid of April-2021, our Company also operating at a low capacity. We hope very soon we shall see a positive outcome.

Apart from this, there has been no material changes and commitments, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed there under, the particulars relating to conservation of energy, technology absorption and foreign earnings and outgo is given below:

1) CONSERVATION OF ENERGY:

The consumption of electricity during the year is minimal. The management is taking conscious efforts to conserve the energy.

2). TECHNOLOGY ABSORPTION:

The Company has no activity relating to technology absorption.

3). FOREIGN EXCHANGE EARNINGS AND OUTGO:

Sl. No.	Particulars	As on 31.03.2021 (Amount in INR)	As on 31.03.2020 (Amount in INR)
01	Foreign Exchange Earnings	NIL	NIL
02	Foreign Exchange Outgo	14,96,306	1,23,94,817

DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the year 2020-21.

BOARD OF DIRECTORS:

The Board comprises following Directors:

Sl. No	Name of the Directors	Designation
1	Kandachar Gopalarao Ravi	Director
2	Shashikant Kala Naik	Director
3	A Venkatakrishnan	Director

Mr. Shashikant Kala Naik - Director, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence, no declaration was obtained.

REMUNERATION POLICY:

The provisions of Section 178(1) of the Companies Act, 2013 is not applicable to Company. However, remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The employees at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

SUBSIDIARY:

The Company do not have any subsidiary companies, associate companies and joint ventures.

STATUS OF THE COMPANY:

The Company is a wholly-owned subsidiary of **YUKEN INDIA LIMITED.**

INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

DEPOSITS:

During the year under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014.

Pursuant to the Ministry of Corporate Affairs (MCA) notification amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies (ROC) the requisite returns for outstanding receipt of money/loan by the Company, which is not considered as deposits.

MATERIAL ORDERS PASSED BY REGULATORY AUTHORITIES:

There are no significant and material orders passed by the regulators or courts or tribunals during the year, impacting the going concern status and company's operations in future.

RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk Management is a structured approach to manage uncertainty. Although the Company does not have a formal risk management policy but a formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. Key business risks and their mitigation are also considered in the annual / strategic business plans and in periodic management reviews.

DETAILS OF REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements of the Company, during the year 2020-21.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by Institute of Company Secretaries of India.

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

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2021.

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

Not Applicable.

DISCLOSURE FOR MAINTENANCE OF COST RECORDS AS PER SECTION 148(1):

The Company is not required to maintain the books of accounts and other related records as per rules prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES:

During the year under review, the Company had no employees who earned remuneration beyond the limits specified under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

HUMAN RESOURCES:

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

SHARE CAPITAL:

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014:

Sl. No.	Particulars	Disclosure
1.	Issue of Equity shares with differential rights	Nil
2.	Issue of Sweat Equity shares	Nil
3.	Issue of employee stock option	Nil
4.	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

As on March 31, 2021 the authorized share capital of the Company is Rs. 5,00,00,000/- consisting of 50,00,000 equity shares of Rs. 10/- each. The paid up share capital of the Company is Rs. 3,61,96,000/- consisting of 36,19,600 equity shares of Rs. 10/- each.

STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. V K A N & Associates**,** Chartered Accountants, Bengaluru have been appointed as statutory auditors of the Company at the Annual General Meeting held on 31st July, 2019, for a period of 5 years and to hold the office up to the conclusion Annual General Meeting of the Company to be held in the year 2024.

The Statutory Auditor's Report for FY 2020-21 does not contain any qualifications reservation or adverse remark.

Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act. The Auditor's Report is enclosed with the financial statements.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company does not have a formal Anti Sexual Harassment policy in place but has adequate measures including checks and corrections in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year 2020-21, no complaint of sexual harassment has been received.

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to the Customers, bankers, business associates, consultants, Regulatory authorities, various Government Authorities and all the stakeholders for their continued support extended to your Company's activities during the year. Your Directors also acknowledge their gratitude to the Shareholders of the Company, for their continuous support and confidence reposed on the Company. Your Directors wish to place on record their appreciation of the dedicated and untiring hard work put by the employees at all levels.

On behalf of the Board
For Coretec Engineering India Private Limited

	Shashikant Kala Naik	**Kandachar Gopalarao Ravi**
Date: 05.06.2021	Director	Director
Place: Bengaluru	DIN: 03533778	DIN: 03520396

Annexure-1

Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	NA
(c)	Duration of the contracts / arrangements/transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	date(s) of approval by the Board	NA
(g)	Amount paid as advances, if any	NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Date(s) of approval by the Board, if any	-
(f)	Amount paid as advances, if any	-

Note: All related party transactions are in the ordinary course of business and on arm's length basis. Please refer transactions reported in Note No. 33 of the Notes forming part of the financial statements in the Annual Report.

For Coretec Engineering India Private Limited

	Shashikant Kala Naik	**Kandachar Gopalarao Ravi**
Date: 05.06.2021	Director	Director
Place: Bengaluru	DIN: 03533778	DIN: 03520396

Independent Auditor's Report

To the Members of
Coretec Engineering India Private Limited

Report on the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Coretec Engineering India Private Limited (**"*the Company*"**) which comprises the Balance Sheet as at March 31, 2021, 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 then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS 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 on the standalone Ind AS financial statements.

Emphasis of matter

We draw attention to Note 2.2(a) to the standalone Ind AS financial statements which describes the effects as a result of COVID-19 on the Company's business. Our opinion is not modified in respect of this matter.

Management's responsibility for the standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 27 to the standalone Ind AS financial statements

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Anand Kumar Daga
Partner
Membership No. 216281
UDIN: 21216281AAAABZ4360

Place: Hyderabad
Date: 5th June 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Coretec Engineering India Private Limited of even date)

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 Coretec Engineering India Private Limited ("the Company") as of March 31, 2021 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 ('ICAI'). 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.

Auditor's 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 judgment, 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.

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 authorisations of management

and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2021, 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 **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Anand Kumar Daga
Partner
Membership No. 216281
UDIN: 21216281AAAABZ4360

Place: Hyderabad
Date: 5th June 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Coretec Engineering India Private Limited of even date)

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

(b) The fixed assets were physically verified during the year by the Management with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date

(ii) According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no transactions in respect of loans, investments, guarantees, and security as per provisions of section 185 and 186 of the Companies Act, 2013. Thus, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits as on March 31, 2021.

(vi) According to the records produced and information given to us, the provisions of Section 148(1) of the Companies Act, regarding maintenance of cost records is not applicable to the company.

(vii) According to the information and explanations given to us and on the basis of our examination of books of accounts in respect of statutory dues,

a) The Company has generally been regular in depositing undisputed statutory dues including Income Tax, Goods and Service Tax and other material statutory dues with the appropriate authorities. The statutes governing Provident Fund, Employees' State Insurance and Excise duty and Sales Tax are not applicable to the Company

b) There are no undisputed amounts payable in respect of Income Tax, Goods and Service Tax and other material statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable. The statutes governing Provident Fund, Employees' State Insurance, and Excise duty and Sales Tax are not applicable to the Company.

c) There are no dues of Income Tax, Goods and Service Tax, Customs Duty and other material statutory dues as on March 31, 2021 on account of any disputes except as per details below

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.in Lakhs)
Income tax act, 1961	Dispute on account of additional tax demanded	Assessing Officer	2008-09, 2009-10, 2010-11	2.72

(viii) The Company has not borrowed any amounts from any financial institution, bank or debenture holders.

(ix) According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) According to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

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

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 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 etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of Section 177 of the Companies Act, 2013 do not apply to the Company.

(xiv) According to the information and explanations give to us and on the basis of our examination of books of accounts, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Anand Kumar Daga
Partner
Membership No. 216281
UDIN: 21216281AAAABZ4360

Place: Hyderabad
Date: 5th June 2021

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Balance Sheet as at 31 March, 2021

Amount in Rs.

Particulars	Note No.	As at 31 March 2021 ₹	As at 31 March 2020 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	3.a	14,42,44,311	12,87,75,127
Other intangible assets	3.b	21,40,089	22,64,855
Capital work in progress		2,24,88,809	3,11,50,358
Financial assets			
(i) Other financial assets	4	20,62,723	20,18,622
Income tax assets	4a	4,59,711	3,27,739
Deferred tax Assets (net)	13	88,94,251	-
Other non current assets	4b	-	15,44,530
Total non-current assets		**18,02,89,894**	**16,60,81,231**
Current assets			
Inventories	5	8,02,31,627	7,34,30,351
Financial assets			
(i) Trade receivables	6	7,56,17,530	11,77,70,533
(ii) Cash and cash equivalents	7	7,34,864	7,39,531
(iii) Loans and advances	8	5,000	69,945
Other current assets	9	1,23,71,755	64,95,833
Total current assets		**16,89,60,776**	**19,85,06,193**
Total assets		**34,92,50,670**	**36,45,87,424**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10.a	3,61,96,000	3,61,96,000
Other equity	10.b	(99,18,578)	8,58,299
Total Equity		**2,62,77,422**	**3,70,54,299**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	11	2,87,49,658	4,28,76,331
Provisions	12	38,93,645	39,23,491
Deferred tax liabilities (net)	13	-	3,59,358
Total non - current liabilities		**3,26,43,303**	**4,71,59,180**
Current liabilities			
Financial liabilities			
(i) Borrowings	11	7,67,74,635	7,97,65,236
(ii) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		2,18,14,925	94,46,137
Total outstanding dues of creditors other than micro enterprises and small enterprises		7,17,29,475	6,06,46,530
(iii) Other financial liabilities	15	1,36,49,361	1,26,00,416
Provisions	12	91,209	93,439
Other current liabilities	16	10,62,70,340	11,78,22,187
Total current liabilities		**29,03,29,945**	**28,03,73,945**
Total liabilities		**32,29,73,248**	**32,75,33,125**
Total equity and liabilities		**34,92,50,670**	**36,45,87,424**
See accompanying notes to the standalone IND AS financial statements	**1-38**		

In terms of our report of even date attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

For and on behalf of the Board of Directors

Anand Kumar Daga
Partner
Membership No: 216281
Place: Hyderabad
Date: 05.06.2021

K.G. Ravi
Director
DIN: 03520396

S.K. Naik
Director
DIN: 03533778

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Statement of Profit and Loss for the year ended 31 March, 2021

Amount in Rs.

Particulars	Note No.	Year ended 31 March,2021 ₹	Year ended 31 March,2020 ₹
Income			
Revenue from operations	17	20,90,72,570	24,04,66,062
Other income	18	4,50,268	5,40,568
		20,95,22,838	**24,10,06,630**
Expenses			
Cost of materials consumed	19	11,27,25,204	10,50,99,559
Changes in stock of finished goods, work-in-progress and stock-in-trade	20	(38,27,754)	32,39,066
Employee benefit expense	21	2,93,56,969	3,63,94,446
Finance costs	22	1,30,03,672	1,27,33,662
Depreciation and amortisation expense	23	91,56,815	82,33,168
Other expenses	24	6,92,61,294	9,22,74,469
Total expenses		**22,96,76,200**	**25,79,74,370**
Loss before tax		**(2,01,53,362)**	**(1,69,67,740)**
Tax expense/(benefit):			
Current tax	25		-
Deferred tax	25	(92,68,706)	(9,97,454)
		(92,68,706)	(9,97,454)
Loss before tax		**(1,08,84,656)**	**(1,59,70,286)**
Other comprehensive income/Loss			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans	30	1,45,157	(58,617)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(37,378)	15,094
Other comprehensive income for the year		**1,07,779**	**(43,523)**
Total profit and comprehensive income for the year		**(1,07,76,877)**	**(1,60,13,809)**
Earnings per equity share (for continuing operation):			
Basic and diluted (in Rs.)	31	(3.01)	(20.16)
See accompanying notes to the standalone IND AS financial statements	**1-38**		

In terms of our report of even date attached

For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

For and on behalf of the Board of Directors

Anand Kumar Daga
Partner
Membership No: 216281
Place: Hyderabad
Date: 05.06.2021

K.G. Ravi
Director
DIN: 03520396

S.K. Naik
Director
DIN: 03533778

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Cash Flow Statement for the year ended 31 March 2021

Amount in Rs.

Particulars	Year ended 31 March, 2021		Year ended 31 March, 2020	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net profit / (loss) before extraordinary items and tax		(2,01,53,362)		(1,69,67,740)
Adjustments for:				
Depreciation and amortization	91,56,815		82,33,168	
Profit on sale of assets	(21,226)		26,650	
Finance costs	1,30,03,672		1,27,33,662	
Bad debts written off	-		25,841	
		2,21,39,261		2,10,19,321
Operating profit / (loss) before working capital changes-(1)		**19,85,899**		**40,51,581**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:-(2)				
Inventories	(68,01,276)		(1,90,97,388)	
Trade receivables	4,21,53,003		(4,79,15,210)	
Loans and advances	64,945		3,48,535	
Other financial assets	(44,101)		(14,48,340)	
Other non-current assets	-		20,28,607	
Other current assets	(58,75,922)		(9,90,187)	
Adjustments for (increase) / decrease in operating liabilities:-(3)				
Trade payables	2,34,51,733		(4,37,08,873)	
Provisions(short term and long term)	90,787		3,09,955	
Other financial liabilities	(3,21,036)		83,98,229	
Other current liabilities	(1,15,51,847)		11,66,16,567	
		4,11,66,286		1,45,41,895
Cash generated from operations-(1)+(2)-(3)		**4,31,52,185**		**1,85,93,476**
Net income tax (paid) / refunds		(1,31,972)		(2,43,474)
Net cash flow from / (used in) operating activities (A)		**4,30,20,213**		**1,83,50,002**
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(1,45,33,916)		(4,42,50,914)	
Proceeds from Sale of fixed assets	2,60,000		1,75,549	
		(1,42,73,916)		**(4,40,75,365)**
Net cash flow from / (used in) investing activities (B)		(1,42,73,916)		(4,40,75,365)
C. Cash flow from financing activities				
Issue of share capital (net of issue expenses paid)	-		3,00,00,000	
Net increase / (decrease) in working capital borrowings	-		(3,19,87,291)	
Term loan taken during the year	-		4,00,00,000	
Repaid during the year	(1,57,47,292)		-	
Finance cost	(1,30,03,672)		(1,27,33,662)	
		(2,87,50,964)		2,52,79,047
Net cash flow from / (used in) financing activities (C)		**(2,87,50,964)**		**2,52,79,047**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(4,667)**		**(4,46,316)**
Cash and cash equivalents at the beginning of the year		7,39,531		11,85,847
Cash and cash equivalents at the end of the year(Refer Note No. 7)		**7,34,864**		**7,39,531**
See accompanying notes to the standalone IND AS financial statements	**1 to 38**			

In terms of our report of even date attached

For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

For and on behalf of the Board of Directors

Anand Kumar Daga
Partner
Membership No: 216281
Place: Hyderabad
Date: 05.06.2021

K.G. Ravi
Director
DIN: 03520396

S.K. Naik
Director
DIN: 03533778

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Statement of Changes in Equity for the year ended 31 March 2021

Amount in Rs.

Particulars	As at 31 March,2021		As at 31 March,2020	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,00,000	5,00,00,000	50,00,000	5,00,00,000
(b) Issued, subscribed and fully paid up Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	36,19,600	3,61,96,000	36,19,600	3,61,96,000
	36,19,600	**3,61,96,000**	**36,19,600**	**3,61,96,000**

Particulars	Reserve and Surplus	
	Retained earnings	Other comprehensive income
	₹	₹
Balance as at 1st April, 2019	**1,63,55,084**	**5,17,025**
Additions during the year		
Profit during the year	(1,59,70,286)	
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	(43,523)
Total	**(1,59,70,286)**	**(43,523)**
Reductions during the year:		
Transfer to general reserve	-	-
Total	-	-
Balance as at 31st March, 2020	**3,84,798**	**4,73,502**
Additions during the year		
Profit during the year	(1,08,84,656)	
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	1,07,779
Total	**(1,08,84,656)**	**1,07,779**
Reductions during the year:		
Transfer to general reserve	-	-
Total	-	-
Balance as at 31st March, 2021	**(1,04,99,858)**	**5,81,281**
See accompanying notes to the standalone IND AS financial statements 1-38		

In terms of our report of even date attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

For and on behalf of the Board of Directors

Anand Kumar Daga
Partner
Membership No: 216281
Place: Hyderabad
Date: 05.06.2021

K.G. Ravi
Director
DIN: 03520396

S.K. Naik
Director
DIN: 03533778

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1. **Corporate information**:

The Company is engaged in the business of manufacture of hydraulic components and sub-assemblies for use in hydraulic applications. The company is a 100% subsidiary of Yuken India Limited, engaged in the business of manufacture of Hydraulics equipment and a listed Company. The company carries on its manufacturing operations from Mahadevapura industrial area, Whitefield, Bangalore and Malur, Kolar(dt).

2. **Significant accounting policies:**

2.1 Basis of preparation

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Summary of the other significant accounting policies

a) Use of estimates

The preparation of standalone financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current. A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, plant and equipment

Under previous GAAP (Indian GAAP), Property Plant & Equipment were stated at their original cost, net of Cenvat Credit where applicable (including expenses related to acquisition and installation) except certain Fixed Assets which are adjusted for revaluation.

The company has elected to regard those values of property plant & equipment as deemed cost as on 01-04-2017.

Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company capitalises them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation is calculated on a straight line basis over the useful lives of the assets as follows:

Assets Description	Useful Life (Years)
General plant and machinery	15
Vehicles	10
Computers and data processing equipment	3
Electrical Installation	10
Factory Building	30
Furniture & Fixtures	10
Office Equipments	10

On fixed assets added/disposed of during the year, depreciation is charged on pro– rata basis with reference to the date of addition/disposal.

d) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Since the lease is of short-term (<12 months), Ind AS 116 has no impact on the balances.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

g) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. There is no impact of the adoption of the standard on the standalone financial statements of the Company.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding GST and other taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership and control of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Income is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest. Interest income is included in finance income in the statement of profit and loss.

Dividend income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a First-In-First-Out (FIFO) method.

Work-in-progress, finished goods and stock-in-trade are valued at lower of cost or net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

i) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

j) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Provisions and contingencies

The Company creates a provision when there is present obligation as a result of 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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

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

l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Gratuity liability is provided based on actuarial valuation arrived on the basis of projected unit credit method are determined at the end of each year.

Liabilities towards Leave Encashment Benefit are provided for based on actuarial valuation done at the year end.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. An earnings considered in ascertaining the Company's earnings per share is the net profit for the period attributable to equity shareholders. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

o) Foreign currency transactions and translations

(i) Functional & presentation currency

The standalone financial statements are presented in Indian Rupee (INR), which is the company's functional & presentation currency.

(ii) Transactions & balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

p) Financial instruments

A) Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B) Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C) Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

D) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

> The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

> Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss and where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(ii) Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

q) Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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Notes forming part of Balance Sheet

3. Property plant & equipment

Amount in Rs.

DESCRIPTION	GROSS BLOCK				DEPRECIATION / IMPAIRMENT					NET BLOCK	
	As at 01 April,2020	Additions	Deductions / Adjustments	As at 31 March,2021	As at 01 April,2020	For the Year	Deductions / Adjustments	Impairment loss	As at 31 March,2021	As at 31 March,2021	As at 31 March,2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible assets (A)											
Freehold land	3,19,35,720	-	-	3,19,35,720	-	-	-	-	-	3,19,35,720	3,19,35,720
	(3,19,35,720)	-		(3,19,35,720)	-	-			-	(3,19,35,720)	(3,19,35,720)
Factory buildings	2,48,17,686	20,74,694	-	2,68,92,380	31,16,611	8,31,744	-	-	39,48,355	2,29,44,024	2,17,01,075
	(2,03,02,733)	(45,14,953)		(2,48,17,686)	(23,42,342)	(7,74,269)			(31,16,611)	(2,17,01,075)	(1,79,60,391)
Computer systems	21,21,783	43,900	-	21,65,683	19,23,682	84,606	-	-	20,08,288	1,57,395	1,98,101
	(21,21,783)	-		(21,21,783)	(15,53,524)	(3,70,158)			(19,23,682)	(1,98,101)	(5,68,259)
Office equipment	17,73,671	4,91,289	-	22,64,960	4,40,613	8,54,874	-	-	12,95,487	9,69,473	13,33,058
	(12,70,702)	(5,02,969)		(17,73,671)	(3,29,651)	(1,10,962)			(4,40,613)	(13,33,058)	(9,41,051)
Furniture & fixtures	14,22,158	3,02,130	-	17,24,288	5,68,036	1,06,096	-	-	6,74,132	10,50,156	8,54,122
	(10,06,000)	(4,16,158)		(14,22,158)	(4,90,832)	(77,204)			(5,68,036)	(8,54,122)	(5,15,168)
Plant & machinery	9,69,95,703	1,79,52,466	2,44,000	11,47,04,169	2,60,16,032	67,31,071	5,226	-	3,27,41,877	8,19,62,292	7,09,79,671
	(7,66,33,542)	(2,05,78,812)	(2,16,651)	(9,69,95,703)	(2,01,13,555)	(59,27,939)	(25,462)		(2,60,16,032)	(7,09,79,671)	(5,65,19,987)
Electrical installation	27,08,841	38,75,517	-	65,84,358	11,57,607	3,87,788	-	-	15,45,395	50,38,963	15,51,234
	(14,35,962)	(12,72,879)		(27,08,841)	(9,22,482)	(2,35,125)			(11,57,607)	(15,51,234)	(5,13,480)
Vehicles	5,92,185	-	-	5,92,185	3,70,039	35,859	-	-	4,05,898	1,86,287	2,22,146
	(5,92,185)	-		(5,92,185)	(3,07,437)	(62,602)			(3,70,039)	(2,22,146)	(2,84,748)
Total (A)	**16,23,67,747**	**2,47,39,995**	**2,44,000**	**18,68,63,742**	**3,35,92,620**	**90,32,037**	**5,226**	**-**	**4,26,19,431**	**14,42,44,311**	**12,87,75,127**
PY Numbers	**(13,52,98,627)**	**(2,72,85,771)**	**(2,16,651)**	**(16,23,67,747)**	**(2,60,59,823)**	**(75,58,259)**	**(25,462)**	**-**	**(3,35,92,620)**	**(12,87,75,127)**	**(10,92,38,804)**
Intangible assets (B)											
Software	36,49,720	-	-	36,49,720	13,84,865	1,24,766	-	-	15,09,631	21,40,089	22,64,855
	(29,93,320)	(6,56,400)	-	(36,49,720)	(5,77,783)	(6,74,909)	(1,32,173)		(13,84,865)	(22,64,855)	(24,15,537)
Total (B)	**36,49,720**	**-**	**-**	**36,49,720**	**13,84,865**	**1,24,766**	**-**	**-**	**15,09,631**	**21,40,089**	**22,64,855**
PY Numbers	**(29,93,320)**	**(6,56,400)**	**-**	**(36,49,720)**	**(5,77,783)**	**(6,74,909)**	**(1,32,173)**	**-**	**(13,84,865)**	**(22,64,855)**	**(24,15,537)**
Total (A) +(B)	**16,60,17,467**	**2,47,39,995**	**2,44,000**	**19,05,13,462**	**3,49,77,485**	**91,56,803**	**5,226**	**-**	**4,41,29,062**	**14,63,84,400**	**13,10,39,982**
PY Numbers	**(13,82,91,947)**	**(2,79,42,171)**	**(2,16,651)**	**(16,60,17,467)**	**(2,66,37,606)**	**(82,33,168)**	**(1,57,635)**	**-**	**(3,49,77,485)**	**(13,10,39,982)**	**(11,16,54,341)**
Capital work in progress	3,11,50,358	78,39,211	1,65,00,760	2,24,88,809	-	-	-	-	-	2,24,88,809	3,11,50,358
	(1,47,20,452)	(3,05,90,358)	(1,41,60,452)	(3,11,50,358)	-	-	-	-	-	(3,11,50,358)	(1,47,20,452)
Total	**19,71,67,825**	**3,25,79,206**	**1,67,44,760**	**21,30,02,271**	**3,49,77,485**	**91,56,803**	**5,226**	**-**	**4,41,29,062**	**16,88,73,209**	**16,21,90,340**
PY Numbers	**(15,30,12,399)**	**(5,85,32,529)**	**(1,43,77,103)**	**(19,71,67,825)**	**(2,66,37,606)**	**(82,33,168)**	**(1,57,635)**	**-**	**(3,49,77,485)**	**(16,21,90,340)**	**(12,63,74,793)**

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

4. Other financial assets - non current

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Security deposits	20,62,723	20,18,622
	20,62,723	**20,18,622**

4a. Income tax assets - non current

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Advance tax	4,59,711	3,27,739
	4,59,711	**3,27,739**

4b. Other non current assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Capital advances	-	15,44,530
	-	**15,44,530**

5. Inventories

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Raw materials and components	5,28,95,190	4,95,76,836
Work-in-progress	1,83,78,962	1,58,65,492
Finished goods	89,13,757	75,99,473
Material In-Transit	43,718	3,88,550
Total	**8,02,31,627**	**7,34,30,351**
The mode of valuation of inventories has been stated in note 2 (g)		

6. Trade receivables

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Current		
Trade receivables		
(a) Unsecured, considered good	7,56,17,530	11,77,70,533
(b) Doubtful	-	-
Less: Allowance for credit losses	-	-
	7,56,17,530	**11,77,70,533**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

7. Cash and cash equivalents

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Cash on hand	1,26,899	74,954
Balances with banks		
(i) In current accounts	6,07,965	6,64,577
Cash and cash equivalents as per balance sheet	**7,34,864**	**7,39,531**
Cash and cash equivalents as per statement of cash flows-(A)	**7,34,864**	**7,39,531**

8. Loans and advances

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Current		
Advance to employees	5,000	69,945
Total	**5,000**	**69,945**

9. Other current assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Trade and other advances	44,49,314	8,82,479
Prepaid expenses	27,84,657	29,35,395
Balance with government authorities (including GST)	51,37,784	26,77,959
	1,23,71,755	**64,95,833**

Note 10.a Share capital

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,00,000	5,00,00,000	50,00,000	5,00,00,000
(b) Issued, subscribed and fully paid up Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	36,19,600	3,61,96,000	36,19,600	3,61,96,000
	36,19,600	**3,61,96,000**	**36,19,600**	**3,61,96,000**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Refer notes (i) to (iii) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March, 2021	
	Number of shares	₹ (In Lakhs)
Equity shares with voting rights		
As at 31 March, 2020*	36,19,600	361.96
As at 31 March, 2021	36,19,600	361.96

***Rights issue:**

On March 10th, 2020, the company made a rights issue to its single existing shareholder of 30,00,000 shares at an issue price of Rs.10/- per share.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2021	
	Number of shares held	% holding in that class of shares
Equity shares with voting rights		
- Yuken India Limited	36,19,200	99.94

(iii) Right, preferences and restrictions attached to shares

The Company has issued only one class of equity share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval by the share holders at the ensuing Annual General Meeting.

10.b Other equity

	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Surplus in statement of profit and loss		
Opening balance	8,58,299	1,68,72,108
Add :- Transferred form other comprehensive Income for the Year	1,07,779	(43,523)
Add:- Net profit/(loss) for the Year	(1,08,84,656)	(1,59,70,286)
Total	**(99,18,578)**	**8,58,299**

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Financial liabilities

Note 11 Borrowings

Non-current borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Secured - at amortised cost		
(i) Loans		
from banks*	2,87,49,658	4,28,76,331
	2,87,49,658	**4,28,76,331**

***Terms of loan :**

Repayment Details	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
HDFC term loan 4 years (including 6 months moratorium) Facility of ₹ 13,687,733 at 11.5% rate of interest	10,01,331	10,01,331
SMBC term loan Principal in 16 equal quarterly instalment over 4 years after 1 year moratorium Interest monthly (even in moratorium period) Facility of ₹ 50,000,000 at 9.3% rate of interest quarterly reset	2,77,48,327	4,18,75,000

Current borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Secured - at amortised cost		
(i) Loans		
from banks	7,67,74,635	7,97,65,236
	7,67,74,635	**7,97,65,236**

Notes:

i) Primary security - First charge on inventory, book debts and movable fixed assets of the company

ii) Secondary security -a) Corporate guarantee by Yuken India Limited

-b) First charge on Industrial Land with shed there on bearing no B59, situated at Industrial Estate, Dyavasandra, Mahadevapura, Bangalore-560048

Note 12 Provisions

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Gratuity	58,273	57,474
Compensated leave absences	32,936	35,965
Current	**91,209**	**93,439**
Gratuity	26,85,677	26,74,024
Compensated leave absences	12,07,968	12,49,467
Non-current	**38,93,645**	**39,23,491**
	39,84,854	**40,16,930**

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 13 Deferred tax balances

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Deferred tax liabilities	**1,00,11,567**	**78,63,755**
On difference between book balance and tax balance of fixed assets	1,00,11,567	78,63,755
Deferred tax assets	**1,89,05,818**	**75,04,397**
Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	11,45,732	12,00,647
Unabsorbed depreciation carried forward / brought forward business losses	1,77,60,086	63,03,750
Net deferred tax liabilities/ (assets)	**(88,94,251)**	**3,59,358**

Note 14 Trade payables

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Current		
Total outstanding dues of creditors to micro enterprises and small enterprises	2,18,14,925	94,46,137
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,17,29,475	6,06,46,530
	9,35,44,400	**7,00,92,667**

Note 15 Other financial liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Current		
Current maturities of long term debt	1,35,01,673	1,21,31,692
Interest accrued but not due on borrowings	1,47,688	4,68,724
	1,36,49,361	**1,26,00,416**

Note 16 Other current liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Statutory liabilities (includes GST, ESI, TDS, profession tax & provident fund)	60,98,786	6,50,458
Advance from customers	10,01,71,554	11,71,71,729
	10,62,70,340	**11,78,22,187**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 17 Revenue from operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
(a) Revenue from sale of products	19,96,38,182	23,75,22,157
(b) Revenue from sale of services	71,94,631	17,52,999
(c) Scrap sale	22,39,757	11,90,906
Total revenue from operations	**20,90,72,570**	**24,04,66,062**

Note 18 Other income

c) Other non-operating income (net of expenses directly attributable to such income)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
a) Rental Income	4,20,000	4,20,000
b) Miscellaneous receipts	9,042	1,20,568
c) Profit on sale of Assets	21,226	-
Total of other income	**4,50,268**	**5,40,568**

Note 19 Cost of materials consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Opening stock	4,95,76,836	2,76,28,932
Add: Purchases	11,60,43,558	12,70,47,463
	16,56,20,394	**15,46,76,395**
Less: Closing stock	5,28,95,190	4,95,76,836
Cost of materials consumed	**11,27,25,204**	**10,50,99,559**

Note 20 changes in inventories of finished goods, work in progress and stock-in-trade

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Inventories at the end of the year:		
Finished goods	89,13,757	75,99,473
Work-in-progress	1,83,78,962	1,58,65,492
	2,72,92,719	**2,34,64,965**
Inventories at the beginning of the year:		
Finished goods	75,99,473	1,51,15,826
Work-in-progress	1,58,65,492	1,15,88,205
	2,34,64,965	**2,67,04,031**
Net (increase) / decrease	**(38,27,754)**	**32,39,066**

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 21 employee benefits expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Salaries and wages	2,51,82,485	3,09,87,129
Contribution to provident and other funds (see note 29)	22,78,266	26,46,966
Staff welfare expenses	18,96,218	27,60,351
Total	**2,93,56,969**	**3,63,94,446**

Note 22 Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Interest costs :-		
(i) Interest on bank overdrafts and loans (other than those from related parties)	97,74,956	1,13,99,275
(ii) Other Borrowing costs	32,28,716	13,34,387
	1,30,03,672	**1,27,33,662**

Note 23 Depreciation and amortization expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Depreciation of property, plant and equipment pertaining to continuing operations	90,32,049	75,58,259
Amortisation of intangible assets (Note 3)	1,24,766	6,74,909
Total depreciation and amortisation expense	**91,56,815**	**82,33,168**

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 24 Other Expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Sub-contracting charges	2,83,11,092	4,73,38,571
Contract Labour charges	1,13,60,994	1,29,21,735
Freight charges	32,38,111	63,40,372
Power and fuel	49,00,361	60,24,940
Rates and taxes	15,18,302	4,68,884
Rent	15,88,203	10,58,776
Insurance	14,35,561	7,15,503
Repairs and maintenance		
- Building	10,59,217	14,16,984
- Machinery	65,44,193	64,28,247
- Others	11,73,285	15,55,493
Legal and professional charges	41,39,270	30,92,387
Payment to auditors		
- Statutory audit	2,25,000	2,25,000
- Tax audit	50,000	50,000
- Other services	65,000	65,000
Travelling & conveyance expenses	2,73,265	11,11,579
Bad debts written off	-	25,841
Loss on sale of asset	-	26,650
Communication expenses	2,85,610	2,38,825
Printing & stationary	1,83,910	2,02,076
Security charges	11,63,917	11,57,160
Miscellaneous expenses	17,46,002	18,10,446
Total	**6,92,61,294**	**9,22,74,469**

Note 25 Income Tax Expense/(Benefit)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Current Tax		
In respect of the current year	-	-
Deferred Tax		
In respect of the current year	(92,68,706)	(9,97,454)
	(92,68,706)	**(9,97,454)**
Total income tax expense/(benefit) recognised in the current year.	**(92,68,706)**	**(9,97,454)**

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 26

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
26.1 Expenditure in foreign currency:		
Raw materials & Components	14,96,306	25,60,244
Fixed Assets	-	98,34,572
26.2. Estimated amount of contracts remaining to be executed on capital account and not provided for	-	43,04,611

Note 27 Contingent liabilities (to the extent not provided for)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Demand received from tax authorities		
Income tax	2,71,922	1,41,908

Note 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,18,14,925	94,46,137
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1,42,635	66,079
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1,42,635	66,079
Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

Note 29 Employee benefits expenses

Defined contribution plans

The company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund for the year aggregated to ₹ 18,60,403 /- (previous year :₹ 21,53,815 /-)

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Defined benefit plans

Gratuity

The Company offers the following employee benefit schemes to its employees:

(i) Gratuity (included as part of (b) in Note 21 Employee benefits expense)

The following table sets out the funded status of gratuity and the amount recognised in the standalone financial statements:

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Fair value of plan assets		
Present value of obligations	27,43,950	27,31,498
Net asset / (liability) recognised in the Balance Sheet	**(27,43,950)**	**(27,31,498)**

Classification into current and non-current

The liability/(asset) in respect of each of the plan comprises of the following current and non-current portions:

Particulars	Non -Current		Current	
	As on 31 March, 2021	As on 31 March, 2020	As on 31 March, 2021	As on 31 March, 2020
Gratuity	26,85,677	26,74,024	58,273	57,474
	26,85,677	**26,74,024**	**58,273**	**57,474**

Movement in present values of defined benefit obligations

Particulars	Gratuity	
	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹	₹
Defined benefit obligation at the beginning of the year	27,31,498	25,32,051
Past Service cost		-
Current service cost	2,68,266	2,98,398
Interest cost	1,86,975	1,95,383
Actuarial (gains) / losses	(1,45,157)	58,617
Benefits paid	(2,97,632)	(3,52,951)
Present value of defined benefit obligation at year end	**27,43,950**	**27,31,498**

Expense recognised in Statement of profit and loss

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹	₹
Current service cost	2,68,266	2,98,398
Interest on obligation	1,86,975	1,95,383
Past Service Cost	-	-
Total expense recognised in the Statement of Profit and Loss	**4,55,241**	**4,93,781**

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 30 Expense recognised in Other Comprehensive Income

Particulars	Gratuity	
	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹	₹
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	(1,637)
- change in financial assumptions	(63,429)	1,16,881
- experience variance (i.e. Actual experience vs assumptions)	(81,728)	(56,627)
Total expense recognised in Other Comprehensive Income	**(1,45,157)**	**58,617**

Principal actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages) for gratuity plan:

Particulars	Gratuity		Compensated absences	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Discount rate	6.80%	6.85%	6.80%	6.85%
Estimated rate of return on plan assets	-	-	-	-
Attrition rate	-	-	-	-
Future salary increases	2% for the two years and 5% thereafter	2% for the two years and 5% thereafter	2% for the two years and 5% thereafter	2% for the two years and 5% thereafter
Retirement age	58 years	58 years	58 years	58 years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Sensitivity analysis :

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	30,71,157	24,63,583	30,88,954	24,28,485
(% change compared to base due to sensitivity)	11.90%	-10.20%	13.10%	-11.10%
Salary Growth Rate (- / + 1%)	24,55,229	30,75,519	24,19,495	30,93,773
(% change compared to base due to sensitivity)	-10.50%	12.10%	-11.40%	13.30%
Attrition Rate (- / + 50% of attrition rates)	27,11,994	27,72,750	26,93,192	27,65,681
(% change compared to base due to sensitivity)	-1.20%	1.00%	-1.40%	1.30%
Mortality Rate (- / + 10% of mortality rates)	27,42,317	27,45,577	27,29,655	27,33,333
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 31 Earnings per share

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹	₹
Basic and diluted		
Net loss for the year from operations attributable to the equity shareholders ₹	(1,08,84,656)	(1,59,70,286)
Weighted average number of equity shares	36,19,600	7,92,203
Earnings per share from operations - Basic and diluted- ₹	(3.01)	(20.16)

Note 32 Segment reporting

The company's predominant risks and returns are from the segment of hydraulic components and sub-assemblies for use in hydraulic applications, which constitutes a single business segment and is governed by similar set of risks and returns.. The operations of the Company primarily cater to the market in India, which the management views as a single segment. The management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment.

Note 33 Related party disclosures

Particulars	Year ended 31 March,2021
Related party transactions	
Description of relationship	**Name of related party**
Holding company	Yuken India Limited
Fellow subsidiary	Grotek Enterprises Private Limited
Fellow subsidiary	Yuflow Engineering Private Limited
Fellow subsidiary	Kolben Hydraulics Limited
Key management personnel	S K Naik

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Details of transactions	Year Ended	
	31 March 2021	31 March 2020
	₹	₹
Holding company		
- Purchase of goods and services	20,42,96,495	14,44,136
- Purchase of fixed asset	1,52,18,045	3,68,392
- Sales of goods and services	31,13,513	25,85,26,754
- Sales of asset	2,57,258	-
- Corporate guarantee received	-	5,00,00,000
Fellow subsidiary	-	-
Yuflow Engineering Private Limited	-	-
- Purchase of goods	25,725	56,967
- Sales of goods	3,78,855	9,35,458
- Rental Income	4,95,600	-
Grotek Enterprises Private Limited	-	-
- Sales of goods	1,00,01,166	74,93,767
- Sales of asset	-	11,88,866
- Purchase of goods	8,22,460	12,92,447
- Purchase of asset	1,47,736	-
Kolben Hydraulics Limited		
- Sales of goods	94,400	1,37,176
- Purchase of goods	-	56,640
Amount outstanding (receivables)		
Holding company	-	
Yuken India Limited	6,60,17,549	(3,01,99,973)
Fellow subsidiary	-	-
Yuflow Engineering Private Limited	99,66,508	90,43,336
Kolben Hydraulics Limited	4,67,576	3,73,176
Grotek Enterprises Private Limited	4,33,27,098	1,40,54,193
Amount outstanding (payables)		
Holding company	-	
Yuken India Limited	-	87,00,398
Fellow subsidiary	-	-
Kolben Hydraulics Limited	-	56,640
Yuflow Engineering Private Limited	71,438	56,712
Grotek Enterprises Private Limited	36,87,972	10,08,223
Guarantees outstanding		
Holding company	-	-
Yuken India Limited	18,50,00,000	18,50,00,000

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 34 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Note No.	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
Assets :				
Loans				
(i) Loan to employees	**8**	5,000	-	-
Cash and cash equivalents	**7**	7,34,864	-	-
Other financial assets				
(i) Security deposits	**4**	20,62,723	-	-
Trade receivables	**6**	7,56,17,530	-	-
Total		**7,84,20,117**	**-**	**-**
Liabilities:				
Borrowings	**11**	10,55,24,293	-	-
Other financial liabilities				
(i) Trade payables	**14**	9,35,44,400	-	-
Current maturities of long term debt	**15**	1,35,01,673	-	-
Total		**21,25,70,366**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Note No.	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
Assets :				
Loans				
(i) Loan to employees	**8**	69,945	-	-
Cash and cash equivalents	**7**	7,39,531	-	-
Other financial assets				
(i) Security deposits	**4**	20,18,622	-	-
Trade receivables	**6**	11,77,70,533	-	-
Total		**12,05,98,631**	**-**	**-**
Liabilities:				
Borrowings	**11**	12,26,41,567	-	-
Other financial liabilities				
(i) Trade payables	**14**	7,00,92,667	-	-
Current maturities of long term debt	**15**	1,21,31,692	-	-
Total		**20,48,65,926**	**-**	**-**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

Note 35 Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying value of financial instruments by categories as follows:

Particulars	Note No.	2020-21	2019-20
		₹	₹
Financials measured at amortized costs:			
Financial assets			
(i) Loan to employees	**8**	5,000	69,945
Trade receivable *	**6**	7,56,17,530	11,77,70,533
Cash and cash equivalents and other bank balances			
Cash and cash equivalents #	**7**	7,34,864	7,39,531
Financial liabilities measured at amortized cost:			
Borrowings	**11**	11,90,25,966	13,47,73,259
Trade Payables *	**14**	9,35,44,400	7,00,92,667

*The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

These accounts are considered to be highly liquid/ liquid and the carrying amount of these are considered to be the same as their fair value.

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

36. Financial risk management

Risk management framework

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at 31 March 2021	As at 31 March 2020
	₹	₹
Loan to employees	5,000	69,945
Cash and cash equivalents	7,34,864	7,39,531
Security deposits	20,62,723	20,18,622
Trade receivables	7,56,17,530	11,77,70,533
	7,84,20,117	**12,05,98,631**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers(Related Parties) primarily located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue, Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years
	₹	₹	₹
Borrowings	9,02,76,308	2,87,49,658	-
Trade payables	9,35,44,400	-	-
Other current liabilities	10,62,70,340	-	-
	29,00,91,048	**2,87,49,658**	**-**
As at 31 March 2020	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**
	₹	₹	₹
Borrowings	9,18,96,928	4,28,76,331	-
Trade payables	7,00,92,667	-	-
Other current liabilities	11,78,22,187	-	-
	27,98,11,782	**4,28,76,331**	**-**
Total			**32,26,88,113**

(C) Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The company has no transactions which would carry any interest rate risk or foreign currency risk in regards to fair value or future cash flows of financial instruments.

Coretec Engineering India Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 37 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
Accounting profit before tax and exceptional item	(2,01,53,362)	(1,69,67,740)
Tax on accounting profit at statutory income tax rate [27.82%] (PY 25.75%)	(56,06,665)	(43,69,193)
Reconciling items:		
Tax effect on permanent non-deductible expenses	-	-
Tax adjustments of Prior Years	-	-
Others	1,48,75,371	33,71,739
At the effective income tax rate of 27.82% (PY 25.75%)	**92,68,706**	**(9,97,454)**
Income tax expense reported in the Statement of Profit and Loss	**(92,68,706)**	**(9,97,454)**

Note 38 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report of even date attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

For and on behalf of the Board of Directors

Anand Kumar Daga
Partner
Membership No: 216281
Place: Hyderabad
Date: 05.06.2021

K.G. Ravi
Director
DIN: 03520396

S.K. Naik
Director
DIN: 03533778

1. GROTEK ENTERPRISES PRIVATE LIMITED

NOTICE

NOTICE is hereby given that the **24th** Annual General Meeting of the Members of **GROTEK ENTERPRISES PRIVATE LIMITED** will be held on Thursday, 09th September, 2021 at 10.00 AM at the Registered Office of the Company situated at No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru - 560048, to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. H M Narasinga Rao (DIN: 00529717) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139 and Section 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, M/s. V K A N & Associates, Chartered Accountants (Registration No. 014226S), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company and the Board of Directors be and are hereby authorized to fix the remuneration for the said auditors in consultation with them."

By Order of the Board,
For GROTEK ENTERPRISES PRIVATE LIMITED

C P Rangachar
Director
DIN: 00310893

Place: Bengaluru
Date: 05.06.2021

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form duly signed must be deposited at the registered office of the Company not less than 48 hours before the time of holding meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company atleast seven days before the date of Annual General Meeting to enable the Company to keep the information ready at the meeting.

BOARD'S REPORT

To,
The Members of
Grotek Enterprises Private Limited.

The Board of Directors are pleased to present the **24th** Annual Report of the Company together with the audited financial statements for the year ended 31st March, 2021.

FINANCIAL RESULTS:

Financial highlights:

(Rs. In Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Total Income	**4,021.28**	**4,613.18**
Total expenditure	3,685.15	4,328.57
Profit/(Loss) before interest, depreciation and tax	336.13	284.61
Finance cost	125.82	82.45
Depreciation	281.58	235.54
Profit/(Loss) before Tax	**(71.27)**	**(33.38)**
Provision for taxation (Net of deferred tax)	(24.23)	(8.64)
Profit/(loss) after tax	**(47.04)**	**(24.74)**
Net comprehensive income for the year	(0.97)	(0.12)
Total comprehensive income for the year	**(48.01)**	**(24.86)**
Balance in Statement of profit and loss	**(220.06)**	**(195.20)**
Amount available for appropriation	**(268.07)**	**(220.06)**
Appropriations:		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
Balance carried to Balance Sheet	**(268.07)**	**(220.06)**

PERFORMANCE REVIEW:

During the year, your Company has earned total revenue of Rs. 4,021.28 lakhs as compared to Rs. 4,613.18 lakhs of previous year. The total revenue is decreased due to COVID-19 pandemic situation globally. The Company has registered net loss of Rs. 48.01 lakhs.

Your Directors are making all efforts to ensure optimal operational results in coming years and achieving higher margins. Directors are putting effort to control the cost and thereby improving the profitability in line with the increase in the revenue.

ANNUAL RETURN:

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the Company, if any and the web-link of such annual return shall be disclosed in the Board's report. Whereas since the Company do not have its website, hence the web-link is not given.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year 2020-21, there were 4 Board Meetings held on the following dates; 26.06.2020, 05.08.2020, 05.11.2020 and 11.02.2021.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:

(a) In the preparation of the annual accounts, 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 as at the end of the financial year and of the profit and loss of the Company for that period;

(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 had laid down internal financial controls to be followed by the Company as applicable to the subsidiaries of listed companies and such internal financial controls are adequate and were operating effectively; and

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not made any loans or advances or given guarantees or provided securities or made investments in other bodies corporate during the financial year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts or arrangements with related parties, entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business.

As per requirements of Indian Accounting Standard 24, the transactions with related parties are disclosed in the Note No. 28 of the Notes forming part of the financial statements in the Annual Report.

A statement in Form AOC-2 pursuant to the provisions of Clause (h) of sub-section (3) of section 134 of the Act read with sub-rule (2) of rule 8 of Companies (Accounts) Rules, 2014 is furnished in "***Annexure-1***" is forming part of this report.

DETAILS OF AMOUNTS TRANSFEREED TO RESERVES:

The Company has not transferred any amount to reserves during the year.

DIVIDEND:

Your directors do not recommend any dividend for the financial year ended 31st March, 2021 to conserve cash for the future expansion.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:

To curb the effects of the COVID-19 pandemic, The Company has undertaken several measures to operate in the safest ways possible.

The recent Second wave of Covid-19 also affected all the industries very badly. On impact of Second wave, due to lock down in the State of Karnataka from mid of April-2021, our Company also operating at a low capacity. We hope very soon we shall see a positive outcome.

Apart from this, there has been no material changes and commitments, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed there under, the particulars relating to conservation of energy, technology absorption and foreign earnings and outgo is given below:

1). CONSERVATION OF ENERGY:

The Company has taking several steps on continual basis to conserve energy. The details as below:

- In order to reduce the electricity consumption in factory, 400 Watts Sodium vapour lamps are replaced with 100 / 50 Watts LED lights.
- VFD are installed for Polygonal sieve drive and other areas.
- Pressure control devices are installed for Power packs.
- Polycarbonate sheets are fixed on sides of the building which improved natural lighting.
- Energy efficient pumps are installed for furnace cooling system.
- Foundry returns are being shot blasted to reduce the Melting Energy consumption.
- Scrap size is reduced to increase the charge density and to reduce power consumption.

2). TECHNOLOGY ABSORPTION:

The Company has no activity relating to technology absorption.

3). FOREIGN EXCHANGE EARNINGS AND OUTGO:

SI. No.	Particulars	As on 31.03.2021 (Amt in INR)	As on 31.03.2020 (Amt in INR)
01	Foreign Exchange Outgo	48,60,903	77,94,759
02	Foreign Exchange earning	1,60,89,223	4,10,49,313

DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the year 2020-21.

BOARD OF DIRECTORS:

The Board comprises following Directors:

Sl. No	Name of the Directors	Designation
1.	C P Rangachar	Director
2.	H M Narasinga Rao	Director
3	Premchander	Director

Mr. H M Narasinga Rao- Director, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

INDEPENDENT DIRECTORS:

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 but Dr. Premchander was appointed as Director as per the regulation 24 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and necessary declarations was obtained.

KEY MANAGERIAL PERSONNEL:

Pursuant provisions of section 203 of the Companies Act, 2013, Mr. Vinayak Hegde was Company Secretary of the Company.

REMUNERATION POLICY:

The provisions of Section 178(1) of the Companies Act, 2013 is not applicable to Company. However, remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The employees at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

SUBSIDIARY:

The Company do not have any subsidiary companies, associate companies and joint ventures.

STATUS OF THE COMPANY:

The Company is a wholly-owned subsidiary of **YUKEN INDIA LIMITED.**

INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

DEPOSITS:

During the year under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014.

Pursuant to the Ministry of Corporate Affairs (MCA) notification amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies (ROC) the requisite returns for outstanding receipt of money/loan by the Company, which is not considered as deposits.

MATERIAL ORDERS PASSED BY REGULATORY AUTHORITIES:

There are no significant and material orders passed by the regulators or courts or tribunals during the year, impacting the going concern status and company's operations in future.

RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk Management is a structured approach to manage uncertainty. Although the Company does not have a formal risk management policy but a formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. Key business risks and their mitigation are also considered in the annual / strategic business plans and in periodic management reviews.

DETAILS OF REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements of the Company, during the year 2020-21.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by Institute of Company Secretaries of India.

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

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2021.

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

Not Applicable.

DISCLOSURE FOR MAINTENANCE OF COST RECORDS AS PER SECTION 148(1):

During the year under review, the Company has maintained the books of accounts and other related records as per rules prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES:

During the year under review, the Company had no employees who earned remuneration beyond the limits specified under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

HUMAN RESOURCES:

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company has always recognized talent and has judiciously followed the principle of rewarding performance.

SHARE CAPITAL:

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014:

Sl. No.	Particulars	Disclosure
1	Issue of Equity shares with differential rights	Nil
2	Issue of Sweat Equity shares	Nil
3	Issue of employee stock option	Nil
4	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

As on March 31, 2021 the authorized share capital of the Company is Rs. 6,00,00,000/- consisting of 60,00,000 equity shares of Rs. 10/- each. The paid up Share Capital of the Company is Rs. 5,01,00,000/- consisting of 50,10,000 Equity Shares of Rs. 10/- each. During the year under review, Company has not issued any shares or any convertible instruments.

STATUTORY AUDITORS:

M/s. V K A N & ASSOCIATES, Chartered Accountants, Bengaluru, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and Auditors have confirmed their eligibility and willingness to accept the office of the Auditors if reappointed. Accordingly, certificate U/s.141 of the Companies Act, 2013, has been received from them.

The Board hereby proposes re-appointment for the further period of five years subject to approval of shareholders at the ensuing Annual General Meeting.

The Statutory Auditor's Report for FY 2020-21 does not contain any qualifications reservation or adverse remark.

Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act. The Auditor's Report is enclosed with the financial statements.

SECRETARIAL AUDITORS:

As per the Regulation 16 (1) (c) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 the Company is a material subsidiary of Yuken India Limited for the FY 2020-21 and as per the provisions of regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, Secretarial Audit is applicable to Company.

Hence, Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Company has appointed M/s. A A A & Co., Company Secretaries to undertake the Secretarial Audit of the Company for FY 2020-21. The Secretarial Auditor's Report for FY 2020-21 does not contain any qualifications. The Report of the Secretarial Audit attached as '***Annexure 2'*** is forming part of this report.

The Board of Directors have re-appointed M/s. A A A & Co, Company Secretary in Practice to conduct the Secretarial Audit for FY 2021-22 also.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company does not have a formal Anti Sexual Harassment policy in place but has adequate measures including checks and corrections in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the year 2020-21, no complaint of sexual harassment has been received.

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to the Customers, bankers, business associates, consultants, Regulatory authorities, various Government Authorities and all the stakeholders for their continued support extended to your Company's activities during the year. Your Directors also acknowledge their gratitude to the Shareholders of the Company, for their continuous support and confidence reposed on the Company. Your Directors wish to place on record their appreciation of the dedicated and untiring hard work put by the employees at all levels.

On behalf of the Board
For GROTEK ENTERPRISES PRIVATE LIMITED

Place: Bengaluru	**C P RANGACHAR**	**H M NARASINGA RAO**
Date: 05.06.2021	Director	Director
	DIN: 00310893	DIN: 00529717

Annexure-1

Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	NA
(c)	Duration of the contracts / arrangements/transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	date(s) of approval by the Board	NA
(g)	Amount paid as advances, if any	NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Date(s) of approval by the Board, if any	-
(f)	Amount paid as advances, if any	-

Note: All related party transactions are in the ordinary course of business and on arm's length basis. Please refer transactions reported in Note No. 28 of the Notes forming part of the financial statements in the Annual Report.

For GROTEK ENTERPRISES PRIVATE LIMITED

Place: Bengaluru
Date: 05.06.2021

C P RANGACHAR
Director
DIN: 00310893

H M NARASINGA RAO
Director
DIN: 00529717

Annexure-2

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

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

To,

The Members,
GROTEK ENTERPRISES PRIVATE LIMITED
NO. 16-C, Doddanekundi Industrial Area II Phase,
Mahadevapura Bangalore 560048 IN

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **GROTEK ENTERPRISES PRIVATE LIMITED** (hereinafter called the company). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2021** according to the provisions of:

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

(ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made there under [**Not Applicable**];

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under [**Not Applicable**];

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable**];

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014); [**Not Applicable**];

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [**Not Applicable**];

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [**Not Applicable**];

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 **[To the extent Applicable to a material subsidiary as defined in Regulation 16 (1) (c) of the said Regulations]**.

(vi) The other Laws as applicable specifically to the Company are as under,

a) Indian Stamp Act, 1899 and State Stamp Acts.

b) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

c) The Employees' State Insurance Act, 1948

d) The Child labour [Prohibition and Regulation] Act, 1986,

e) The Water (Prevention and Control of Pollution) Act, 1974

f) The Water (Prevention and Control of Pollution) Cess Act, 1977

g) The Air (Prevention and Control of Pollution) Act, 1981

h) The Environment (Protection) Act, 1986

i) The Hazardous Wastes (Management and Handling) Rules, 1989

j) The Factories Act, 1948

k) The Karnataka Tax On Professions, Trades, Callings And Employment Act, 1976

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st October, 2017 (Revised versions).

(ii) The Listing Agreements entered into by the Company [**Not Applicable**];

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review there were no changes in the composition of the Board of directors.

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

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were Unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the year under review, there were no instances of:

i. Public/Right/Preferential issue of shares / debentures/ sweat equity, etc.

ii. Redemption / buy-back of securities

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

iv. Merger / amalgamation / reconstruction, etc. or

v. Foreign technical collaborations

For AAA & Co
Company Secretaries

Abhishek Bharadwaj A B
Practicing Company Secretary
FCS No: 8908
C P No.: 13649
UDIN: F008908C000283875

Date: 12.05.2021
Place: Bengaluru

Note: our report of even date is to be read along with our letter of even date which is annexed as Annexure – 1 and forms an integral part of this report.

Annexure – 1

To,

The Members,
GROTEK ENTERPRISES PRIVATE LIMITED
NO. 16-C, Doddanekundi Industrial Area II Phase,
Mahadevapura Bangalore 560048 IN

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

Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for our opinion.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimers

1. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
2. For the reporting year, we were not in a position to physically examine the company's premises for the purpose of audit Due to COVID 19 epidemic. Therefore, we are relaying on the representations received form the company for due compliance of the applicable statues at the company's workplace.

Signature:
Name of Company Secretary in Practice:
Abhishek Bharadwaj A B
FCS No.: 8908
C P No.: 13649

Date: 12.05.2021
Place: Bengaluru

Independent Auditor's Report

To the Members of Grotek Enterprises Private Limited

Report on the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Grotek Enterprises Private Limited (**"*the Company*"**) which comprises the Balance Sheet as at March 31, 2021, 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 then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS 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 on the standalone Ind AS financial statements.

Emphasis of matter

We draw attention to Note 2.2(a) to the standalone Ind AS financial statements which describes the effects as a result of COVID-19 on the Company's business. Our opinion is not modified in respect of this matter.

Management's responsibility for the standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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

i. 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.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Padam Prakash Mehta
Partner
Membership No. 230042
UDIN: 21230042AAAABD4948

Place: Bangalore
Date: 5th June 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Grotek Enterprises Private Limited of even date)

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 Grotek Enterprises Private Limited ("the Company") as of March 31, 2021 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 ('ICAI'). 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.

Auditor's 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 judgment, 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.

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 authorisations of management

and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2021, 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 **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Padam Prakash Mehta
Partner
Membership No. 230042
UDIN: 21230042AAAABD4948

Place: Bangalore
Date: 5th June 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Grotek Enterprises Private Limited of even date)

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

(b) The fixed assets were physically verified during the year by the Management with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no transactions in respect of loans, investments, guarantees, and security as per provisions of section 185 and 186 of the Companies Act, 2013. Thus, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits as on March 31, 2021.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

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

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

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

(c) There are no disputed dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2021

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any borrowings from financial institutions and has not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 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 etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of Section 177 of the Companies Act, 2013 do not apply to the Company.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or \private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Padam Prakash Mehta
Partner
Membership No. 230042
UDIN: 21230042AAAABD4948

Place: Bangalore
Date: 5th June 2021

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Balance Sheet as at March 31, 2021

Amount in Rs.

Particulars	Note No	As at 31st March 2021 ₹	As at 31st March 2020 ₹
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3.a	28,72,58,054	19,90,59,082
Capital Work In Progress		29,06,864	8,91,66,820
Other Intangible Assets	3.b	1,75,26,945	1,83,52,479
Income Tax Assets	4a	2,77,295	1,55,623
Other Non Current Assets	4b	84,06,085	31,57,813
Total Non - Current Assets		**31,63,75,243**	**30,98,91,817**
Current Assets			
Inventories	5	6,83,09,360	7,24,49,141
Financial Assets			
(i) Trade Receivables	6	6,63,62,277	5,67,99,600
(ii) Cash and Cash Equivalents	7	26,60,775	14,68,842
Other Current Assets	8	1,95,46,990	1,76,14,338
Total Current Assets		**15,68,79,402**	**14,83,31,921**
Total Assets		**47,32,54,645**	**45,82,23,738**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	5,01,00,000	5,01,00,000
Other Equity	10	(2,68,06,726)	(2,20,05,804)
Total Equity		**2,32,93,274**	**2,80,94,196**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	5,18,75,000	7,81,25,000
Provisions	12	67,78,390	92,46,616
Deferred Tax Liabilities (Net)	13	1,57,15,272	1,81,38,742
Total Non - Current Liabilities		**7,43,68,662**	**10,55,10,358**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	5,40,01,561	5,15,30,616
(ii) Trade Payables	14		
Total Outstanding dues of Micro and Small Enterprises		2,78,73,298	1,74,42,414
Total Outstanding dues of Creditors other than Micro and Small Enterprises		11,07,76,364	10,65,72,131
(iii) Other Financial Liabilities	15	2,62,50,000	1,92,18,750
Provisions	12	10,34,338	18,57,503
Other Current Liabilities	16	15,56,57,148	12,79,97,770
Total Current Liabilities		**37,55,92,709**	**32,46,19,184**
Total Liabilities		**44,99,61,371**	**43,01,29,542**
Total Equity and Liabilities		**47,32,54,645**	**45,82,23,738**
See Accompanying notes to the IND AS Financial Statements	**1-35**		

In terms of our report of even date attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

Padam Prakash Mehta
Partner
Membership No: 230042

Place : Bangalore
Date : 05.06.2021

For and on Behalf of the Board of Directors

C.P. Rangachar
Director
DIN: 00310893

H.M. Narasinga Rao
Director
DIN: 00529717

Vinayak Hegde
Company Secretary
ACS No: 48364

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Statement of Profit and Loss for the Year Ended March 31, 2021

Amount in Rs.

Particulars	Note No.	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
Income			
Revenue from Operations	17	38,85,17,706	45,45,41,996
Other Income	18	1,36,10,287	67,76,141
		40,21,27,993	**46,13,18,137**
Expenses			
Cost of Materials Consumed	19	17,97,84,152	22,64,56,693
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	20	93,98,159	(2,54,18,464)
Employee benefit expenses	21	3,89,63,231	4,62,82,029
Finance Costs	22	1,25,81,550	82,45,294
Depreciation and Amortisation Expense	23	2,81,57,679	2,35,54,231
Other Expenses	24	14,03,70,678	18,55,36,648
		40,92,55,449	**46,46,56,431**
Loss Before Tax		**(71,27,456)**	**(33,38,294)**
Tax Expense/(Benefit):	25		
Current Tax		-	-
MAT Credit		-	-
Deferred Tax		(24,23,470)	(8,63,871)
Total Tax Expense/(Benefit)		(24,23,470)	(8,63,871)
Loss Before Tax		**(47,03,986)**	**(24,74,423)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the Defined Benefit Liabilities / (Asset)		(1,40,281)	(17,618)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		43,347	5,444
Other Comprehensive Income for the year		**(96,934)**	**(12,174)**
Total Loss and Comprehensive Income for the year		**(48,00,920)**	**(24,86,597)**
Earnings per Equity Share:			
Basic and Diluted (₹)	29	(0.94)	(0.49)
See Accompanying notes to the IND AS Financial Statements	**1-35**		

In terms of our report of even date attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

Padam Prakash Mehta
Partner
Membership No: 230042

Place : Bangalore
Date : 05.06.2021

For and on Behalf of the Board of Directors

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DIN: 00310893

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Director
DIN: 00529717

Vinayak Hegde
Company Secretary
ACS No: 48364

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Statement of Cash Flows for the year ended 31st March 2021

Amount in Rs.

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	₹	₹	₹	₹
A. Cash flow from Operating Activities				
Net Profit / (Loss) before Extraordinary Items and Tax		(71,27,456)		(33,38,294)
Adjustments for:				
Depreciation and Amortization	2,81,57,679		2,35,54,231	
Finance Costs	1,25,81,550		82,45,294	
Profit/Loss on sale of Fixed Assets	(64,615)		-	
Bad Debts Written Off	5,573		14,78,057	
Liabilities no longer required written off	(3,94,883)		(25,39,172)	
Net unrealised exchange (Gain) / Loss	(1,10,667)		(5,905)	
		4,01,74,638		3,07,32,505
Operating Profit / (Loss) before Working Capital Changes		3,30,47,182		2,73,94,211
Changes in Working Capital:				
Adjustments for (Increase) / Decrease in Operating Assets:				
Inventories	41,39,781		(3,61,21,655)	
Trade Receivables	(94,57,583)		6,25,40,752	
Other Non-Current Asset			(12,63,424)	
Other Current Asset	(19,32,652)		33,07,494	
Adjustments for (Increase) / Decrease in Operating Liabilities:				
Trade Payables	(1,50,30,000)		99,82,795	
Provisions(Short Term and Long Term)	33,88,325		(3,60,807)	
Other Non-Current Liabilities	-		-	
Other Current Liabilities	(2,76,59,375)		1,98,31,849	
		3,20,50,596		(9,90,670)
Cash Generated from Operations		**6,50,97,778**		**2,64,03,541**
Net Income Tax (Paid) / Refunds		1,21,672		35,47,959
Net Cash Flow from / (Used in) Operating Activities (A)		**6,49,76,106**		**2,28,55,582**
B. Cash Flow from Investing Activities				
Capital Expenditure on Fixed Assets, including Capital Advances	(3,61,75,403)		(4,73,28,229)	
Proceeds from Sale of Fixed Assets	17,20,585			
		(3,44,54,818)		(4,73,28,229)
Net Cash Flow from / (Used in) Investing Activities (B)		**(3,44,54,818)**		**(4,73,28,229)**
C. Cash Flow from Financing Activities				
Proceeds from Issue of Share Capital				
Loan Taken	-		4,75,00,000	
Net Increase / (Decrease) in Long Term Borrowings	(1,92,18,750)		(1,92,18,750)	
Net Increase / (Decrease) in Working Capital Borrowings	24,70,945		43,95,183	
Finance Cost	(1,25,81,550)		(82,45,294)	
		(2,93,29,355)		2,44,31,139
Net Cash Flow from / (Used in) Financing Activities (C)		**(2,93,29,355)**		**2,44,31,139**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**11,91,933**		**(41,508)**
Cash and Cash Equivalents at the beginning of the year		14,68,842		15,10,350
Cash and Cash Equivalents at the end of the year(Refer Note No 7)		**26,60,775**		**14,68,842**
See Accompanying Notes to the IND AS Financial Statements	**1-35**			

In terms of our report of even date attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

Padam Prakash Mehta
Partner
Membership No: 230042

Place : Bangalore
Date : 05.06.2021

For and on Behalf of the Board of Directors

C.P. Rangachar
Director
DIN: 00310893

H.M. Narasinga Rao
Director
DIN: 00529717

Vinayak Hegde
Company Secretary
ACS No: 48364

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Statement of Changes in Equity for the year ended 31st March 2021

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares	₹	Number of Shares	₹
(a) Authorised				
Equity Shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	60,00,000	6,00,00,000	60,00,000	6,00,00,000
(b) Issued, subscribed and fully paid up				
Equity Shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,10,000	5,01,00,000	50,10,000	5,01,00,000
	50,10,000	**5,01,00,000**	**50,10,000**	**5,01,00,000**

Particulars	Reserve and Surplus	
	Retained Earnings	Other Comprehensive Income
	₹	₹
Balance as at 1st April, 2019	(2,05,20,003)	10,00,796
Additions during the year		
Profit during the year	(24,74,423)	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	(12,174)
Total	**(2,29,94,426)**	**9,88,622**
Reductions during the year:		
Transfer to General Reserve	-	-
Total		
Balance as at 31st March, 2020	**(2,29,94,426)**	**9,88,622**
Additions during the year		
Profit during the year	(47,03,986)	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	(96,934)
Total	**(47,03,986)**	**(96,934)**
Reductions during the year:		
Transfer to General Reserve	-	-
Total		
Balance as at 31st March, 2021	**(2,76,98,412)**	**8,91,688**
See Accompanying Notes to the IND AS Financial Statements		**1-35**

In terms of our report of even date attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

Padam Prakash Mehta
Partner
Membership No: 230042

Place : Bangalore
Date : 05.06.2021

For and on Behalf of the Board of Directors

C.P. Rangachar
Director
DIN: 00310893

H.M. Narasinga Rao
Director
DIN: 00529717

Vinayak Hegde
Company Secretary
ACS No: 48364

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021

1. **Corporate Overview**:

The Company is engaged in the business of manufacture of cast iron castings. The Company is a 100% subsidiary of Yuken India Limited, engaged in the business of manufacture of Hydraulics equipment and a listed Company. The Company carries on its manufacturing operations from Mahadevapura Industrial Area, Whitefield, Bangalore and Malur, Kolar District

2. **Significant Accounting Policies:**

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods upto 31 March 2017 the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

2.2 Summary of the Other Significant Accounting Policies

a) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

b) Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, Plant and Equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company capitalises them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation is calculated on a straight line basis over the useful lives of the assets as follows:

Assets Description	Useful Life (Years)
General Plant and Machinery	15
Computers and Data Processing Equipment	6.169
Electrical Installation	15
Furniture & Fixtures	10
Office Equipments	21.05

On fixed assets added/disposed of during the year, depeciation is charged on pro– rata basis with reference to the date of addition/disposal.

d) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Since the lease is of short-term (<12 months), Ind AS 116 has no impact on the balances.

e) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

g) Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. There is no impact of the adoption of the standard on the financial statements of the Company

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding GST and other taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of Goods

Revenue from the sale of goods is recognised when the control of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest Income

Income is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest. Interest income is included in finance income in the statement of profit and loss.

Dividend Income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a Moving average value.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.

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

i) Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

j) Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

► When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

► In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

► When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

► In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of 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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

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

l) Retirement and other Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Gratuity liability is provided based on actuarial valuation arrived on the basis of projected unit credit method are determined at the end of each year.

Liabilities towards Leave Encashment Benefit are provided for based on actuarial valuation done at the year end.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

m) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. An earnings considered in ascertaining the Company's earnings per share is the net profit for the period attributable to equity shareholders. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

o) Foreign Currency transactions and translations

(i) Functional & Presentation currency

The financial statements are presented in Indian Rupee (INR), which is the company's functional & presentation currency.

(ii) Transactions & balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetory assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non Monetory items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

p) Financial Instruments

A) Initial Recognition and Measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B) Subsequent Measurement

a) Financial Assets carried at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

D) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

>The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

>Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss and where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(ii) Financial Liabilities

A. Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

q) Fair Value Hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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Summary of significant accounting policies and other explanatory information for the year ended 31st March 2021 (cont'd)

3.a Property, Plant and Equipment (Amounts in brackets indicate previous year numbers)

Amount in Rs.

TANGIBLE ASSETS	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
Particulars	Balance as at 1st April,2020	Additions	Deductions/ Adjustments	Balance as at 31st March, 2021	Balance as at 1st April,2020	Depreciation For the year	Eliminated on Deductions /Adjustments	Balance as at 31st March, 2021	Balance as at 31st March, 2021	Balance as at 31st March, 2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Owned										
Computer Systems	13,50,221	1,02,291	-	14,52,512	6,59,154	1,76,891	-	8,36,045	6,16,467	6,91,067
	(10,78,871)	(2,71,350)	-	(13,50,221)	(5,71,821)	(87,333)	-	(6,59,154)	(6,91,067)	(5,07,050)
Office Equipments	14,89,147	45,777	-	15,34,924	7,64,581	70,657	-	8,35,238	6,99,686	7,24,566
	(14,85,910)	(3,237)	-	(14,89,147)	(4,03,797)	(3,60,784)	-	(7,64,581)	(7,24,566)	(10,82,113)
Furniture / Fixtures	19,13,765	-	-	19,13,765	7,71,513	1,82,790	-	9,54,303	9,59,462	11,42,252
	(19,13,765)	-	-	(19,13,765)	(5,45,258)	(2,26,255)	-	(7,71,513)	(11,42,252)	(13,68,507)
Plant Machinery & Equipment	20,01,79,977	11,22,65,326	10,05,767	31,14,39,536	5,46,16,361	2,12,51,613	2,35,905	7,56,32,069	23,58,07,467	14,55,63,616
	(17,61,76,011)	(2,40,03,966)	-	(20,01,79,977)	(3,78,77,634)	(1,67,38,727)	-	(5,46,16,361)	(14,55,63,616)	(13,82,98,377)
Jigs/Fixtures	3,00,24,873	-	12,99,044	2,87,25,829	81,67,054	23,57,477	4,81,733	1,00,42,798	1,86,83,031	2,18,57,819
	(3,00,24,873)	-	-	(3,00,24,873)	(58,08,265)	(23,58,789)	-	(81,67,054)	(2,18,57,819)	(2,42,16,608)
Electrical Installation	2,09,31,480	36,33,040	-	2,45,64,520	46,21,163	13,99,750	-	60,20,913	1,85,43,606	1,63,10,317
	(2,06,05,929)	(3,25,551)	-	(2,09,31,480)	(32,88,681)	(13,32,482)	-	(46,21,163)	(1,63,10,317)	(1,73,17,248)
Motor vehicles	8,19,910	2,12,627	-	10,32,537	2,68,375	81,642	-	3,50,017	6,82,520	5,51,535
	(7,76,910)	(43,000)	-	(8,19,910)	(1,93,882)	(74,493)	-	(2,68,375)	(5,51,535)	(5,83,028)
Building	1,43,84,523	7,86,276	2,96,616	1,48,74,183	21,66,613	16,69,575	2,27,820	36,08,368	1,12,65,816	1,22,17,910
	(46,12,336)	(97,72,187)	-	(1,43,84,523)	(6,68,008)	(14,98,605)	-	(21,66,613)	(1,22,17,910)	(39,44,328)
Total (A)	**27,10,93,896**	**11,70,45,337**	**26,01,427**	**38,55,37,806**	**7,20,34,814**	**2,71,90,396**	**9,45,458**	**9,82,79,752**	**28,72,58,054**	**19,90,59,082**
PY numbers	**(23,66,74,605)**	**(3,44,19,291)**	**-**	**(27,10,93,896)**	**(4,93,57,346)**	**(2,26,77,468)**	**-**	**(7,20,34,814)**	**(19,90,59,082)**	**(18,73,17,259)**
Capital Work in Progress	8,91,66,820	2,14,28,114	10,76,88,070	29,06,864	-	-	-	-	29,06,864	8,91,66,820
	(2,38,53,677)	(9,67,77,101)	(3,14,63,958)	(8,91,66,820)	-	-	-	-	(8,91,66,820)	(2,38,53,677)
Total (B)	**8,91,66,820**	**2,14,28,114**	**10,76,88,070**	**29,06,864**	-	-	-	-	**29,06,864**	**8,91,66,820**
PY numbers	**(2,38,53,677)**	**(9,67,77,101)**	**(3,14,63,958)**	**(8,91,66,820)**	-	-	-	-	**(8,91,66,820)**	**(2,38,53,677)**

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Summary of significant accounting policies and other explanatory information for the year ended 31st March 2021 (cont'd)

3.b Other Intangible Assets (Amounts in brackets indicate previous year numbers)

Amount in Rs.

INTANGIBLE ASSETS	Gross carrying amount				Accumulated Amortisation				Net carrying amount	
Particulars	Balance as at 1st April,2020	Additions	Deductions/ Adjustments	Balance as at 31st March, 2021	Balance as at 1st April, 2020	Amortisation expense for the year	Eliminated on Deductions/ Adjustments	Balance as at 31st March, 2021	Balance as at 31st March, 2021	Balance as at 31st Mar, 2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Other than Internally Generated										
Software	47,97,462	1,41,750	-	49,39,212	29,74,912	9,67,284	-	39,42,196	9,97,016	18,22,550
	(47,61,472)	(35,990)	-	(47,97,462)	(20,98,149)	(8,76,763)	-	(29,74,912)	(18,22,550)	(26,63,323)
Other Intangible Asset *	1,65,29,929	-	-	1,65,29,929	-	-	-	-	1,65,29,929	1,65,29,929
	(1,65,29,929)	-	-	(1,65,29,929)	-	-	-	-	(1,65,29,929)	(1,65,29,929)
Total	**2,13,27,391**	**1,41,750**	-	**2,14,69,141**	**29,74,912**	**9,67,284**	-	**39,42,196**	**1,75,26,945**	**1,83,52,479**
PY Numbers	**(2,12,91,401)**	**(35,990)**	-	**(2,13,27,391)**	**(20,98,149)**	**(8,76,763)**	-	**(29,74,912)**	**(1,83,52,479)**	**(1,91,93,252)**

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

4a. Income Tax Assets

Amount in Rs.

Particulars	As at 31st March, 2021	As at 31st March,2020
	₹	₹
Advance Tax	2,77,295	1,55,623
Total	**2,77,295**	**1,55,623**

4b. Other Non Current Assets

Particulars	As at 31st March, 2021	As at 31st March,2020
	₹	₹
Capital Advance	52,48,272	-
Minimum Alternate Tax (MAT) Credit Entitlement	31,57,813	31,57,813
Total	**84,06,085**	**31,57,813**

5. Inventories

Particulars	As at 31st March, 2021	As at 31st March,2020
	₹	₹
(i) Raw Materials and Components	3,15,69,801	2,63,11,423
(ii) Finished Goods	3,67,39,559	4,61,37,718
Total	**6,83,09,360**	**7,24,49,141**

6. Trade Receivables

Particulars	As at 31st March, 2021	As at 31st March,2020
	₹	₹
Current		
Trade Receivables		
(a) Unsecured, considered good		
- From Related Parties	1,24,25,300	1,22,56,972
- From Others	5,39,36,977	4,45,42,628
(b) Unsecured, considered doubtful		
- From Related Parties	-	-
- From Others	53,061	53,061
Less: Allowance for credit losses	53,061	53,061
Total	**6,63,62,277**	**5,67,99,600**

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

7. Cash and Cash Equivalents

Particulars	As at 31st March, 2021	As at 31st March,2020
	₹	₹
Cash on Hand	36,467	37,205
Balances with Banks		
(i) In Current Accounts	25,24,308	14,31,637
(ii) In Deposit Accounts	1,00,000	
Total	**26,60,775**	**14,68,842**

8. Other Current Assets

Particulars	As at 31st March, 2021	As at 31st March,2020
	₹	₹
Balances with Govt Authorities (Includes TDS,TCS, GST & Custom duty receivable)	17,48,566	15,62,115
Employee Advances	40,000	4,35,552
Prepaid Expenses	56,23,568	46,93,221
Advance to Vendors	1,21,34,856	1,09,23,450
Total	**1,95,46,990**	**1,76,14,338**

9. Equity Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares	₹	Number of Shares	₹
(a) Authorised Equity Shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	60,00,000	6,00,00,000	60,00,000	6,00,00,000
(b) Issued, Subscribed and fully paid up Equity Shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,10,000	5,01,00,000	50,10,000	5,01,00,000
	50,10,000	**5,01,00,000**	**50,10,000**	**5,01,00,000**

Refer notes (i) to (iii) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	₹	Number of shares	₹
Equity shares with voting rights				
Balances as at the beginning of the year	50,10,000	5,01,00,000	50,10,000	5,01,00,000
Add: Issued and Subscribed during the year				
Balance at the end of the year	50,10,000	5,01,00,000	50,10,000	5,01,00,000

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

(ii) Terms and Rights attached to Equity Shares

The Company has issued only one class of equity share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval by the share holders at the ensuing Annual General Meeting.

(iii) Details of Shares held by each shareholder holding more than 5% shares:

Class of Shares / Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares
Equity Shares with voting rights				
Yuken India Limited, the Holding Company	50,09,990	99.9998%	50,09,990	99.9998%
H M Narasinga Rao	10	0.0002%	10	0.0002%

Note 10 Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Surplus in Statement of Profit and Loss		
Opening Balance	(2,20,05,804)	(1,95,19,207)
Add :- Transferred from Other Comprehensive Income for the year	(96,934)	(12,174)
Add:- Net Profit/(Loss) for the Year	(47,03,986)	(24,74,423)
Total	**(2,68,06,726)**	**(2,20,05,804)**

11. Financial Liabilities

(i) Borrowings

Non Current Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Secured - at Amortised Cost		
(i) Loans		
from Banks	5,18,75,000	7,81,25,000
Total	**5,18,75,000**	**7,81,25,000**

Terms of Loan (Refer Note below):

Repayment Details	₹	Rate of Interest
Principal in 16 equal quarterly installment over 4 years after 1 year moratarium Interest charged monthly (including the period of moratarium)	10,00,00,000	7.70 % reset quarterly

Note : Security details for the term loan taken from Sumitomo Mitsui Banking Corporation:

Corporate Guarantee given by Yuken India Limited amounting to ₹ 100,000,000/-

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

Current Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Secured - at Amortised Cost		
(i) Loans		
from Banks	5,40,01,561	5,15,30,616
Total	**5,40,01,561**	**5,15,30,616**

Secured Working Capital Loans from Banks (refer notes below):

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
HDFC Bank Limited		
Loan limit	6,00,00,000	6,00,00,000
Amount outstanding	5,40,01,561	5,15,30,616
Repayable on demand		
Interest rate - 9.75%		

Notes:

i) Primary security - First charge on inventory, book debts and movable fixed assets of the company

ii) Secondary security - Corporate guarantee by Yuken India Limited

12. Provisions

Non Current Provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Gratuity	34,59,977	55,74,104
Compensated leave absences	33,18,413	36,72,512
Total	**67,78,390**	**92,46,616**

Current Provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Gratuity	1,42,187	3,89,517
Compensated leave absences	3,67,021	3,54,109
Superannuation	5,25,130	11,13,877
Total	**10,34,338**	**18,57,503**

Grotek Enterprises Private Limited
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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

13. Deferred Tax Balances

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Deferred Tax Liabilities	**3,57,18,611**	**2,78,12,376**
On difference between book balance and tax balance of fixed assets	3,57,18,611	2,78,12,376
Deferred Tax Assets	**2,00,03,339**	**96,73,634**
Provision for gratuity, compensated absences and provision for doubtful debts	22,51,056	32,65,029
Unabsorbed depreciation carried forward / brought forward business losses	1,77,52,283	64,08,605
Total	**1,57,15,272**	**1,81,38,742**

14. Trade Payables

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Current		
Due to Micro Enterprises and Small Enterprises	2,78,73,298	1,74,42,414
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	11,07,76,364	10,65,72,131
TOTAL	**13,86,49,662**	**12,40,14,545**

15. Other Financial Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Current Maturities of Long Term Debt		
- Banks	2,62,50,000	1,92,18,750
TOTAL	**2,62,50,000**	**1,92,18,750**

16. Other Current Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Current		
Statutory Liablities (includes GST, ESI, TDS, Profession Tax & Provident Fund)	36,74,151	18,48,142
Advance from customers {Includes Advance from holding company of ₹ 15,14,45,424/- (2020: 12,39,61,027/-)}	15,19,82,997	12,61,49,628
TOTAL	**15,56,57,148**	**12,79,97,770**

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

Note 17 Revenue from Operations

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	₹	₹
(a) Revenue from Sale of Products	38,80,89,335	45,22,14,905
(b) Revenue from Sale of Services	-	48,368
(c) Sale of Scrap	4,28,371	22,78,723
Total	**38,85,17,706**	**45,45,41,996**

Note 18 Other Income

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	₹	₹
(a) Foreign Exchange Gain(Net)	1,10,667	5,905
(b) Sale of Patterns	8,92,018	3,77,870
(c) Liabilities no longer required written back	3,94,883	25,39,172
(d) Profit on Sale of Asset	64,616	-
(d) Miscellaneous incomes*	1,21,48,103	38,53,194
Total	**1,36,10,287**	**67,76,141**

* Miscellaneous income includes refund of electricity tax received from BESCOM vide Order no CCE/BRAZ/CA/AO/AAO/F-302(3)/2020-21/320-24 dated 16 July 2020. Refund amounts to Rs. 11,179,347/- from 7-Feb-2017 to 7-Feb-2021.

Note 19 Cost of Materials Consumed

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	₹	₹
Opening Stock	2,63,11,423	1,56,08,232
Add: Purchases	18,50,42,530	23,71,59,884
	21,13,53,953	**25,27,68,116**
Less: Closing Stock	3,15,69,801	2,63,11,423
Cost of Materials Consumed	**17,97,84,152**	**22,64,56,693**

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

Note 20 Changes in Inventories of Finished Goods, Work In Progress and Stock-In-Trade

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	₹	₹
Inventories at the end of the year:		
Finished Goods	3,67,39,559	4,61,37,718
	3,67,39,559	**4,61,37,718**
Inventories at the beginning of the year:		
Finished Goods	4,61,37,718	2,07,19,254
	4,61,37,718	**2,07,19,254**
Net (Increase) / Decrease	**93,98,159**	**- 2,54,18,464**

Note 21 Employee Benefits Expense

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	₹	₹
Salaries and Wages	3,47,15,940	3,82,20,086
Contribution to provident and other funds (see note 27)	26,09,452	29,85,573
Staff Welfare Expenses	16,37,839	50,76,370
Total	**3,89,63,231**	**4,62,82,029**

Note 22 Finance Costs

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	₹	₹
Interest costs :-		
Interest on bank overdrafts and loans (other than those from related parties)	1,25,81,550	67,16,046
Interest on loans from related parties	-	15,29,248
Total	**1,25,81,550**	**82,45,294**

Note 23 Depreciation and Amortization Expense

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	₹	₹
Depreciation of property, plant and equipment pertaining to continuing operations	2,71,90,395	2,26,77,468
Amortisation of intangible assets (Note 3.b)	9,67,284	8,76,763
Total	**2,81,57,679**	**2,35,54,231**

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

Note 24 Other Expenses

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	₹	₹
Sub-contracting charges	1,28,10,530	1,56,85,783
Contract Labour wages	2,36,30,270	3,98,09,792
Power and fuel	6,96,44,214	9,08,35,053
Rent	78,82,172	74,78,435
Repair and maintenance		
- Building	-	6,19,557
- Machinery	1,06,87,754	99,38,879
- Others	21,95,835	11,44,262
Insurance	18,66,431	20,80,880
Rates and taxes	74,765	3,85,675
Travelling & conveyance expenses	21,61,701	31,34,002
Freight and carriage	4,38,640	4,70,959
Legal and professional charges	21,21,648	47,38,006
Payment to auditors		
- Statutory audit	3,75,000	3,75,000
- Tax audit	50,000	50,000
- Other services	1,88,500	2,05,000
- Reimbursement of expenses	43,066	56,874
Bad debts write off	5,573	14,78,057
Communication	5,37,683	4,65,705
Printing and stationery expenses	3,52,883	4,18,569
Office maintenance	13,71,662	21,20,284
Security expenses	27,54,444	28,56,961
Miscellaneous expenses	11,77,907	11,88,915
Total	**14,03,70,678**	**18,55,36,648**

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

Note 25

Particulars	Year ended	
	31st March 2021	31st March 2020
25.1. Expenditure in foreign currency		
- Purchase of goods	45,22,001	52,88,405
- Capital goods	3,38,902	25,06,354
25.2. Earnings in foreign currency (Sale of goods - Export)	1,60,89,223	4,10,49,313
25.3. Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
25.4. Contingent liabilities not provided for	-	-
25.5. Claims against the company not acknowledged as debts	-	-

26. Dues to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Company.

Particulars	Year ended	
	31st March 2021	31st March 2020
(i) The principal amount remaining unpaid to any supplier at the end of each accounting year;	2,78,73,298	1,74,42,414
(ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	1,25,099	1,71,525
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1,25,099	1,71,525
Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The same has been relied upon by the auditors.		

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

27. Employee Benefits Expenses

Defined Contribution Plans

The company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund for the year aggregated to Rs.17,48,270/- (Previous year :Rs.20,39,190/-).

Defined Benefit Plans

Gratuity

The Company offers the following employee benefit schemes to its employees:

(i) Gratuity (included in Note 21 Employee benefits expense)

(ii) Long-term compensated absences (included as part of (a) in Note 21 Employee benefits expense)

The following table sets out the funded status of gratuity and the amount recognised in the financial statements:

Particulars	31st March 2021	31st March 2020
	₹	₹
Fair value of plan assets		-
Present value of obligations	(36,02,164)	(59,63,621)
Liability/(Asset) recognised in the balance sheet	36,02,164	59,63,621
Plan Assets at the end of the year	-	-

Classification into Current and Non-Current

The liability/(asset) in respect of each of the plan comprises of the following current and non-current portions:

Particulars	Non -Current		Current	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
	₹	₹	₹	₹
Gratuity	34,59,977	55,74,104	1,42,187	3,89,517
	34,59,977	**55,74,104**	**1,42,187**	**3,89,517**

Movement in present values of Defined Benefit Obligations

Particulars	Gratuity	
	31st March 2021	31st March 2020
	₹	₹
Defined Benefit Obligation at the beginning of the year	59,63,621	51,71,387
Current service cost	4,18,555	5,43,860
Interest Expense or Cost	3,99,280	3,99,044
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions		(2,249)
- Change in financial assumptions	(1,64,440)	2,10,797
- experience variance (i.e. Actual experiencevs assumptions)	3,04,721	(1,90,930)
Benefits Paid	(33,19,573)	(1,68,288)
Past service cost		-
Present value of Defined Benefit Obligation at year end	**36,02,164**	**59,63,621**

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

Expense Recognised in Statement of Profit and Loss

Particulars	Gratuity	
	31st March 2021	31st March 2020
	₹	₹
Current service cost	4,18,555	5,43,860
Past service cost	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	3,99,280	3,99,044
Total Expense Recognised in the Statement of Profit and Loss	**8,17,835**	**9,42,904**

Expense Recognised in Other Comprehensive Income

Particulars	Gratuity	
	31st March 2021	31st March 2020
	₹	₹
Re-measurement (or actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	-	(2,249)
- Change in financial assumptions	(1,64,440)	2,10,797
- Experience variance (i.e. actual experience vs assumptions)	3,04,721	(1,90,930)
Total Expense Recognised in Other Comprehensive Income	**1,40,281**	**17,618**

Principal Actuarial Assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages) for compensated leave absences:

Particulars	Gratuity		Compensated absence	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Discount rate	6.85%	6.70%	6.85%	6.70%
Estimated rate of return on plan assets	-	-	-	-
Attrition rate	-	-	-	-
Future salary increases	2% for the two years and 5% thereafter	2% for the two years and 5% thereafter	2% for the two years and 5% thereafter	2% for the two years and 5% thereafter
Retirement age	58 years	58 years	58 years	58 years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	31st March 2021	31st March 2020
	₹	₹
Impact of change in the discount rate		
Impact due to increase of 1%	(3,73,087)	(5,28,740)
Impact due to decrease of 1%	4,33,981	6,11,742
Impact of change in the salary growth rate		
Impact due to increase of 1%	4,39,944	6,19,639
Impact due to decrease of 1%	(3,84,338)	(5,44,451)
Impact of change in the attrition rate		
Impact due to increase of 50%	39,234	45,369
Impact due to decrease of 50%	(42,913)	(49,640)
Impact of change in the mortality rate		
Impact due to increase of 10%	1,982	2,422
Impact due to decrease of 10%	(1,989)	(2,430)

28. Related Party Disclosures

Nature of Relationship	Name of Related Party
Holding company	Yuken India Limited
Fellow subsidiary	Coretec Engineering India Private Limited
	Yuflow Engineering Private Limited
Key management personnel	H M Narasinga Rao - Director
	Vinayak Hegde - Company Secretary

Related Party Transactions	Year ended	
	31st March 2021	31st March 2020
	₹	₹
Holding Company		
- Purchase of goods (including GST)	21,64,556	46,09,187
- Issue of equity shares		
- Sale of goods and services	13,27,55,718	12,50,93,975
- Rent expense	82,64,108	79,88,567
- Corporate guarantee received	31,72,115	-
- Finance costs		35,80,964
- Expenses incurred	3,17,561	3,07,356
- Purchase of Assets	16,27,844	6,69,128
- Sale of Assets	3,18,600	-
Managerial Remuneration		
Vinayak Hegde	1,50,000	1,00,000

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

Related Party Transactions	Year ended	
	31st March 2021	31st March 2020
	₹	₹
Fellow Subsidiary		
Coretec Engineering India Private Limited		
- Purchase of goods	18,73,835	59,79,140
- Sale of goods	9,70,195	12,04,787
- Expenses to be reimbursed to Coretec	18,13,758	
- Sale of assets	-	-
- Purchase of assets	63,13,574	11,88,866
Yuflow Engineering Private Limited		
- Sale of goods	17,75,126	4,70,047
Kolben Hydraulics Limited		
- Sale of goods	4,19,283	2,33,655
- Purchase of goods	1,33,106	-

Balances Outstanding at the end of the year

Holding Company		
- Advance Payable	15,06,12,555	12,30,54,947
- Corporate Guarantee Received	16,00,00,000	16,00,00,000
Fellow Subsidiary		
Coretec Engineering India Private Limited		
- Net Payable / (Receivable)	1,98,19,565	1,30,45,969
Yuflow Engineering Private Limited		
- Net Payable / (Receivable)	(4,66,363)	5,22,841
Kolben Hydraulics Limited		
- Net Payable / (Receivable)	(3,16,086)	(2,65,324)

29. Earnings per Share

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Basic and Diluted		
Net loss for the year from operations attributable to the equity shareholders	(47,03,986)	(24,74,423)
Weighted average number of equity shares (January 2017 the company issued 50,00,000 fresh equity shares)	50,10,000	50,10,000
Earnings per share from operations - Basic and diluted-Rs.	(0.94)	(0.49)

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

30. Segment Reporting

The Company is predominantly engaged in foundry business catering to Hydraulics, Automobile, Machine Tools, Textile Machinery, Earth moving, Agriculture and Material Handling industries which constitutes a single business segment and is governed by similar set of risks and returns.. The operations of the Company primarily cater to the market in India, which the management views as a single segment. The management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment.

31. Fair Value Measurements

(i) Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as of 31st March 2021 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
Assets :				
Loans				
Loan to employees	**8**	40,000	-	-
Cash and cash equivalents	**7**	26,60,775	-	-
Trade Receivables	**6**	6,63,62,277	-	-
Total		**6,90,63,052**	**-**	**-**
Liabilities:				
Borrowings	**11**	10,58,76,561	-	-
Other financial liabilities				
(i) Trade payables	**14**	13,86,49,662	-	-
Current maturities of long term debt	**15**	2,62,50,000	-	-
Total		**27,07,76,223**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31st March 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
Assets :				
Loans				
Loan to employees	**8**	4,35,552	-	-
Cash and cash equivalents	**7**	14,68,842	-	-
Trade Receivables	**6**	5,67,99,600	-	-
Total		**5,87,03,994**	**-**	**-**
Liabilities:				
Borrowings	**11**	12,96,55,616	-	-
Other financial liabilities				
(i) Trade payables	**14**	12,40,14,545	-	-
Current maturities of long term debt	**15**	1,92,18,750	-	-
Total		**27,28,88,911**	**-**	**-**

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of Financial Assets and Liabilities measured at Amortised Cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

32. Fair Value Hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying value of financial instruments by categories as follows:

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
		₹	₹
Financials measured at Amortized Costs:			
Financial assets			
(i) Loan to employees	**8**	40,000	4,35,552
Trade receivable *	**6**	6,63,62,277	5,67,99,600
Cash and Cash Equivalents and other Bank Balances			
Cash and cash equivalents #	**7**	26,60,775	14,68,842
Financial Liabilities measured at Amortized Cost:			
Borrowings	**11**	10,58,76,561	12,96,55,616
Trade payables *	**15**	13,86,49,662	12,40,14,545
Current Maturities of long term debt	**15a.**	2,62,50,000	1,92,18,750

*The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.

Accordingly, these are classified as level 3 of fair value hierarchy.

These accounts are considered to be highly liquid/ liquid and the carrying amount of these are considered to be the same as their fair value.

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

33. Financial Risk Management

Risk Management Framework

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit Risk Analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets Under Credit Risk	As at 31st March 2021	As at 31st March 2020
	₹	₹
Loan to employees	40,000	4,35,552
Cash and cash equivalents	36,467	37,205
Bank balances other than cash and cash equivalents	26,24,308	14,31,637
Capital Advances		
Trade receivables	6,63,62,277	5,67,99,600
	6,90,63,052	**5,87,03,994**

A1 Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers(Related Parties) primarily located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue, Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

A2 Cash and Cash Equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial Assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial Assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

(B) Liquidity Risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of Financial Liabilities

As at 31st March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
	₹	₹	₹	₹
Borrowings	8,02,51,561	5,18,75,000	-	13,21,26,561
Trade payables	13,86,49,662	-	-	13,86,49,662
Others	-	-	-	-
Total	**21,89,01,223**	**5,18,75,000**	**-**	**27,07,76,223**

Maturities of Financial Liabilities

As at 31st March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
	₹	₹	₹	₹
Borrowings	7,07,49,366	7,81,25,000	-	14,88,74,366
Trade payables	12,40,14,545	-	-	12,40,14,545
Others	-	-	-	-
Total	**19,47,63,911**	**7,81,25,000**	**-**	**27,28,88,911**

(C) Market Risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The company has no transactions which would carry any interest rate risk or foreign currency risk in regards to fair value or future cash flows of financial instruments.

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Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 (cont'd)

Amount in Rs.

34. Reconciliation of Tax Expense and the Accounting Profit

Particulars	Year ended 31st March 2021 ₹	Year ended 31st March 2020 ₹
Accounting Profit Before Tax and Exceptional Item	(71,27,456)	(33,38,294)
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	(19,82,858)	(9,28,713)
Tax effect on permanent non-deductible expenses	-	-
Tax effect of MAT		-
Tax adjustments of prior years	-	-
Change in tax rate		-
Effect of unabsorbed business losses	-	-
Others	(4,40,612)	64,842
At the effective income tax rate of 27.82% (PY 27.82%)	**(24,23,470)**	**(8,63,871)**
Income tax expense reported in the Statement of Profit and Loss	**(24,23,470)**	**(8,63,871)**

Note 35. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report of even date attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Padam Prakash Mehta

Partner

Membership No: 230042

Place : Bangalore
Date : 05.06.2021

For and on Behalf of the Board of Directors

C.P. Rangachar
Director
DIN: 00310893

H.M. Narasinga Rao
Director
DIN: 00529717

Vinayak Hegde
Company Secretary
ACS No: 48364

3. KOLBEN HYDRAULICS LIMITED

NOTICE

NOTICE is hereby given that the **14th** Annual General Meeting of the Members of **KOLBEN HYDRAULICS LIMITED** will be on held on Wednesday, 08th September, 2021 at 10.00 AM at the Registered Office of the Company at P B No 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Lakkur Hobli, Malur Taluk, Malur, Kolar -563130, to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. K Gopalkrishna (DIN: 00529760) who retires by rotation, and being eligible, offers himself for re-appointment.

By Order of the Board,
For KOLBEN HYDRAULICS LIMITED

Suresh Kannan Varadhan
Whole Time Director
DIN: 03280922

Date: 05th June, 2021
Place: Bengaluru

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form duly signed must be deposited at the registered office of the Company not less than 48 hours before the time of holding meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company atleast seven days before the date of Annual General Meeting to enable the Company to keep the information ready at the meeting.

BOARD'S REPORT

To,

The Members of
KOLBEN HYDRAULICS LIMITED.

The Board of Directors are pleased to present the 14th Annual Report of the business and operations of the Company together with the audited financial statements for the year ended 31st March, 2021.

FINANCIAL RESULTS:

Financial highlights:

(Rs. In Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Total Income	**420.32**	**476.39**
Total expenditure	483.77	578.26
Profit/(Loss) before interest, depreciation and tax	**(63.45)**	**(101.87)**
Finance cost	-	-
Depreciation	10.29	10.85
Profit/(Loss) before tax	**(73.74)**	**(112.72)**
Provision for taxation (Net of deferred tax)	(25.46)	(37.22)
Profit/(loss) after tax	**(48.28)**	**(75.50)**
Net comprehensive income for the year	-	-
Total comprehensive income for the year	**(48.28)**	**(75.50)**
Balance in Statement of profit and loss	(152.27)	(76.77)
Amount available for appropriation	**(200.55)**	**(152.27)**
Appropriations:		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
Balance carried to Balance Sheet	**(200.55)**	**(152.27)**

PERFORMANCE REVIEW:

During the year, your Company has earned total revenue of Rs. 420.32 lakhs as compared to previous year total revenue of Rs. 476.39 lakhs. The total revenue is decreased due COVID-19 pandemic situation globally. The Company has registered net loss of Rs. 48.28 lakhs.

Your Directors are making all efforts to ensure optimal operational results in coming years and achieving higher margins. Directors are putting effort to control the cost and there by improving the profitability in line with the increase in the revenue.

ANNUAL RETURN:

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the Company, if any and the web-link of such annual return shall be disclosed in the Board's report. Whereas since the Company do not have its website, hence the web-link is not given.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year 2020-21, there were 6 Board Meetings held on the following dates; 26.06.2020, 05.08.2020, 28.09.2020, 05.11.2020, 11.02.2021 and 26.02.2021.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:

(a) In the preparation of the annual accounts, 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 as at the end of the financial year and of the profit and loss of the Company for that period;

(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 had laid down internal financial controls to be followed by the Company as applicable to the subsidiaries of listed companies and such internal financial controls are adequate and were operating effectively; and

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not made any loans or advances or given guarantees or provided securities or made investments in other bodies corporate during the financial year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts or arrangements with related parties, entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business.

As per requirements of Indian Accounting Standard 24, the transactions with related parties are disclosed in the Note No. 31 of the Notes forming part of the financial statements in the Annual Report.

A statement in Form AOC-2 pursuant to the provisions of Clause (h) of sub-section (3) of section 134 of the Act read with sub-rule (2) of Rule 8 of Companies (Accounts) Rules, 2014 is furnished in "***Annexure-1***" is forming part of this report.

DETAILS OF AMOUNTS TRANSFEREED TO RESERVES:

The Company has not transferred any amount to reserves during the year.

DIVIDEND:

Your directors do not recommend any dividend for the financial year ended 31st March, 2021 to conserve cash for the future expansion.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:

To curb the effects of the COVID-19 pandemic, The Company has undertaken several measures to operate in the safest ways possible.

The recent Second wave of Covid-19 also affected all the industries very badly. On impact of Second wave, due to lock down in the State of Karnataka from mid of April-2021, our Company also operating at a low capacity. We hope very soon we shall see a positive outcome.

Apart from this, there has been no material changes and commitments, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed there under, the particulars relating to conservation of energy, technology absorption and foreign earnings and outgo is given below:

1). CONSERVATION OF ENERGY:

The consumption of electricity during the year is minimal. The management is taking conscious efforts to conserve the energy.

2). TECHNOLOGY ABSORPTION:

The Company has no activity relating to technology absorption.

3). FOREIGN EXCHANGE EARNINGS AND OUTGO:

SI. No.	Particulars	As on 31.03.2021 (Amt in INR)	As on 31.03.2020 (Amt in INR)
01	Foreign Exchange Earnings	-	-
02	Foreign Exchange Outgo	77,78,304	2,55,88,316

DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the year 2020-21.

BOARD OF DIRECTORS:

The Board comprises following Directors:

Sl. No	Name of the Directors	Designation
1.	K Gopalkrishna	Director
2.	H M Narasinga Rao	Director
3.	Suresh Kannan Varadhan	Whole-time Director

Mr. Suresh Kannan Varadhan – Whole Time Director was re -appointed for a period of 5 years with effect from 01st July, 2020 to 30th June, 2025 at the Annual General Meeting held on 18th September,2020.

Mr. K Gopalkrishna - Director, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

INDEPENDENT DIRECTORS:

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

KEY MANAGERIAL PERSONNEL:

Pursuant provisions of section 196 of the Companies Act, 2013, Mr. Suresh Kannan Varadhan is a Whole-time Director of the Company.

REMUNERATION POLICY:

The provisions of Section 178(1) of the Companies Act, 2013 is not applicable to Company. However, remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The employees at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

SUBSIDIARY:

The Company do not have any subsidiary companies, associate companies and joint ventures.

STATUS OF THE COMPANY:

The Company is a subsidiary of **YUKEN INDIA LIMITED.**

INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

DEPOSITS:

During the year under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014.

Pursuant to the Ministry of Corporate Affairs (MCA) notification amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies (ROC) the requisite returns for outstanding receipt of money/loan by the Company, which is not considered as deposits.

MATERIAL ORDERS PASSED BY REGULATORY AUTHORITIES:

There are no significant and material orders passed by the regulators or courts or tribunals during the year, impacting the going concern status and company's operations in future.

RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk Management is a structured approach to manage uncertainty. Although the Company does not have a formal risk management policy but a formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. Key business risks and their mitigation are also considered in the annual / strategic business plans and in periodic management reviews.

DETAILS OF REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements of the Company, during the year 2020-21.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by Institute of Company Secretaries of India.

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

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2021.

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

Not Applicable.

DISCLOSURE FOR MAINTENANCE OF COST RECORDS AS PER SECTION 148(1):

The Company is not required to maintain the books of accounts and other related records as per rules prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES:

During the year under review, the Company had no employees who earned remuneration beyond the limits specified under

Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

HUMAN RESOURCES:

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

SHARE CAPITAL:

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014:

Sl. No.	Particulars	Disclosure
1	Issue of Equity shares with differential rights	Nil
2	Issue of Sweat Equity shares	Nil
3	Issue of employee stock option	Nil
4	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

As on March 31, 2021 the authorized share capital of the Company is Rs. 2,00,00,000/- consisting of 20,00,000 equity shares of Rs. 10/- each. The paid up Share Capital of the Company is Rs. 1,00,06,000/- consisting of 10,00,600 Equity Shares of Rs. 10/- each. During the year under review, Company has not issued any shares or any convertible instruments.

STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, **M/s. V K A N & ASSOCIATES,** Chartered Accountants, Bengaluru have been appointed as statutory auditors of the Company at the Annual General Meeting held on 22nd July, 2019, for a period of 5 years and to hold the office up to the conclusion Annual General Meeting of the Company to be held in the year 2024.

The Statutory Auditor's Report for FY 2020-21 does not contain any qualifications reservation or adverse remark.

Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act. The Auditor's Report is enclosed with the financial statements.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company does not have a formal Anti Sexual Harassment policy in place but has adequate measures including checks and corrections in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the year 2020-21, no complaint of sexual harassment has been received.

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to the Customers, bankers, business associates, consultants, Regulatory authorities, various Government Authorities and all stakeholders for their continued support extended to your Company's activities during the year. Your Directors also acknowledge their gratitude to the Shareholders of the Company, for their continuous support and confidence reposed on the Company. Your Directors wish to place on record their appreciation of the dedicated and untiring hard work put by the employees at all levels.

On behalf of the Board
For KOLBEN HYDRAULICS LIMITED

SURESH KANNAN VARADHAN
Whole-Time Director
DIN: 03280922

H M NARASINGA RAO
Director
DIN: 00529717

Date: 05.06.2021
Place: Bengaluru

Annexure-1

Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	NA
(c)	Duration of the contracts / arrangements/transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	date(s) of approval by the Board	NA
(g)	Amount paid as advances, if any	NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Date(s) of approval by the Board, if any	-
(f)	Amount paid as advances, if any	-

Note: All related party transactions are in the ordinary course of business and on arm's length basis. Please refer transactions reported in Note No. 31 of the Notes forming part of the financial statements in the Annual Report.

For KOLBEN HYDRAULICS LIMITED

SURESH KANNAN VARADHAN
Whole-Time Director
DIN: 03280922

H M NARASINGA RAO
Director
DIN: 00529717

Date: 05.06.2021
Place: Bengaluru

Independent Auditor's Report

To the Members of Kolben Hydraulics Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Kolben Hydraulics Limited **("*the Company*")** which comprises the Balance Sheet as at March 31, 2021, 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 then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS 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 on the standalone Ind AS financial statements.

Material Uncertainty Relating to Going Concern

We draw attention to Note 2.2(b) in the standalone Ind AS financial statements annexed to this report which indicates that the Company incurred a net loss of Rs.4,828,214 during the year ended March 31, 2021 and, as of that date, the Company's net worth is fully eroded, thereby raising significant doubt on the Company's ability to continue as a going concern. However, the standalone Ind AS financial statements of the Company have been prepared on going concern basis for the reason stated in the said note. Our opinion is not modified in respect of this matter.

Emphasis of matter

We draw attention to Note 2.2(a) to the standalone Ind AS financial statements which describes the effects as a result of COVID-19 on the Company's business. Our opinion is not modified in respect of this matter.

Management's responsibility for the standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. 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.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Padam Prakash Mehta
Partner
Membership No. 230042
UDIN: 21230042AAAABE3016

Place: Bangalore
Date: 5th June 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kolben Hydraulics Limited of even date)

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 Kolben Hydraulics Limited ("the Company") as of March 31, 2021 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 ('ICAI'). 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.

Auditor's 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 judgment, 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.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2021, 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 **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Padam Prakash Mehta
Partner
Membership No. 230042
UDIN: 21230042AAAABE3016

Place: Bangalore
Date: 5th June 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kolben Hydraulics Limited of even date)

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

(b) The fixed assets were physically verified during the year by the Management with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) 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 immovable properties are held in the name of the Company. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.

(ii) According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no transactions in respect of loans, investments, guarantees, and security as per provisions of section 185 and 186 of the Companies Act, 2013. Thus, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits as on March 31, 2021.

(vi) According to the records produced and information given to us, the provisions of Section 148(1) of the Companies Act, regarding maintenance of cost records is not applicable to the company.

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

(a) The Company has been regular in depositing undisputed statutory dues, including Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

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

(c) There are no disputed dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2021

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any borrowings from financial institutions and has not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanation given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule-V to the Companies act.

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 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 etc. as required by the applicable accounting standards. In our opinion and according to the information and explanation provided, Section 177 of the Companies Act, 2013 is not applicable to the Company.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or \private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **V K A N & Associates**
Chartered Accountants
ICAI Firm Registration No 014226S

Padam Prakash Mehta
Partner
Membership No. 230042
UDIN: 21230042AAAABE3016

Place: Bangalore
Date: 5th June 2021

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Balance Sheet as at 31st March, 2021

Amount in Rs.

Particulars		Note No.	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
A	**ASSETS**			
I	**Non-current assets**			
	Property, Plant and Equipment	**3**	40,88,242	45,86,585
	Capital Work in Progress	**3**	27,60,000	27,60,000
	Other Intangible assets	**3**	3,55,687	6,11,645
	Deferred tax assets (Net)	**4**	80,94,959	55,47,147
	Financial assets			
	(i) Other financial assets	**5a**	9,11,600	9,11,600
	Income tax assets	**5b**	75,510	75,510
	Total Non-current assets		**1,62,85,998**	**1,44,92,487**
II	**Current assets**			
	Inventories	**6**	73,42,495	1,04,26,202
	Financial assets			
	(i) Trade receivables	**7**	79,83,376	27,74,024
	(ii) Cash and cash equivalents	**8**	4,45,107	67,684
	Current tax assets (Net)	**9**	1,83,784	1,36,721
	Other current assets	**10**	4,76,065	6,76,120
	Total Current assets		**1,64,30,827**	**1,40,80,751**
	Total Assets		**3,27,16,825**	**2,85,73,238**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	Equity Share capital	**11**	1,00,06,000	1,00,06,000
	Other equity	**12**	(2,00,55,166)	(1,52,26,952)
	Total Equity		**(1,00,49,166)**	**(52,20,952)**
II	**Liabilities**			
1	**Non-current liabilities**			
	Provisions	**13**	7,83,284	11,96,862
			7,83,284	**11,96,862**
2	**Current liabilities**			
	Financials Liabilities			
	(i) Trade payables	**14**		
	Total outstanding dues of creditors to micro enterprises and small enterprises		78,126	17,23,362
	Total outstanding dues of creditors other than micro enterprises and small enterprises		29,38,707	1,12,21,526
	Provisions	**15**	72,253	78,474
	Other current liabilities	**16**	3,88,93,621	1,95,73,966
			4,19,82,707	**3,25,97,328**
	Total Equity and liabilities		**3,27,16,825**	**2,85,73,238**
	See accompanying notes forming part of the standalone Ind AS Financial Statements	**1-36**		

In terms of our report attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

For and on behalf of Board of Directors

Padam Prakash Mehta
Partner
Membership No: 230042
Place: Bangalore
Date: 05.06.2021

H M Narasinga Rao
Director
DIN: 00529717

V Suresh Kannan
Director
DIN: 03280922

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Statement of Profit and Loss for the year ended March 31, 2021

Amount in Rs.

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
		₹	₹
Income			
Revenue from operations	**17**	4,18,60,147	4,74,33,347
Other income	**18**	1,71,428	2,06,020
		4,20,31,575	**4,76,39,367**
Expenses			
Cost of materials consumed	**19**	3,48,90,222	4,48,68,877
Changes in stock of finished goods, work-in-progress and stock-in-trade	**20**	25,03,120	(97,63,965)
Employee benefits expenses	**21**	56,29,772	90,31,129
Depreciation and amortisation expense	**3**	10,28,820	10,84,583
Other expenses	**22**	53,54,082	1,36,90,490
Total Expenses		**4,94,06,016**	**5,89,11,114**
Loss before tax		**(73,74,441)**	**(1,12,71,747)**
Tax expense/(benefit):	**23**		
Current tax		-	-
Deferred tax		(25,46,227)	(37,21,647)
Loss before tax		**(48,28,214)**	**(75,50,100)**
Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss		-	-
A) (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B) (i) Items that may be reclassified to profit or loss		-	-
B) (ii) Income tax relating to items that may be reclassified to profit or loss		-	-
Total Other comprehensive Income for the year		-	-
Total Comprehensive Income for the year (12+13)		**(48,28,214)**	**(75,50,100)**
Earnings per share (of Rs. 10/- each)			
Basic and diluted (in Rs.)		**(4.83)**	**(7.55)**
See accompanying notes forming part of the standalone Ind AS Financial Statements	**1-36**		

In terms of our report attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Padam Prakash Mehta

Partner

Membership No: 230042

Place: Bangalore

Date: 05.06.2021

For and on behalf of Board of Directors

H M Narasinga Rao	**V Suresh Kannan**
Director	**Director**
DIN: 00529717	DIN: 03280922

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Cash Flow Statement for the year ended 31st March, 2021

Amount in Rs.

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
	₹	₹	₹	₹
A. Cash flow from operating activities :				
Net profits/(Loss) Extraordinary, Prior Year Items and Tax		(73,74,441)		(1,12,71,747)
Adjustments for :	-	-	-	-
Depreciation	10,28,820		10,84,583	
Provisions no longer required Written Off	-		(20,097)	
Bad Debts Written Off	2,118		1,68,314	
		10,30,938		12,32,800
Operating profit / (loss) before working capital changes		(63,43,503)		(1,00,38,947)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	30,83,707		9,25,119	
Trade Receivables	(52,11,470)		43,33,784	
Other non-current assets	-		1,115	
Other Current assets	2,00,055		13,69,346	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(99,29,119)		18,85,952	
Other Current liabilities	1,93,19,136		16,81,182	
Other Long Term Liabilities	-		-	
Long Term Provisions	(4,13,578)		3,14,207	
Short Term Provisions	(6,221)	70,42,510	(72,873)	1,04,37,832
Cash Generated from Operations		6,99,007		3,98,885
Direct tax paid	(47,063)	(47,063)	(2,090)	(2,090)
Cashflow before extra ordinary items		6,51,944		3,96,795
Net cash flow from / (used in) operating activities (A)		6,51,944		3,96,795
B. Cashflow from investing Activities				
Purchase of fixed assets including Capital WIP	(2,74,521)		(14,22,332)	
Sale of fixed assets	-	(2,74,521)	-	(14,22,332)
Net cash flow from / (used in) investing activities (B)		(2,74,521)		(14,22,332)
C. Cash flow from financing activities				
Increase / (Decrease) in share capital	-		-	
Receipt / (Repayment) of Unsecured Loan during the year	-	-	-	-
Net cash flow from / (used in) financing activities (C)		-		-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		3,77,423		(10,25,537)
Cash and cash equivalent as at				
Opening balance		67,684		10,93,221
Closing balance		**4,45,107**		**67,684**
See accompanying notes forming part of the standalone Ind AS Financial Statements			**1-36**	

In terms of our report attached

For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

For and on behalf of Board of Directors

Padam Prakash Mehta
Partner
Membership No: 230042
Place: Bangalore
Date: 05.06.2021

H M Narasinga Rao
Director
DIN: 00529717

V Suresh Kannan
Director
DIN: 03280922

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Statement of Changes in Other Equity

Amount in Rs.

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
(b) Issued, subscribed and fully paid up				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	10,00,600	1,00,06,000	10,00,600	1,00,06,000
	10,00,600	**1,00,06,000**	**10,00,600**	**1,00,06,000**

Particulars	Reserve and Surplus	
	Retained earnings	Other comprehensive income
	₹	
Balance as at 1st April, 2019	**(76,76,852)**	-
Additions during the year		
Profit during the year	(75,50,100)	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	-
Total	**(75,50,100)**	-
Reductions during the year:		
Transfer to general reserve	-	-
Total	-	-
Balance as at 31st March, 2020	**(1,52,26,952)**	-
Additions during the year		
Profit during the year	(48,28,214)	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)		-
Total	**(48,28,214)**	-
Reductions during the year:		
Transfer to general reserve	-	-
Total	-	-
Balance as at 31st March, 2021	**(2,00,55,166)**	-
See accompanying notes forming part of the standalone Ind AS Financial Statements	**1-36**	

In terms of our report attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

For and on behalf of Board of Directors

Padam Prakash Mehta
Partner
Membership No: 230042
Place: Bangalore
Date: 05.06.2021

H M Narasinga Rao
Director
DIN: 00529717

V Suresh Kannan
Director
DIN: 03280922

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1. **Corporate information**:

The Company is engaged in the business of manufacture of hydraulic components and sub-assemblies for use in hydraulic applications. The company is a subsidiary of Yuken India Limited, engaged in the business of manufacture of Hydraulics equipment and a listed Company. The company carries on its manufacturing operations from P B No. 5 Koppathimmanahalli Village, Malur, Kolar Disrtict (Karnataka).

2. **Significant accounting policies:**

2.1 Basis of preparation

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Summary of the other significant accounting policies

a) Use of estimates

The standalone preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

b) Going concern

The Company has incurred accumulated losses because of which the net worth has been completely eroded as at the balance sheet date thereby rising substantial doubt about the Company's ability to continue in operation for the foreseeable future. However, the management is confident of continuing the business with the support of holding company. Accordingly, these standalone financial statements have been prepared on the going concern assumption and do not include any adjustments to the recorded amounts of assets/liabilities that may be necessary if the entity is unable to continue as a going concern.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d) Property, plant and equipment

Under previous GAAP (Indian GAAP), Property Plant & Equipment were stated at their original cost, net of Cenvat Credit where applicable (including expenses related to acquisition and installation) except certain Fixed Assets which are adjusted for revaluation. The company has elected to regard those values of property plant & equipment as deemed cost as on 01-04-2017.

Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company capitalises them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation is calculated on a straight line basis over the useful lives of the assets as follows:

Assets Description	Useful Life (Years)
General plant and machinery	15
Vehicles	10
Computers and data processing equipment	3
Electrical Installation	10
Factory Building	30
Furniture & Fixtures	10
Office Equipments	10

On fixed assets added/disposed of during the year, depreciation is charged on pro– rata basis with reference to the date of addition/disposal.

e) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Since the lease is of short-term (<12 months), Ind AS 116 has no impact on the balances.

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

h) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. There is no impact of the adoption of the standard on the standalone financial statements of the Company.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding GST and other taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership and control of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Income is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest. Interest income is included in finance income in the statement of profit and loss.

Dividend income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a Weighted average method.

Work-in-progress, finished goods and stock-in-trade are valued at lower of cost or net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

k) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Provisions and contingencies

The Company creates a provision when there is present obligation as a result of 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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

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

m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Gratuity liability is provided based on workings arrived on the basis of projected unit credit method are determined at the end of each year.

Liabilities towards Leave Encashment Benefit are provided for based on workings done at the year end. Actuarial Valuation is not applicable to the company as the number of employees is less than 20.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. An earnings considered in ascertaining the Company's earnings per share is the net profit for the period attributable to equity shareholders. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

p) Foreign currency transactions and translations

(i) Functional & presentation currency

The standalone financial statements are presented in Indian Rupee (INR), which is the company's functional & presentation currency.

(ii) Transactions & balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

q) Financial instruments

A) Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B) Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C) Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

D) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

> The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

> Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss and where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(ii) Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

r) Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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Notes forming part of the standalone financial statements

3 Property, Plant and Equipment (Amounts in brackets indicate previous year balances) **Amount in Rs.**

Sl No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2020	Additions during the year	Deletions during the year	As on 31.03.2021	Up to 31.03.2020	For the year	Deletions during the year	Up to 31.03.2021	As on 31.03.2021	As on 31.03.2020
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Tangible assets (A)										
1	Plant & Machinery	61,73,197	10,100	-	61,83,297	30,47,284	4,11,696	-	34,58,980	27,24,317	31,25,913
		(60,01,130)	(1,72,067)	-	(61,73,197)	(24,93,045)	(5,54,239)	-	(30,47,284)	(31,25,913)	(35,08,085)
2	Factory & Office Equipment	2,66,626	64,728	-	3,31,354	1,48,150	39,667	-	1,87,817	1,43,537	1,18,476
		(1,69,886)	(96,740)	-	(2,66,626)	(1,08,005)	(40,145)	-	(1,48,150)	(1,18,476)	(61,881)
3	Computers	10,83,303	1,99,692	-	12,82,995	8,12,625	1,40,721	-	9,53,346	3,29,648	2,70,678
		(8,71,380)	(2,11,923)	-	(10,83,303)	(6,74,955)	(1,37,670)	-	(8,12,625)	(2,70,678)	(1,96,425)
4	Electrical Installation	6,43,437	-	-	6,43,437	1,91,391	64,123	-	2,55,514	3,87,923	4,52,046
		(5,82,243)	(61,194)	-	(6,43,437)	(1,26,241)	(65,150)	-	(1,91,391)	(4,52,046)	(4,56,002)
5	Furniture & Fixtures	12,09,752	-	-	12,09,752	5,90,280	1,16,655	-	7,06,935	5,02,817	6,19,472
		(10,92,227)	(1,17,525)	-	(12,09,752)	(4,66,311)	(1,23,969)	-	(5,90,280)	(6,19,472)	(6,25,916)
	Total (A)	**93,76,315**	**2,74,520**	-	**96,50,835**	**47,89,730**	**7,72,862**	-	**55,62,592**	**40,88,242**	**45,86,585**
	PY Numbers	**(87,16,866)**	**(6,59,449)**	-	**(93,76,315)**	**(38,68,557)**	**(9,21,173)**	-	**(47,89,730)**	**(45,86,585)**	**(48,48,309)**
	Intangible assets (B)										
1	Software	8,80,628	-	-	8,80,628	2,68,983	2,55,958	-	5,24,941	3,55,687	6,11,645
		(1,17,745)	(7,62,883)	-	(8,80,628)	(1,05,573)	(1,63,410)	-	(2,68,983)	(6,11,645)	(12,172)
	Total (B)	**8,80,628**	-	-	**8,80,628**	**2,68,983**	**2,55,958**	-	**5,24,941**	**3,55,687**	**6,11,645**
	PY Numbers	**(1,17,745)**	**(7,62,883)**	-	**(8,80,628)**	**(1,05,573)**	**(1,63,410)**	-	**(2,68,983)**	**(6,11,645)**	**(12,172)**
	Grand Total (A+B)	**1,02,56,943**	**2,74,520**	-	**1,05,31,463**	**50,58,713**	**10,28,820**	-	**60,87,533**	**44,43,929**	**51,98,230**
		(88,34,611)	**(14,22,332)**	-	**(1,02,56,943)**	**(39,74,130)**	**(10,84,583)**	-	**(50,58,713)**	**(51,98,230)**	**(48,60,481)**
1	Capital work in progress	27,60,000			27,60,000	-	-	-	-	27,60,000	27,60,000
		(27,60,000)	-	-	(27,60,000)	-	-	-	-	(27,60,000)	(27,60,000)
	Total	**1,30,16,943**	**2,74,520**	-	**1,32,91,463**	**50,58,713**	**10,28,820**	-	**60,87,533**	**72,03,929**	**79,58,230**
	PY Numbers	**(1,15,94,611)**	**(14,22,332)**	-	**(1,30,16,943)**	**(39,74,130)**	**(10,84,583)**	-	**(50,58,713)**	**(79,58,230)**	**(76,20,481)**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

4 Deferred tax Asset / (Liability)

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Tax effect on items constituting deferred tax liability / (asset):		
On difference between book balance and tax balance of fixed assets	(8,04,501)	(9,82,900)
Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	8,55,536	12,75,336
Unabsorbed depreciation carried forward / brought forward business losses	2,90,46,591	2,10,42,743
Deferred Tax Asset / (Liability) - Net	**2,90,97,626**	**2,13,35,179**
Tax effect on the above - deferred tax Asset / (Liability)	80,94,959	55,47,147

5a Other Financial Assets

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Security deposits	9,11,600	9,11,600
Total	**9,11,600**	**9,11,600**

5b Income Tax Assets

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Advance Tax	75,510	75,510
Total	**75,510**	**75,510**

6 Inventories

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Raw materials and Components	81,650	6,62,237
Work-in-progress	3,33,342	2,58,190
Finished goods	69,27,503	95,05,775
Total	**73,42,495**	**1,04,26,202**

7 Trade receivables

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Trade receivables		
(a) Unsecured, considered good	79,83,376	27,74,024
(b) Doubtful	-	-
Less: Allowance for credit losses	-	-
Total	**79,83,376**	**27,74,024**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

8 Cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Cash on hand	30,759	45,484
Balance with banks:		
- In current account	4,14,348	22,200
Total	**4,45,107**	**67,684**
Of the above, the balances that meet the definition of cash and cash equivalents as per IND AS 7 `Statement of Cash Flows' is	4,45,107	67,684

9 Current Tax Assets

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Current Tax Assets-Net of provision	1,83,784	1,36,721
Total	**1,83,784**	**1,36,721**

10 Other current assets

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Unsecured, considered good		
Trade and other advances	2,14,634	2,99,225
Prepaid expenses	55,121	66,656
Balances with government authorities:	-	
- GST advance	95,576	95,576
- GST input tax credit	1,10,734	2,14,663
Total	**4,76,065**	**6,76,120**

11 (a) Share capital

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Authorised		
20,00,000 Equity shares of Rs. 10/- each with voting rights	2,00,00,000	2,00,00,000
Total	**2,00,00,000**	**2,00,00,000**
Issued, subscribed and fully paid-up		
10,00,600 Equity shares of Rs. 10/- each fully paid with voting rights	1,00,06,000	1,00,06,000
Total	**1,00,06,000**	**1,00,06,000**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

11 (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	₹	No. of Shares	₹
Equity share of Rs. 10/- each				
Opening balance	10,00,600	1,00,06,000	10,00,600	1,00,06,000
Issued during the year	-	-	-	-
Closing balance	**10,00,600**	**1,00,06,000**	**10,00,600**	**1,00,06,000**

11 (c) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding Equity shares of Rs. 10/- each:

The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

11 (d) Details of equity shares held by each shareholder holding more than 5% of shares:

Particulars	As at 31st March 2021		As at 31st March 2021	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Yuken India Limited	8,59,698	85.92%	8,59,698	85.92%
Suresh Kannan	1,40,600	14.05%	1,40,600	14.05%
Total	**10,00,298**		**10,00,298**	

11 (e) Shares allotted as fully paid up for consideration other than cash: NIL

Note - 12

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹	₹
Surplus in statement of profit and loss		
Opening balance	(1,52,26,952)	(76,76,852)
Add :- Transferred form other comprehensive Income for the year	-	-
Add:- Net profit/(loss) for the year	(48,28,214)	(75,50,100)
Balance available for appropriation	(2,00,55,166)	(1,52,26,952)
Closing balance	**(2,00,55,166)**	**(1,52,26,952)**
Total	**(2,00,55,166)**	**(1,52,26,952)**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

13 Provisions (Non-current)

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Provision for employee benefits:		
- Gratuity	3,79,050	5,69,615
- Compensated absence	4,04,234	6,27,247
Total	**7,83,284**	**11,96,862**

14 Trade payables

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Current		
Total outstanding dues of creditors to micro enterprises and small enterprises	78,126	17,23,362
Total outstanding dues of creditors other than micro enterprises and small enterprises	29,38,707	1,12,21,526
Total	**30,16,833**	**1,29,44,888**

15 Provisions (Current)

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Provision for employee benefits:		
- Bonus	72,253	78,474
Total	**72,253**	**78,474**

16 Other current liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
	₹	₹
Other payables:		
Payables on purchase of fixed assets	-	-
Statutory remittances (PT, ESI & TDS)	13,123	1,08,596
Advances from customers	9,19,967	10,01,963
Advances received - Related Parties	3,79,60,531	1,84,63,407
Total	**3,88,93,621**	**1,95,73,966**

Kolben Hydraulics Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

17 Revenue from operations

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Sale of products	3,98,88,068	4,57,54,298
Sale of services	19,72,079	16,79,049
Total	**4,18,60,147**	**4,74,33,347**

18 Other income

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Packing and forwarding charges collected	1,07,281	1,85,923
Provision no longer required written back	-	20,097
Miscellaneous income	64,147	-
Total	**1,71,428**	**2,06,020**

19 Cost of materials consumed

(a).Raw material under broad heads

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Opening Stock	6,62,237	1,13,51,321
Add: Purchases	3,43,09,635	3,41,79,793
	3,49,71,872	**4,55,31,114**
Less: Consumed	3,48,90,222	4,48,68,877
Closing Stock	81,650	6,62,237
Total	**3,48,90,222**	**4,48,68,877**

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

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Inventories at the end of the year:		
Finished goods	69,27,503	95,05,775
Work-in-progress	3,33,342	2,58,190
	72,60,845	**97,63,965**
Inventories at the beginning of the year:		
Finished goods	95,05,775	-
Work-in-progress	2,58,190	-
	97,63,965	**-**
Net (increase) / decrease	**25,03,120**	**(97,63,965)**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

21 Employee benefit expenses

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Salaries and wages	51,12,421	81,92,655
Contributions to provident and other funds	2,820	1,29,069
Staff welfare Expenses	5,14,531	7,09,405
Total	**56,29,772**	**90,31,129**

22 Other expenses

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Sub-contracting charges	3,11,190	3,09,630
Communication Expenses	1,92,202	1,88,421
Power and fuel	5,29,342	6,95,797
Packing & forwarding	6,306	74,899
Rates and Taxes	1,86,832	1,71,273
Exchange Loss (Net)	4,34,394	4,19,786
Insurance	15,955	15,198
Rent	7,63,970	15,22,320
Repair and Maintenance		
- Building	-	5,310
- Machinery	1,06,157	46,393
- Others	1,28,276	83,990
Printing & Stationery	30,614	2,52,164
Freight, Transport & Other Charges	9,82,812	38,34,387
Legal and Professional charges*	7,35,417	17,72,314
Travelling & Conveyance	3,16,949	27,37,257
Sales Promotion Expenses	1,44,174	7,29,473
Bad Debts Written Off	2,118	1,68,314
Bank Charges	1,46,528	2,98,009
Miscellaneous Expenses	3,20,846	3,65,555
Total	**53,54,082**	**1,36,90,490**

*Legal & Professional fees includes payment to auditors (excluding GST)	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Statutory audit fees	97,500	97,500
Tax Audit fees	32,500	32,500
Other Services	30,000	30,000
Total	**1,60,000**	**1,60,000**

Kolben Hydraulics Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

23 Tax expense

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Current tax	-	-
Current tax expense relating to prior years	-	-
Deferred tax	(25,46,227)	(37,21,647)
Less: MAT credit availed	-	-
Total	**(25,46,227)**	**(37,21,647)**

Note - 24

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
24.1 Expenditure in foreign currency:		
Raw materials & Components	77,78,304	2,54,22,472
Foreign Travel	-	1,65,844
24.2. Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

25 Contingent liabilities (to the extent not provided for)

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Demand received from tax authorities		
Income tax	-	-

26 Foreign Currency Exposure

Foreign Currency Exposure as at March 31, 2021 that have not been hedged by a derivative instrument or other wise:

Particulars	31st March 2021		31st March 2020	
	₹	Amount in Foreign Currency	₹	Amount in Foreign Currency
Receivables -USD	-	-	-	-
Receivables -EURO	-	-	-	-
Total	-	-	-	-
Payables- USD	-	-	17,38,661	23,260
Payables- EURO	7,70,032	9,022	26,02,816	31,507
Total	**7,70,032**	**9,022**	**43,41,477**	**54,767**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

27 Dues to micro and small suppliers

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	78,126	17,23,362
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1,679	26,139
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	1,679	26,139
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1,679	26,139
Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

28 CSR provision :-

As the company did not meet any of the criteria specified in Section 135 (1) of the Companies act, 2013, hence provisions of Section 135 are not applicable.

29 Segment reporting

The company's predominant risks and returns are from the segment of hydraulic components and sub-assemblies for use in hydraulic applications, which constitutes a single business segment and is governed by similar set of risks and returns. The operations of the Company primarily cater to the market in India, which the management views as a single segment. The management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment.

30 Earnings Per share

Particulars	31st March 2021	31st March 2020
	₹	₹
Net Loss after Tax	(48,28,214)	(75,50,100)
Weighted average number of equity shares (No.s)	10,00,600	10,00,600
Earnings per share from operations - Basic and diluted	(4.83)	(7.55)
Nominal Value of Equity Shares	10	10

31 Related Party Disclosures

Party where the Control Exists	Name of Related Party
Enterprises and their relatives exercise significant influence	M/s Yuken India Limited
Fellow Associate	M/s Sai India Limited
Fellow Subsidiary	M/s Coretec Engineering India Private Limited
	M/s Grotek Enterprises India Private Limited
	M/s Yuflow Engineering Private Limited
Relative of a Director	Mrs. S K Vijaya
Key Managerial Personnel	Mr. V Suresh Kannan

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Particulars	Year Ended 31st March 2021 ₹	Year Ended 31st March 2020 ₹
Enterprises and their relatives exercise significant influence		
M/s Yuken India Limited		
- Sales & Services	89,77,943	1,68,22,204
- Purchase	2,70,31,695	3,71,614
- Rent paid	1,52,810	1,77,846
- Expenses reimbursed	8,000	1,36,050
- Fixed Asset Purchased	-	-
Fellow Subsidiary		
M/s Coretec Engineering India Private Limited		
- Purchase	94,400	1,37,176
- Sales & Services	-	56,640
M/s Grotek Enterprises India Private Limited		
- Sales & Services	38,706	-
- Purchase	4,19,283	2,33,654
Fellow Associate		
M/s Sai India Limited		
- Sales & Services	67,148	-
Relative of a Director		
Mrs. S K Vijaya		
- Vehicle Lease Rent	8,250	3,30,000
Key Management Personnel		
Mr. Suresh Kannan		
- Remuneration paid during the year	15,93,678	16,02,041

Particulars	Year Ended 31st March 2021 ₹	Year Ended 31st March 2020 ₹
Balances at the end		
M/s Yuken India Limited	3,77,04,421	1,82,61,833
M/s Coretec Engineering India Private Limited	4,67,575	3,16,535
M/s Grotek Enterprises India Private Limited	3,16,086	2,65,323
M/s Sai India Limited	-	-
Mr. Suresh Kannan	13,123	4,86,370
Mrs. S K Vijaya	-	80,850

Kolben Hydraulics Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

32 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Note No.	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets :				
Cash and cash equivalents	**8**	4,45,107	-	-
Other financial assets				
(i) Security deposits	**5a**	9,11,600	-	-
Trade receivables	**7**	79,83,376	-	-
Total		**93,40,083**	**-**	**-**
Liabilities:				
Other financial liabilities				
(i) Trade payables	**14**	30,16,833	-	-
Total		**30,16,833**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Note No.	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets :				
Cash and cash equivalents	**8**	67,684	-	-
Other financial assets				
(i) Security deposits	**5a**	9,11,600	-	-
Trade receivables	**7**	27,74,024	-	-
Total		**41,71,788**	**-**	**-**
Liabilities:				
Other financial liabilities				
(i) Trade payables	**14**	1,29,44,888	-	-
Total		**1,29,44,888**	**-**	**-**

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

Kolben Hydraulics Limited
CIN - U29119KA2007PLC043340

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Note 33 Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying value of financial instruments by categories as follows:

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
		₹	₹
Financials measured at amortized costs:			
Financial assets			
Trade receivable *	**7**	79,83,376	27,74,024
Cash and cash equivalents and other bank balances			
Cash and cash equivalents #	**8**	4,45,107	67,684
Financial liabilities measured at amortized cost:			
Trade Payables *	**14**	30,16,833	1,29,44,888

*The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.
These accounts are considered to be highly liquid/ liquid and the carrying amount of these are considered to be the same as their fair value.

Note 34. Financial risk management

Risk management framework

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Assets under credit risk	As at 31st March 2021	As at 31st March 2020
	₹	₹
Cash and cash equivalents	4,45,107	67,684
Security deposits	9,11,600	9,11,600
Trade receivables	79,83,376	27,74,024
	93,40,083	**37,53,308**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers(Related Parties) primarily located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue, Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

Amount in Rs.

Maturities of financial liabilities

As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years
	₹	₹	₹
Trade payables	30,16,833	-	-
	30,16,833	-	-
As at 31 March 2020	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**
	₹	₹	₹
Trade payables	1,29,44,888	-	-
	1,29,44,888	-	-

(C) Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The company has no transactions which would carry any interest rate risk or foreign currency risk in regards to fair value or future cash flows of financial instruments.

Note 35. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
	₹	₹
Accounting profit before tax and exceptional item	(73,74,441)	(1,12,71,747)
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	(20,51,569)	(31,35,800)
Reconciling items:		
Tax effect on permanent non-deductible expenses	-	-
Tax adjustments of Prior Years	-	-
Others	(4,94,658)	(5,85,847)
At the effective income tax rate of 27.82% (PY 27.82%)	**(25,46,227)**	**(37,21,647)**
Income tax expense reported in the Statement of Profit and Loss	**(25,46,227)**	**(37,21,647)**

36 Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary to confirm to current year's classification / disclosure. The previous year figures have been audited by a firm other than V K A N & Associates.

In terms of our report attached
For V K A N & Associates
Chartered Accountants
Firm Regn. No: 014226S

For and on behalf of Board of Directors

Padam Prakash Mehta
Partner
Membership No: 230042
Place: Bangalore
Date: 05.06.2021

H M Narasinga Rao
Director
DIN: 00529717

V Suresh Kannan
Director
DIN: 03280922

4. YUFLOW ENGINEERING PRIVATE LIMITED

NOTICE

NOTICE is hereby given that the **19th** Annual General Meeting of the Members of **YUFLOW ENGINEERING PRIVATE LIMITED** will be held on Thursday, 09th September, 2021 at 03.00 PM at the Registered office of the Company at C/o. Yuken India Limited, B-80, 2nd Cross, 1st Stage, Peenya Industrial Area, Bengaluru - 560058, to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. K Gopalkrishna (DIN: 00529760) who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board
For YUFLOW ENGINEERING PRIVATE LIMITED

C P Rangachar
Director
DIN: 00310893

Place: Bengaluru
Date: 05.06.2021

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form duly signed must be deposited at the registered office of the Company not less than 48 hours before the time of holding meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company atleast seven days before the date of Annual General Meeting to enable the Company to keep the information ready at the meeting.

BOARD'S REPORT

To,

The Members of
Yuflow Engineering Private Limited.

The Board of Directors are pleased to present the **19th** Annual Report of the business and operations of the Company together with the audited financial statements for the year ended 31st March, 2021.

FINANCIAL RESULTS:

Financial highlights:

(Rs. In Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Total Income	**90.97**	**11.83**
Total expenditure	109.22	57.05
Profit/(Loss) before interest, depreciation and tax	(18.25)	(45.22)
Finance cost	0.27	0.32
Depreciation	5.45	3.17
Profit/(Loss) before tax	**(23.97)**	**(48.71)**
Provision for taxation (Net of deferred tax)	-	-
Profit/(loss) after tax	**(23.97)**	**(48.71)**
Net comprehensive income for the year	-	-
Total comprehensive income for the year	**(23.97)**	**(48.71)**
Balance in Statement of profit and loss	**(741.40)**	**(692.69)**
Balance in General reserve	53.28	53.28
Amount available for appropriation	**(712.09)**	**(688.12)**
Appropriations:		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
Balance carried to Balance Sheet	**(712.09)**	**(688.12)**

PERFORMANCE REVIEW:

Operational results for the year have shown a reasonable increase in revenue from operations. During the year, the Company established various ranges of electric motors and obtained certificate from Bureau of Indian Standards (BIS). The order intake from the customers is encouraging and the Company expects a higher turnover during the year under review.

During the year under review, the Company has earned total income of Rs. 90.97 lakhs as compared to previous year total revenue of Rs. 11.83 lakhs and incurred a net loss of Rs. 23.97 lakhs.

Your Directors are making all efforts to ensure optimal operational results in the coming years.

ANNUAL RETURN:

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the Company, if any and the web-link of such annual return shall be disclosed in the Board's report. Whereas since the Company do not have its website, hence the web-link is not given.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year 2020-21, there were 5 Board Meetings held on the following dates; 13.06.2020, 25.06.2020, 05.08.2020, 05.11.2020 and 11.02.2021.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:

a. In the preparation of the annual accounts, 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;

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 had laid down internal financial controls to be followed by the Company as applicable to the subsidiaries of listed Companies and such internal financial controls are adequate and were operating effectively; and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year under review, your Company has not granted any loan/guarantees or made any investments within the meaning of Section 186 of the Act.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts or arrangements with related parties, entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business.

As per requirements of Indian Accounting Standard 24, the transactions with related parties are disclosed in the Note No. 21 of the Notes forming part of the financial statements.

A statement in Form AOC-2 pursuant to the provisions of Clause (h) of sub-section (3) of section 134 of the Act read with sub-rule (2) of rule 8 of Companies (Accounts) Rules, 2014 is furnished in "***Annexure-1***" is forming part of this report.

DETAILS OF AMOUNTS TRANSFERRED TO RESERVES:

The Company has not transferred any amount to reserves during the financial year.

DIVIDEND:

Your directors do not recommend any dividend for the financial year ended 31st March, 2021.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:

To curb the effects of the COVID-19 pandemic, The Company has undertaken several measures to operate in the safest ways possible. The recent Second wave of Covid-19 affected all the industries very badly. On impact of Second wave, due to lock down in the State of Karnataka from mid of April-2021, our Company also operating at a low capacity. We hope very soon we shall see a positive outcome.

The Company has received letter dated 15.03.2021 on 20.03.2021 from Regional Director, Hyderabad w.r.t return back of our application with respect to Scheme of Amalgamation of Yuflow Engineering Private Limited with Yuken India Limited due to some reasons.

In view of the above, Your Board of Directors at their meeting held on 15th April, 2021 approved the draft Scheme of Amalgamation ("Scheme") of Yuflow Engineering Private Limited (Wholly Owned Subsidiary) with Yuken India Limited and their respective Shareholders & Creditors. Such Scheme was presented under Section 230 - 232 and other applicable provisions of the Companies Act, 2013 and the rules & regulations made thereunder. The approval of the Scheme is subject to sanction of the Scheme by the National Company Law Tribunal (NCLT).

Apart from this, there has been no material changes and commitments, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed there under, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

1). CONSERVATION OF ENERGY:

(i) the steps taken or impact on conservation of energy;	The consumption of electricity during the year is minimal. The management is taking conscious efforts to conserve the energy.
(ii) the steps taken by the Company for utilizing alternate sources of energy;	
(iii) the capital investment on energy conservation equipments;	

2). TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption;	The Company has no activity relating to technology absorption.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - (a) the details of technology imported; (b) the year of import; (c) whether the technology has been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and	
(iv) the expenditure incurred on Research and Development.	

3). FOREIGN EXCHANGE EARNINGS AND OUTGO:

Sl. No.	Particulars	As on 31.03.2021 (Amount in Rs)	As on 31.03.2020 (Amount in Rs)
01	Foreign Exchange Earnings	Nil	Nil
02	Foreign Exchange Outgo	Nil	Nil

DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the financial year.

BOARD OF DIRECTORS:

The Board comprises following Directors:

Sl. No	Name of the Directors	Designation
1.	C P Rangachar	Director
2.	H M Narasinga Rao	Director
3	K Gopalkrishna	Director

Mr. K Gopalkrishna – Director retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence no declaration was obtained.

REMUNERATION POLICY:

The provisions of Section 178(1) of the Companies Act, 2013 is not applicable to Company. However, remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The employees at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

SUBSIDIARY:

The Company does not have any subsidiary Companies, associate Companies and joint ventures.

STATUS OF THE COMPANY:

The Company is a wholly-owned subsidiary of **YUKEN INDIA LIMITED.**

INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

DEPOSITS:

During the year under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014.

Pursuant to the Ministry of Corporate Affairs (MCA) notification amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies (ROC) the requisite returns for outstanding receipt of money/loan by the Company, which is not considered as deposits.

MATERIAL ORDERS PASSED BY REGULATORY AUTHORITIES:

There are no significant and material orders passed by the regulators or courts or tribunals during the year, impacting the going concern status and company's operations in future.

RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk Management is a structured approach to manage uncertainty. Although the Company does not have a formal risk management policy but a formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. Key business risks and their mitigation are also considered in the annual / strategic business plans and in periodic management reviews.

DETAILS OF REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements of the Company during the financial year.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by Institute of Company Secretaries of India.

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

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2021.

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

Not Applicable.

DISCLOSURE FOR MAINTENANCE OF COST RECORDS AS PER SECTION 148(1):

The Company is not required to maintain the books of accounts and other related records as per rules prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES:

The Company had no employees who earned remuneration beyond the limits specified under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

HUMAN RESOURCES:

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company has always recognized talent and has judiciously followed the principle of rewarding performance.

SHARE CAPITAL:

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014:

Sl. No.	Particulars	Disclosure
1	Issue of Equity shares with differential rights	Nil
2	Issue of Sweat Equity shares	Nil
3	Issue of employee stock option	Nil
4	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

As on March 31, 2021 the authorized share capital of the Company is Rs. 2,00,00,000/- consisting of 20,00,000 equity shares of Rs. 10/- each. The paid up Share Capital of the Company is Rs. 2,00,00,000 /- consisting of 20,00,000 equity shares of Rs. 10/- each. During the year under review, Company has not issued any shares or any convertible instruments.

STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. N C Rajagopal & Co. (FRN: 003398S) Chartered Accountants, Bengaluru have been appointed as statutory auditors of the Company at the Annual General Meeting held on 01st August, 2019, for a period of 5 years and to hold the office up to the conclusion Annual General Meeting of the Company to be held in the year 2024.

The Statutory Auditor's Report for FY 2020-21 does not contain any qualifications reservation or adverse remark.

Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act. The Auditor's Report is enclosed with the financial statements.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company does not have a formal Anti Sexual Harassment policy in place but has adequate measures including checks and corrections in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year 2020-21, no complaint of sexual harassment has been received.

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to the Customers, bankers, business associates, consultants, Regulatory authorities, various Government Authorities and all the stakeholders for their continued support extended to your Company's activities during the year. Your Directors also acknowledge their gratitude to the Shareholders of the Company, for their continuous support and confidence reposed on the Company. Your Directors wish to place on record their appreciation of the dedicated and untiring hard work put by the employees at all levels.

On behalf of the Board
For YUFLOW ENGINEERING PRIVATE LIMITED

C P Rangachar	**H M Narasinga Rao**
Director	Director
DIN: 00310893	DIN: 00529717

Place: Bengaluru
Date: 05.06.2021

Annexure-1

Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	NA
(c)	Duration of the contracts / arrangements/transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	date(s) of approval by the Board	NA
(g)	Amount paid as advances, if any	NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Date(s) of approval by the Board, if any	-
(f)	Amount paid as advances, if any	-

Note: All related party transactions are in the ordinary course of business and on arm's length basis. Please refer transactions reported in Note No. 21 of the Notes forming part of the financial statements in the Annual Report.

For YUFLOW ENGINEERING PRIVATE LIMITED

	C P Rangachar	**H M Narasinga Rao**
Date: 05.06.2021	Director	Director
Place : Bengaluru	DIN: 00310893	DIN: 00529717

Independent Auditor's Report

To

The Members
Yuflow Engineering Private Limited

Report on the Standalone Ind AS Financial Statements

1. Opinion

We have audited the accompanying standalone Ind AS financial statements of **Yuflow Engineering Private Limited** ("the Company"), which comprises the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Cash flow Statement, notes to financial statements and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2021, and Loss, changes in equity and its cash flows for the year ended on that date.

2. 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.

3. Emphasis of Matter

Attention is invited to Note no. 23 regarding the financial statements being prepared on a going concern basis, based on the recent developments, future plans and the Company's proposed merger with its Holding Company.

Attention is also invited to Note no. 24 regarding impact of COVID 19 on the Company's future business operations.

Our opinion is not modified in this regard.

4. Other Matter

Due to COVID 19 pandemic and the resultant extended lockdown and travel restrictions, our physical visit to the Company's premises, and conduct of certain audit procedures, including but not limited to physical verification of cash, stock and fixed assets was impracticable. Consequently, only remote access to necessary audit evidence and documentation was possible. In light of the above, we placed reliance on the data made available to us in electronic form, inter alia vouchers, agreements and stock statements, unlike normally having simultaneous access to the documents both physically and electronically, and undertook alternative audit procedures such as verification of scanned copies of documents and making enquiries and discussions over phone or via emails. The audit procedures carried out above have given us reasonable assurance that the financial statements as a whole are free from material misstatements and hence, have not caused us to modify our opinion.

5. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexure to Board's 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.

6. Responsibility of Management for Standalone Ind AS 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, (changes in equity) and cash flows of the Company in accordance with the 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

7. Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 Companies Act, 2013, 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 material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

8. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("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 "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. 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.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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".

g) With respect to 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 according to the information and explanations given to us, managerial remuneration has not been paid or provided during the year and hence reporting on compliance to Section 197 read with Schedule V to the Act does not arise.

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

i. The Company has no pending litigations affecting 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. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For N.C. Rajagopal & Co.,
Chartered Accountants
Firm Reg No: 003398S

V. Chandrasekaran
(Partner)
M. No: 024844
UDIN: 21024844AAAADW9684

Place: Bangalore
Date: 05.06.2021

Annexure - A to the Independent Auditor's Report

[Referred to in Para 8 (I) of our report of even date]

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

(b) The fixed assets of the Company have been physically verified during the year by the management and no material discrepancies between book records and physical verification have been noticed.

(c) The Company does not own any immoveable properties and hence reporting under Clause (i) (c) of the Companies (Auditors Report) Order, 2016 does not arise.

ii. In our opinion and according to the information and explanations given to us, inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Hence, reporting under Clauses (iii) (a), (iii) (b) and (iii) (c) of the Companies (Auditors Report) order, 2016 does not arise.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or securities and has not made any investments as per the provisions of Section 185 and 186 of the Companies Act, 2013. Hence, reporting under Clause (iv) of the Companies (Auditors Report) order, 2016 does not arise.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under. Therefore, reporting under Clause (v) of the Companies (Auditor's Report) Order, 2016 does not arise.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost record under Section 148(1) of the Companies Act, 2013.

vii. (a) According to the information and explanations given to us, and as per our verification of the records of the Company, in our opinion, the company is generally regular in depositing undisputed statutory dues including Income Tax, Employees' Provident Fund, Employees' State Insurance, Goods and Services Tax, Customs Duty, Excise Duty and other statutory dues applicable to it and there are no statutory dues outstanding for a period of more than six months from the date they became payable as on the last day of the financial year.

(b) According to the information and explanations given to us and as per the records of the Company, there are no dues of Employees' Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Excise Duty and other statutory dues, which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanation given to us, the Company does not have any dues to financial institutions, or banks, Government or debenture holders. Hence, reporting under clause (viii) of the Companies (Auditor's Report) Order, 2016 does not arise.

ix. According to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer and term loans during the year. Hence, reporting under Clause (ix) of the Companies (Auditor's Report) Order, 2016 does not arise.

x. During the course of examination of the books and records of the Company, no case of fraud on or by the Company has been noticed or reported during the year under audit.

xi. As per our verification of the books of accounts of the Company, no managerial remuneration has been paid during the year. Hence, reporting under Clause (xi) of the Companies (Auditor's Report) Order, 2016 does not arise.

xii. In our opinion, the Company is not a Nidhi Company. Hence, reporting under Clause (xii) of the Companies (Auditor's Report) Order, 2016 does not arise.

xiii. According to the information and explanations given to us and in our opinion, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable Accounting Standard.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares. Hence, reporting under Clause (xiv) of the Companies (Auditor's Report) Order, 2016 does not arise.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Hence, reporting under Clause (xv) of the Companies (Auditor's Report) Order, 2016 does not arise.

xvi. According to the information and explanation given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For N.C. Rajagopal & Co.,
Chartered Accountants
Firm Reg No: 003398S

V. Chandrasekaran
(Partner)
M. No: 024844
UDIN: 21024844AAAADW9684

Place: Bangalore
Date: 05.06.2021

Annexure - B to the Auditor's Report

[Referred to in Para 8 (II)(f) of our report of even date]

Report on the Internal Financial Controls over Financial Reporting under Section 143 (3) (i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Yuflow Engineering Private Limited ("the Company") as of 31st March, 2021, in conjunction with our audit of the Standalone Ind AS 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 ("ICAI"). 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.

Auditor's 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 judgment, 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.

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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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 N.C. Rajagopal & Co.,
Chartered Accountants
Firm Reg No: 003398S

V. Chandrasekaran
(Partner)
M. No: 024844
UDIN: 21024844AAAADW9684

Place: Bangalore
Date: 05.06.2021

Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Balance sheet as on 31st March, 2021

Particulars	Note No	As on 31st March, 2021	As on 31st March, 2020
		₹ in Lakhs	₹ in Lakhs
ASSETS			
1) Non-current assets			
Property,Plant and Equipment	1 (a)	70.25	71.45
Intangible Assets	1 (b)	0.01	0.10
Total Non - Current Assets		**70.26**	**71.55**
Current assets			
(a) Inventories	2	97.91	25.14
(b) Financial assets			
(i) Trade receivables	3	11.37	3.13
(ii) Cash and cash equivalents	4	2.10	4.03
(c) Current tax assets	5	0.02	0.02
(d) Other current assets	6	33.52	26.73
Total current assets		**144.92**	**59.04**
Total assets		**215.18**	**130.59**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	7	200.00	200.00
(b) Other equity	8	(712.09)	(688.12)
Total Equity		**(512.09)**	**(488.12)**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	9	170.59	112.91
(b) Other current liabilities	10	556.68	505.80
Total Current Liabilities		**727.27**	**618.71**
Total Liabilities		**215.18**	**130.59**
Significant Accounting Policies	A-B		
Notes to the Financial Statements	1-27		

The Notes referred to above form an integral part of the Financial Statements.

As per our Report of Even Date
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

For & on behalf of the Board

V. Chandrasekaran
Partner
(Membership No. 024844)

C.P.Rangachar
DIN : 00310893
Director

H.M. Narasinga Rao
DIN : 00529717
Director

Place: Bangalore
Date : 05.06.2021

Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Statement of Profit and Loss for the year ended 31st March, 2021

	Particulars	Note No.	Year ended 31st March, 2021 ₹ in Lakhs	Year ended 31st March, 2020 ₹ in Lakhs
I	Revenue from Operations	11	90.59	11.34
II	Other Income	12	0.38	0.49
III	**Total Income (I+II)**		**90.97**	**11.83**
IV	**Expenses**			
	Cost of materials consumed	13	109.20	21.67
	Changes in Inventories of Finished Goods and Work - in - Progress	14	-56.07	-12.90
	Employee benefit expenses	15	9.01	7.45
	Finance costs	16	0.27	0.32
	Depreciation	1	5.45	3.17
	Other expenses	17	47.08	40.83
	Total expenses (IV)		**114.94**	**60.54**
V	**Profit/(loss) before tax(III-IV)**		**(23.97)**	**(48.71)**
VI	Tax expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
VII	**Profit/(loss) for the year (V-VI)**		**(23.97)**	**(48.71)**
VIII	**Other comprehensive income for the year**		-	-
IX	**Total comprehensive Income for the year(VII+VIII)**		**(23.97)**	**(48.71)**
	Earnings per equity share :			
	Basic and Diluted (in Rs. Face Value of Rs. 10 per Share)	18	(1.20)	(2.44)
Significant Accounting Policies		A-B		
Notes to the Financial Statements		1-27		

The Notes referred to above form an integral part of the Financial Statements.

As per our Report of Even Date
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

For & on behalf of the Board

V. Chandrasekaran
Partner
(Membership No. 024844)

C.P.Rangachar
DIN : 00310893
Director

H.M. Narasinga Rao
DIN : 00529717
Director

Place: Bangalore
Date : 05.06.2021

Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Cash Flow Statement for the year ended 31st March, 2021

Particulars	Year ended 31st March, 2021 ₹ in Lakhs		Year ended 31st March, 2020 ₹ in Lakhs	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(23.97)		(48.71)
Adjustments for:	-		-	-
Depreciation and amortisation	5.45		3.17	
(Profit) / loss on sale of assets	(0.01)		-	
Finance costs	0.27		0.32	
		5.71		3.49
Operating profit / (loss) before working capital changes-(1)		(18.26)		(45.22)
Changes in working capital:	-		-	-
Adjustments for (increase) / decrease in operating assets:-(2)				
Inventories	(72.76)		(25.14)	
Trade receivables	(8.24)		(3.13)	
Other Current Assets	(6.80)		(23.76)	
		(87.80)		(52.03)
Adjustments for increase / (decrease) in operating liabilities:-(3)				
Trade payables	57.67		31.41	
Other current liabilities	50.88		138.36	
		108.55		169.77
Cash generated from operations(1)+(2)+(3)		2.49		72.52
Net income tax (paid)/refunds		-		(0.02)
Net cash flow from / (used in) operating activities (A)		**2.49**		**72.50**
B. Cash flow from investing activities				
Payments for acquisition of Fixed Assets		(4.39)		(74.72)
Proceeds From Sale of Fixed Assets		0.24		-
Net cash flow from / (used in) investing activities (B)		**(4.15)**		**(74.72)**
C. Cash flow from financing activities				
Finance costs		(0.27)		(0.32)
Net cash flow from / (used in) financing activities (C)		**(0.27)**		**(0.32)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(1.93)**		**(2.53)**
Cash and cash equivalents at the beginning of the year		4.03		6.56
Less: Bank balances not considered as Cash and cash equivalents		-		-
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		**2.10**		**4.03**
Reconciliation of Cash and cash equivalents with the Balance Sheet:				

As per our Report of Even Date
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

For & on behalf of the Board

V. Chandrasekaran
Partner
(Membership No. 024844)

C.P.Rangachar
DIN : 00310893
Director

H.M. Narasinga Rao
DIN : 00529717
Director

Place: Bangalore
Date : 05.06.2021

Yuflow Engineering Private Limited
CIN : U29120KA2002PTC120611

Statement of Changes In Equity for the year ended 31st March, 2021

A. Equity Share capital

Right, preferences and restrictions attached to shares

The Company has issued only one class of equity share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval by the share holders at the ensuing Annual General Meeting.

Equity Shares of Rs.10 each, Issued, subscribed and paid up	Balance as of 1st April, 2020	Changes in Equity capital	Balance as at 31st March, 2021
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Equity Shares	200.00	-	200.00

B. Other Equity

Particulars	Reserve and Surplus		Other Comprehensive Income
	General Reserve	Retained Earnings	Items of Comprehensive Income
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Balance as at 1st April, 2020	53.28	(741.40)	-
Additions during the year		-	
Profit/(Loss) during the year	-	(23.97)	-
Items of the OCI, net of tax-			
Re-measurement of net defined benefit liability/(asset)	-	-	-
Balance as at 31st March, 2021	**53.28**	**(765.37)**	**-**

As per our Report of Even Date
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

For & on behalf of the Board

V. Chandrasekaran
Partner
(Membership No. 024844)

C.P.Rangachar
DIN : 00310893
Director

H.M. Narasinga Rao
DIN : 00529717
Director

Place: Bangalore
Date : 05.06.2021

Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to the IND AS financial statements for the year ended 31st March, 2021

Significant Accounting Policies

A. Corporate information

The Company is engaged in the activity of manufacturing Electric Motors & Manifold Blocks.

B. Significant Accounting policies

B.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods upto 31 March 2017 the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

B.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

B.3 Use of estimates and judgement

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets, and other provisions and contingent liabilities.

Useful lives of property, plant and equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future.

Provision for income tax and valuation of deferred tax assets:

The policy for the above has been explained under Note B.7.

Provision for warranty

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

Provisions (other than provision for warranty) and contingent liabilities

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. 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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

B.4 Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the

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Notes to the IND AS financial statements for the year ended 31st March, 2021 (cont'd)

cumulative effect method. There is no impact of the adoption of the standard on the financial statements of the Company.

B.4.1. Sale of goods:-

Revenue from the sale of goods is recognised when the control of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

B.4.2. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

B.4.3. Rental income

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

B.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

B.6 Employee Benefits

B.6.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service costs, and gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the company can no longer withdraw the offer of the termination benefit and when the company recognises any related restructuring costs.

B.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

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Notes to the IND AS financial statements for the year ended 31st March, 2021 (cont'd)

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

B.6.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

B.7 Income tax Expense/(Benefit)

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

Current Tax:

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

Deferred Tax:

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. However in case of temporary differences arising on inital recognition of assets or liabilities(other than in business combination) that affects neither accounting profit nor taxable profit, the deferred tax liabilities are not recognized.

In addition to that, deferred tax liabilities arising on initial recognition of goodwill also not recognized. **Deferred tax assets** are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case,

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Notes to the IND AS financial statements for the year ended 31st March, 2021 (cont'd)

the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

B.8 Property, Plant and Equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the condensed balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The Estimated useful lifes of PPE followed by the company are as below:

Factory Buildings	: 30 years
Office Buildings	: 60 years
Plant and Machinery	: 15 years
Furniture and Fittings	: 10 years
Office Equipments and Electrical Installations	: 5 years
Computers	: 3 years.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Deemed cost on IND-AS Transition:

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

B.9 Intangible Assets

B.9.1 Intangible assets acquired separately Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

B.9.2 Derecognition of intangible assets

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

B.9.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

ERP software - 5 years

B.10 Inventories

Inventories are valued as follows Inventories are valued on First in First Out basis at the lower of cost and the net realisable

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Notes to the IND AS financial statements for the year ended 31st March, 2021 (cont'd)

value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Work-in-Progress and Finished Goods include appropriate proportion of overheads and, where applicable, excise duty.

B.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

B.12 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and 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.

Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income :Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Equity instruments at fair value through other comprehensive income (FVTOCI)

All equity instruments other than investment in subsidiaries and associates are measured at fair value. Equity instruments held for trading is classified as fair value through profit or loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI.

The Company makes such election on an instrument-by instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to the statement of profit and loss, even on sale of the instrument. However the Company may transfer the cumulative gain or loss within the equity.

Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the EIR method.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

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Notes to the IND AS financial statements for the year ended 31st March, 2021 (cont'd)

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities. Derivatives are recognised and measured at fair value. Attributable transaction cost is recognised in the statement of profit and loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of:(i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and(ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from contracts with customers.

Foreign exchange gains and losses on financial assets and financial liabilities

(i) The fair value of financial assets/ liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

(ii) For foreign currency denominated financial assets/ liabilities measured at amortised cost and fair value through profit or loss, the exchange differences are recognised in the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

(iii) Changes in carrying amount of investments in equity instruments at fair value though other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(iv) For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'other income'.

(v) For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

B.13 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

B.14 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing

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Notes to the IND AS financial statements for the year ended 31st March, 2021 (cont'd)

ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

B.15 Impairment

(i) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

As per our Report of Even Date
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

For & on behalf of the Board

V. Chandrasekaran
Partner
(Membership No. 024844)

C.P.Rangachar
DIN : 00310893
Director

H.M. Narasinga Rao
DIN : 00529717
Director

Place: Bangalore
Date : 05.06.2021

Yuflow Engineering Private Limited

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Notes to the IND AS financial statements for the year ended 31st March, 2021

1 (a). Property,Plant and Equipment:

(₹ in lakhs)

Sl. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2020	Additions	Deductions	As at 31.03.2021	Upto 31.03.2020	For the year	Deductions	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
1	Plant and Machinery	71.56	4.39	0.24	75.71	2.43	4.67	0.01	7.08	68.62	69.13
2	Furniture and Fixtures	1.14	-	-	1.14	0.08	0.11	-	0.19	0.95	1.06
3	Computers	1.85	-	-	1.86	0.58	0.58	-	1.17	0.69	1.27
	Total	**74.55**	**4.39**	**0.24**	**78.70**	**3.09**	**5.36**	**0.01**	**8.44**	**70.25**	**71.45**
	Previous Year	-	**74.54**	-	**74.54**	-	**3.09**	-	**3.09**	**71.45**	-

1 (b). Intangible Assets:

(₹ in lakhs)

Sl. No.	DESCRIPTION	GROSS BLOCK				AMORTISATION				NET BLOCK	
		As at 01.04.2020	Additions	Deductions	As at 31.03.2021	Upto 31.03.2020	For the year	Deductions	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
1	Computer Software	0.18	-	-	0.18	0.08	0.09	-	0.16	0.01	0.10
	Total	**0.18**	-	-	**0.18**	**0.08**	**0.09**	-	**0.16**	**0.01**	**0.10**
	Previous Year	-	**0.18**	-	**0.18**	-	**0.08**	-	**0.08**	**0.10**	-

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

2. Inventories

Particulars	As on 31st March, 2021	As on 31st March, 2020
	₹ in Lakhs	₹ in Lakhs
Raw Materials	28.94	11.44
Raw Materials - Stock - in - Transit	-	0.79
Work - in - Progress	53.28	9.95
Finished Goods	15.69	2.95
Total	**97.91**	**25.14**

3. Trade receivables

Particulars	As on 31st March, 2021	As on 31st March, 2020
	₹ in Lakhs	₹ in Lakhs
Current		
Trade receivables		
(a) Unsecured, considered good		
- Exceeding six months from the date they were due for payment	1.28	-
- Others	10.09	3.13
Total	**11.37**	**3.13**

4. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As on 31st March, 2021	As on 31st March, 2020
	₹ in Lakhs	₹ in Lakhs
Cash on hand	0.10	0.05
Balances with Banks		
(i) In current accounts	2.00	3.98
Total	**2.10**	**4.03**

5. Current Tax Assets (net)

Particulars	As on 31st March, 2021	As on 31st March, 2020
	₹ in Lakhs	₹ in Lakhs
Current		
Advance Income Tax (Net of Provisions: CY Rs. NIl, PY: Rs. NIL)	0.02	0.02
Total	**0.02**	**0.02**

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

6. Other Current Assets

Particulars	As on 31st March, 2021	As on 31st March, 2020
	₹ in Lakhs	₹ in Lakhs
GST receivable	33.21	19.82
Advance to suppliers	0.31	6.91
Total	**33.52**	**26.73**

Note 7 Share capital

Particulars	As on 31st March, 2021	As on 31st March, 2020
	₹ in Lakhs	₹ in Lakhs
(a) Authorised		
20,00,000 Equity shares of Rs.10 /- each , with voting rights	200	200
(b) Issued, subscribed and fully paid up		
20,00,000 Equity shares of Rs.10 /- each , with voting rights	200	200
Total	**200**	**200**

Refer notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As on31st March, 2021		As on31st March, 2020	
	Number of shares (In Lakhs)	Amount (₹ in Lakhs)	Number of shares (In Lakhs)	Amount (₹ in Lakhs)
Equity shares				
Shares outstanding at the beginning of the year	20	200	20	200
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	20	200	20	200

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As on 31st March, 2021		As on 31st March, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Yuken India Limited	19,96,000	99.80%	19,96,000	99.80%

(iii) Right, preferences and restrictions attached to shares

The Company has issued only one class of equity share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

(iv) During the period of 5 years immediately preceeding the reporting date, including the current year, there were no shares issued for consideration other than cash, no issue of bonus shares and no shares bought back.

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

8. Other Equity :

Particulars	As on 31st March, 2021 ₹ in Lakhs	As on 31st March, 2020 ₹ in Lakhs
General reserve:		
Opening balance	53.28	53.28
Add: Transferred from surplus in statement of profit and loss	-	-
	53.28	**53.28**
Surplus in statement of profit and loss :		
Opening balance	(741.40)	(692.69)
Add: Transferred from other comprehensive income/(loss) for the year	-	-
Add: Net profit /(loss)for the year	(23.97)	(48.71)
Balance available for appropriation	**(765.37)**	**(741.40)**
Less: Appropriations		
Transfer to general reserve	-	-
Closing Balance	**(765.37)**	**(741.40)**
Total Other Equity	**(712.09)**	**(688.12)**

9. Trade payables

Particulars	As on 31st March, 2021 ₹ in Lakhs	As on 31st March, 2020 ₹ in Lakhs
Total Outstanding Dues of Micro Enterprises and Small Enterprises	154.13	104.69
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	16.46	8.22
Total	**170.59**	**112.91**

10. Other liabilities

Particulars	As on 31st March, 2021 ₹ in Lakhs	As on 31st March, 2020 ₹ in Lakhs
(i) Statutory Dues Payable	0.32	0.12
(ii) Advances from Customers	552.64	501.96
(i) Provision for Expenses	2.10	1.85
(ii) Expenses Payable	1.62	1.87
Total	**556.68**	**505.80**

Note 11 Revenue from Operations

Particulars	Year ended 31st March 2021 ₹ in Lakhs	Year ended 31st March 2020 ₹ in Lakhs
(a) Revenue from Sale of products	90.58	9.85
(b) Revenue from Sale of Services	0.01	1.49
(c) Other operating Income	-	0.01
Total	**90.59**	**11.34**

Yuflow Engineering Private Limited

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

Note 12 Other Income

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	₹ in Lakhs	₹ in Lakhs
(a) Miscellaneous Income	0.14	0.49
(b) Profit on sale of Fixed Assets	0.01	-
(b) Exchange Gain on Foreign Exchange Transactions	0.23	
Total	**0.38**	**0.49**

Note 13 Cost of materials Consumed

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	₹ in Lakhs	₹ in Lakhs
Opening stock of Raw Materials	11.44	-
Stock in Transit	0.79	
Add: Purchases	120.37	30.87
Add : Freight Inwards	5.53	3.03
	138.14	**33.90**
Less: Closing stock of Raw Materials	28.94	11.44
Less: Stock in Transit	-	0.79
Cost of materials consumed	**109.20**	**21.67**

14. Changes in Inventories of Finished Goods and Work - in - Progress

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	₹ in Lakhs	₹ in Lakhs
Opening stock:		
Finished Goods	2.95	
Work - in - Progress	9.95	
	12.90	
Less: Closing stock:		
Finished Goods	15.69	2.95
Work - in - Progress	53.28	9.95
	68.97	12.90
Total	**-56.07**	**-12.90**

15. Employee benefits expense

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	₹ in Lakhs	₹ in Lakhs
Salaries and wages	9.00	7.42
Staff welfare expenses	0.01	0.03
Total	**9.01**	**7.45**

Yuflow Engineering Private Limited

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

Note 16 Finance costs

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	₹ in Lakhs	₹ in Lakhs
Interst due to Micro Enterprises and Small Enterprises	0.25	0.28
Bank Charges	0.02	0.04
Total	**0.27**	**0.32**

Note 17 Other expenses

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	₹ in Lakhs	₹ in Lakhs
Rent	4.20	4.25
Tools Consumed	0.17	0.91
Development Charges	0.16	2.50
Repair and Maintenance	0.01	1.60
Sub contracting charges	15.06	2.68
Freight Outwards	0.35	-
Rates & Taxes	0.03	8.01
Communication	-	0.07
Contract Labour wages	6.06	3.83
Travelling & Conveyance	0.85	0.71
Printing & Stationery	0.10	0.09
Professional and Consultancy Fees	16.41	12.46
Audit Fees		
For Statutory Audit	1.50	1.50
Security Charges	2.09	1.29
Miscellaneous Expenses	0.09	0.93
Total	**47.08**	**40.83**

18. Earnings per Equity Share

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	₹ in Lakhs	₹ in Lakhs
Net Profit / (loss) for the year attributable to Equity Shareholders	(23.97)	(48.71)
Weighted Average Number of Equity Shares	20,00,000	20,00,000
Earnings per Share - Basic & Diluted	(1.20)	(2.44)
Face Value per Share	10.00	10.00

Yuflow Engineering Private Limited

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

19.Financial Instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of 31st March, 2021 is as follows:

Particulars	Amortised Cost	Total Carrying Cost	Total Fair Value
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Assets:			
Trade receivables	11.37	11.37	11.37
Cash and cash equivalents	2.10	2.10	2.10
Total	**13.47**	**13.47**	**13.47**
Liabilities:			
Trade Payables	170.59	170.59	170.59
Total	**170.59**	**170.59**	**170.59**

The carrying value of financial instruments by categories as of 31st March, 2020 is as follows:

Particulars	Amortised Cost	Total Carrying Cost	Total Fair Value
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Assets:			
Trade receivables	3.13	3.13	3.13
Cash and cash equivalents	4.03	4.03	4.03
Total	**7.16**	**7.16**	**7.16**
Liabilities:			
Trade Payables	112.91	112.91	112.91
Total	**112.91**	**112.91**	**112.91**

20 Employee benefit plans

Defined contribution plans

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	₹ in Lakhs	₹ in Lakhs
Provident Fund	Nil	Nil
Superannuation Fund	Nil	Nil

Since the number of employees in the Company is less than the minimum number of employees as required in the above stated schemes, there are no qualifying employees. Hence, the of contribution is NIL.

Defined benefit plans

As part of the defined benefit plans, the Company has not provided for Gratuity , since the number of employees on roll for more than 5 years, as required by the Payment of Gratuity Act, 1972, is NIL.

Yuflow Engineering Private Limited

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

21 Related Party Transactions

Details of related parties:

Description of relationship	Related Party
Holding Company	Yuken India Limited
Fellow Subsidiaries	Grotek Enterprises Private Limited
	Coretec Engineering India Private Limited
Note: Related parties have been identified by the Management.	

Details of related party transactions during the year ended 31st March, 2021

Particulars	₹ in Lakhs		
	Holding Company	Fellow Subsidiaries	Total
Purchase of fixed assets			
Yuken India Limited	-	-	-
	(3.61)	-	(3.61)
Coretec Engineering India Private Limited	-	3.76	3.76
	-	*(2.98)*	(2.98)
Purchase of goods and services received			
Yuken India Limited	-	-	-
	(0.55)	-	(0.55)
Coretec Engineering India Private Limited	-	5.58	5.58
	-	*(5.96)*	*(5.96)*
Grotek Enterprises Private Limited	-	17.75	17.75
	-	*(5.02)*	(5.02)
Sale of goods and services			
Yuken India Limited	77.52		77.52
	(5.51)		*(5.51)*
Coretec Engineering India Private Limited		0.26	0.26
		(0.57)	(0.57)
Grotek Enterprises Private Limited		-	-
		(0.09)	(0.09)
Advance Given			
Grotek Enterprises Private Limited		-	-
		(7.18)	(7.18)
Advance Received			
Yuken India Limited	138.00	-	138.00
	(131.27)	-	(131.27)
Amount outstanding (Receivables)			
Grotek Enterprises Private Limited	-	-	-
	-	*(5.23)*	*(5.23)*
Amount oustanding (Payables)			
Yuken India Limited	552.64		552.64
	(495.28)		*(495.28)*
Coretec Engineering India Private Limited		98.95	98.95
		(89.87)	*(89.87)*
Grotek Enterprises Private Limited		4.66	4.66
		-	-

Yuflow Engineering Private Limited

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

Note:

a) The related party relationships are as identified by the Company, on the basis of information available with the Company.

b) The above transactions are compiled from the date in which these parties became related and do not include reimbursement of expenses which are accounted in the natural heads of accounts.

c) No amounts in respect of the related parties have been written off /written back or provided for during the year.

d) Figures in brackets relates to the previous year.

22. Income Tax and Deferred Tax:

₹ in Lakhs

A	Amounts recognised in Statement of Profit or Loss	Year ended 31st March, 2021	Year ended 31st March, 2020
	Current tax		
	In respect of the current year	-	-
	In respect of the earlier years	-	-
	Deferred Tax		
	On account of origination and reversal of temporary differences	-	-
	On account of change in tax rates	-	-
	Total Income tax expense recognised in Statement of Profit or Loss	-	-

₹ in Lakhs

B	Reconciliation of effective tax rate	Year ended 31st March, 2021	Year ended 31st March, 2020
	Accounting Profit/ (loss) before tax	(23.97)	(48.71)
	Income tax rate	26.00%	26.00%
	Tax using the Company's domestic tax rate	(6.23)	(12.66)
	Effect of:		
	Origination and reversal of temporary differences	1.73	4.63
	Current year losses for which no deferred tax asset was recognised	(7.96)	(17.29)
	Tax effect on account of adjustment for expired carry forward losses/ Income Tax assessments	-	-
	Tax effect on account of changes in tax rates	-	-
	Total Tax Expense*	-	-

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Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

C The Major Components of Deferred tax (liabilities)/assets arising on account of timing differences are as follows:

Deferred Tax for the year ended 31.03.2021 **₹ in Lakhs**

Particulars	Opening Balance	Adj. (on account of difference in tax rates)	Additions of current year / (Expiry of earlier years)	Closing Balance
Deferred Tax Liability:				
On account of Property, Plant and Equipment	4.63	-	1.73	6.36
Total Deferred Tax Liability	**4.63**	**-**	**1.73**	**6.36**
Deferred Tax Asset:				
On account of Carry Forward Losses	205.33	-	(6.16)	199.17
Total Deferred Tax Asset	**205.33**	**-**	**(6.16)**	**199.17**
Net Deferred Tax Asset	**200.70**	**-**	**(7.89)**	**192.81**

Deferred Tax for the year ended 31.03.2020 **₹ in Lakhs**

Particulars	Opening Balance	Adj. (on account of difference in tax rates)	Additions of current year / (Expiry of earlier years)	Closing Balance
Deferred Tax Liability:				
On account of Property, Plant and Equipment	-	-	4.63	4.63
Total Deferred Tax Liability	-	-	**4.63**	**4.63**
Deferred Tax Asset:				
On account of Carry Forward Losses	193.30	-	12.02	205.33
Total Deferred Tax Asset	**193.30**	**-**	**12.02**	**205.33**
Net Deferred Tax Asset	**193.30**	**-**	**7.40**	**200.70**

Deferred tax assets are recognized only when it is probable that future taxable profit will be available against which the unused tax losses and deductibe temporary differences can be utilised. Since the Company is not probable about the availability of future taxable profit, the net Deferred Tax Asset is not recognized.

23. Going Concern

The Company was engaged in the business of Manufacture of Hydralic Cylinders and Hydralic Coils since the year 2002. Though the Company was making profits in the initial years, due to stiff competition, lack of adequate margin and increasing cost of production, the Company started incurring losses during the past few years. The management noted that the Company's net worth was eroded and that the current liabilities had exceeded the available current assets. These factors were rising doubts on the going concern of the Company. However, the management has taken efforts, with the help of advances received, to commence operations in a lowkey manner and has also purchased certain fixed assets, since the previous year. Further, the management has decided that the Company shall be merged with its Holding Company in the near future, which has a very sound network, cash flows and performance and has been taking efforts towards the same. In view of these positive developments and future plans of the management, the Company is considered as a Going Concern and the Financial Statements are prepared accordingly.

Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the year ended 31st March 2021 (cont'd)

24. Impact of COVID 19

The COVID 19 disease, which was declared as a pandemic in March, 2020, has been having its impact on the Indian business environment till date. This impact, with regard to its scale and duration, on the Company's earnings and cash flows remains uncertain. The Company, having its net worth eroded and presently taking efforts for revival of its business, and also having planned a merger with its Holding Company, does not anticipate any major challenge in meeting its financial obligations or recoverability of its assets, or any additional liability as at the Balance Sheet date. This has been concluded upon based on the consideration of internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions relevant to the Company's operations. However, the Company will continue to closely monitor any material changes to the future economic conditions impacting its business.

25. Dues to Micro Enterprises and Small Enterprises:

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) The principal amount remaining unpaid to suppliers as at the end of the Year.	154.13	104.69
b) the interst due and payable thereon remaining unpaid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.53	0.28

26. Contigent Liabilities

Contingent Liabilities & Committments (to the extent not provided for) **₹ in Lakhs**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Claims against the Company not acknowledged as debts	NIL	NIL

27. Previous Years Figures have been regrouped/reclassified wherever necessary to confirm to current year's classification.

As per our Report of Even Date
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

For & on behalf of the Board

V. Chandrasekaran
Partner
(Membership No. 024844)

C.P.Rangachar
DIN : 00310893
Director

H.M. Narasinga Rao
DIN : 00529717
Director

Place: Bangalore
Date : 05.06.2021