

## **2. CORETEC ENGINEERING INDIA PRIVATE LIMITED**

## **NOTICE**

**NOTICE** is hereby given that the **24<sup>th</sup>** Annual General Meeting of the Members of **CORETEC ENGINEERING INDIA PRIVATE LIMITED** will be held on Friday, 09<sup>th</sup> September, 2022 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 31<sup>st</sup> March, 2022, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. A Venkatakrishnan (DIN: 08219189), 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: 24.05.2022

**NOTES:**

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend & vote instead of himself/herself. 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 the 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 at least 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 24<sup>th</sup> Annual Report of the business and operations of the Company together with the audited financial statements for the year ended 31<sup>st</sup> March, 2022.

### **FINANCIAL RESULTS:**

**Financial highlights:**

*(Rs. In Lakhs)*

Particulars	Year ended	Year ended
	31.03.2022	31.03.2021
<b>Total Income</b>	<b>2,761.54</b>	<b>2,095.23</b>
Total expenditure	2,745.75	2,075.15
Profit/(Loss) before interest, depreciation and tax	15.79	20.08
Finance cost	114.76	130.04
Depreciation	98.06	91.57
<b>Profit/(Loss) before Tax</b>	<b>(197.03)</b>	<b>(201.53)</b>
Provision for taxation (Net of deferred tax)	(41.28)	(92.69)
<b>Profit/(loss) after tax</b>	<b>(155.75)</b>	<b>(108.84)</b>
Net comprehensive income/(loss) for the year	3.59	1.08
<b>Total comprehensive income/(loss) for the year</b>	<b>(152.16)</b>	<b>(107.76)</b>
Balance in Statement of profit and loss	(99.18)	8.58
<b>Amount available for appropriation</b>	<b>(251.34)</b>	<b>(99.18)</b>
<b>Appropriations:</b>		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
<b>Balance carried to Balance Sheet</b>	<b>(251.34)</b>	<b>(99.18)</b>

### **PERFORMANCE REVIEW:**

During the year, your Company has earned total revenue of Rs. 2,761.54 lakhs as compared to previous year total revenue of Rs. 2,095.23 lakhs. The growth is around 32% over the previous year. The Company has incurred net loss of Rs. 152.16 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.

### **IMPACT OF COVID-19 PANDEMIC ON COMPANY'S BUSINESS:**

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the financial results.

The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, the necessary impact has been given in the preparation of the financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

### **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 2021-22, there were 4 (Four) Board Meetings held on the following dates; 05.06.2021, 05.08.2021, 11.11.2021 and 07.02.2022.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 TRANSFERRED 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 31<sup>st</sup> March, 2022 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:**

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 31.03.2022 (Amount in INR)	As on 31.03.2021 (Amount in INR)
01	Foreign Exchange Earnings	NIL	NIL
02	Foreign Exchange Outgo	26,56,515	14,96,306

**DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of the Company during the year 2021-22.

**BOARD OF DIRECTORS:**

The Board comprises following Directors:

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

Mr. A Venkatakrishnan - 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 2021-22.

**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 31<sup>st</sup> March, 2022.

**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, 2022 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 31<sup>st</sup> 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 2021-22 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 2021-22, 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**

Director

DIN: 03533778

**Kandachar Gopalarao Ravi**

Director

DIN: 03520396

Date: 24.05.2022

Place: Bengaluru



**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**

Director

DIN: 03533778

**Kandachar Gopalarao Ravi**

Director

DIN: 03520396

Date: 24.05.2022

Place: Bengaluru

## 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, 2022, 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 March 31, 2022, and its loss, total comprehensive income, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities (‘the intermediaries’), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by

or on behalf of the Company (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year ended March 31, 2022.
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: 22216281ALFTBV1390

Place: Hyderabad  
 Date: 24<sup>th</sup> May 2022

## 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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

**Anand Kumar Daga**  
Partner  
Membership No. 216281  
UDIN: 22216281ALFTBV1390

Place: Hyderabad  
Date: 24<sup>th</sup> May 2022

## 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) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible 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) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii)
  - (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
  - (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets and the company is regular in filing statements on a quarterly basis with the banks or financial institutions. The quarterly statements filed with banks or financial institutions are in agreement with books of accounts.
  - (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
  - (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
  - (v) The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
  - (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
  - (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 is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess



and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute as on March 31, 2022 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	2.70

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix)

- (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short

term basis have not been utilised for long term purposes.

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans by way of pledge of securities held in its subsidiaries, joint ventures or associates hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x)

- (a) 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 (x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)

- (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.



- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv)
- (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
  - (b) We were unable to obtain some of the Internal Audit Reports of the Company on timely basis, hence the Internal Audit Reports have been considered by us, only to the extent made available to us.
- (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, provisions of section 192 of the Act are not applicable to the Company.
- (xvi)
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) of the Order is not applicable.
  - (a) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
  - (a) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For V K A N & Associates**

*Chartered Accountants*

ICAI Firm Registration No 014226S

**Anand Kumar Daga**

Partner

Membership No. 216281

UDIN: 22216281ALFTBV1390

Place: Hyderabad

Date: 24<sup>th</sup> May 2022

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Balance Sheet as at 31<sup>st</sup> March, 2022

(In ₹ Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
		₹	₹
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3.a	1,377.30	1,442.44
Capital work in progress	3.a	305.00	224.89
Other intangible assets	3.b	27.58	21.40
Financial assets			
(i) Other financial assets	4	22.18	20.63
Income tax assets	4a	7.86	4.60
Deferred tax Assets (net)	13	130.22	88.95
<b>Total non-current assets</b>		<b>1,870.14</b>	<b>1,802.91</b>
<b>Current assets</b>			
Inventories	5	972.93	802.32
Financial assets			
(i) Trade receivables	6	1,501.70	756.18
(ii) Cash and cash equivalents	7	7.54	7.35
(iii) Loans and advances	8	1.08	0.05
Other current assets	9	151.31	123.70
<b>Total current assets</b>		<b>2,634.56</b>	<b>1,689.60</b>
<b>Total assets</b>		<b>4,504.70</b>	<b>3,492.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10.a	361.96	361.96
Other equity	10.b	(251.34)	(99.18)
<b>Total Equity</b>		<b>110.62</b>	<b>262.78</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	11	162.50	287.50
Provisions	12	47.22	38.94
<b>Total non - current liabilities</b>		<b>209.72</b>	<b>326.44</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	11	887.83	902.76
(ii) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		48.31	218.15
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,070.16	717.29
(iii) Other financial liabilities	15	1.74	1.48
Provisions	12	1.23	0.91
Other current liabilities	16	2,175.09	1,062.70
<b>Total current liabilities</b>		<b>4,184.36</b>	<b>2,903.29</b>
<b>Total liabilities</b>		<b>4,394.08</b>	<b>3,229.73</b>
<b>Total equity and liabilities</b>		<b>4,504.70</b>	<b>3,492.51</b>
<b>See accompanying notes to the standalone Ind AS financial statements</b>	<b>1-39</b>		

In terms of our report of even date attached

For V K A N &amp; 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: 24<sup>th</sup> May 2022

K.G. Ravi

Director

DIN: 03520396

Place: Bangalore

S.K. Naik

Director

DIN: 03533778

Place: Bangalore

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022** (In ₹ Lakhs)

Particulars	Note No.	Year ended	Year ended
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
		₹	₹
<b>Income</b>			
Revenue from operations	17	2,694.36	2,090.73
Other income	18	67.18	4.50
<b>Total Income</b>		<b>2,761.54</b>	<b>2,095.23</b>
<b>Expenses</b>			
Cost of materials consumed	19	1,636.67	1,127.25
Changes in stock of finished goods, work-in-progress and stock-in-trade	20	(24.08)	(38.28)
Employee benefit expense	21	291.78	293.57
Finance costs	22	114.76	130.04
Depreciation and amortisation expense	23	98.06	91.57
Other expenses	24	841.38	692.61
<b>Total expenses</b>		<b>2,958.57</b>	<b>2,296.76</b>
<b>Loss before tax</b>		<b>(197.03)</b>	<b>(201.53)</b>
<b>Tax expense/(benefit):</b>			
Current tax		-	-
Deferred tax	25	(41.28)	(92.69)
		(41.28)	(92.69)
<b>Loss after tax</b>		<b>(155.75)</b>	<b>(108.84)</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Changes in revaluation surplus			
(b) Remeasurements of the defined benefit liabilities / (asset)			
(c) Equity instruments through other comprehensive income			
(d) Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss			
(e) Others (specify nature)			
(f) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss			
(g) Remeasurement of defined benefit plans	30	4.98	1.45
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.39)	(0.37)
<b>Other comprehensive income for the year</b>		<b>3.59</b>	<b>1.08</b>
<b>Total loss and comprehensive income for the year</b>		<b>(152.16)</b>	<b>(107.76)</b>
<b>Earnings per equity share (for continuing operation):</b>			
Basic and diluted (in Rs.)	31	(4.30)	(3.01)
<b>See accompanying notes to the standalone Ind AS financial statements</b>	<b>1-39</b>		

In terms of our report of even date attached

For V K A N &amp; 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: 24<sup>th</sup> May 2022

K.G. Ravi

Director

DIN: 03520396

Place: Bangalore

S.K. Naik

Director

DIN: 03533778

Place: Bangalore

**Coretec Engineering India Private Limited**  
**CIN - U29246KA1998PTC023863**  
**Cash Flow Statement for the year ended 31<sup>st</sup> March 2022** (In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022		Year ended 31 <sup>st</sup> March, 2021	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Net profit / (loss) before extraordinary items and tax		(197.03)		(201.53)
<u>Adjustments for:</u>				
Depreciation and amortization	98.06		91.57	
Profit on sale of assets	(32.36)		(0.21)	
Finance costs	114.76		130.04	
Bad debts written off	1.08		-	
		181.54		221.40
Operating profit / (loss) before working capital changes-(1)		<b>(15.49)</b>		<b>19.87</b>
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:-(2)</u>				
Inventories	(170.61)		(68.01)	
Trade receivables	(746.60)		421.53	
Loans and advances	(1.03)		0.65	
Other financial assets	(1.55)		(0.44)	
Other current assets	(27.61)		(58.76)	
<u>Adjustments for (increase) / decrease in operating liabilities:-(3)</u>				
Trade payables	183.03		234.52	
Provisions(short term and long term)	12.19		0.91	
Other financial liabilities	0.26		(138.23)	
Other current liabilities	1,112.39		(115.52)	
		360.47		276.65
Cash generated from operations-(1)+(2)-(3)		<b>344.98</b>		<b>296.52</b>
Net income tax (paid) / refunds		(3.26)		(1.32)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>341.72</b>		<b>295.20</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(162.24)		(145.34)	
Proceeds from Sale of fixed assets	75.41		2.60	
		<b>(86.84)</b>		<b>(142.74)</b>
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(86.84)</b>		<b>(142.74)</b>
<b>C. Cash flow from financing activities</b>				
Issue of share capital (net of issue expenses paid)	-		-	
Net increase / (decrease) in working capital borrowings	-		-	
Term loan taken during the year	-		-	
Repaid during the year	(139.93)		(22.46)	
Finance cost	(114.76)		(130.04)	
		(254.69)		(152.49)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(254.69)</b>		<b>(152.49)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>0.19</b>		<b>(0.04)</b>
Cash and cash equivalents at the beginning of the year		7.35		7.40
<b>Cash and cash equivalents at the end of the year(Refer Note No. 7)</b>		<b>7.54</b>		<b>7.35</b>
<b>See accompanying notes to the standalone Ind AS financial statements</b>			<b>1 to 39</b>	

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: 24<sup>th</sup> May 2022**K.G. Ravi****Director**

DIN: 03520396

Place: Bangalore

**S.K. Naik****Director**

DIN: 03533778

Place: Bangalore

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2022 (In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b> Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,00,000	500.00	50,00,000	500.00
<b>(b) Issued, subscribed and fully paid up</b> Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	36,19,600	361.96	36,19,600	361.96
<b>Total</b>	<b>36,19,600</b>	<b>361.96</b>	<b>36,19,600</b>	<b>361.96</b>

(In ₹ Lakhs)

Particulars	Reserve and Surplus	
	Retained earnings	Other comprehensive income
	₹	₹
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>3.85</b>	<b>4.74</b>
<b>Additions during the year</b>		
Profit during the year	(108.84)	-
<b>Items of the OCI, net of tax-</b>		
Re-measurement of net defined benefit liability/(asset)	-	1.08
<b>Total</b>	<b>(108.84)</b>	<b>1.08</b>
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>(104.99)</b>	<b>5.82</b>
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>(104.99)</b>	<b>5.82</b>
<b>Additions during the year</b>		
Profit during the year	(155.75)	-
<b>Items of the OCI, net of tax-</b>		
Re-measurement of net defined benefit liability/(asset)	-	3.59
<b>Total</b>	<b>(155.75)</b>	<b>3.59</b>
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>(260.74)</b>	<b>9.41</b>
<b>See accompanying notes to the standalone Ind AS financial statements</b>		<b>1-39</b>

In terms of our report of even date attached

For V K A N &amp; 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: 24<sup>th</sup> May 2022

K.G. Ravi

Director

DIN: 03520396

Place: Bangalore

S.K. Naik

Director

DIN: 03533778

Place: Bangalore

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022

### 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, hydraulics major 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 Equipment's	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.



**Coretec Engineering India Private Limited**  
CIN - U29246KA1998PTC023863

**Notes forming part of Balance Sheet**

**3. Property plant & equipment**

3. Property plant & equipment											(In ₹ Lakhs)
DESCRIPTION	GROSS BLOCK			DEPRECIATION / IMPAIRMENT				NET BLOCK			
	As at 01 <sup>st</sup> April, 2021	Additions	Deductions / Adjustments	As at 31 <sup>st</sup> March, 2022	As at 01 <sup>st</sup> April, 2021	For the Year	Deductions / Adjustments	Impairment loss	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Tangible assets (A)											
Freehold land	319.36 (319.36)	-	-	319.36 (319.36)	-	-	-	-	319.36 (319.36)	319.36 (319.36)	
Factory buildings	268.92 (248.18)	-	-	268.92 (268.92)	39.48 (31.17)	8.92 (8.32)	-	-	48.40 (39.48)	229.44 (217.01)	
Computer systems	21.66 (21.22)	5.15 (0.44)	3.43	23.38 (21.66)	20.08 (19.24)	1.62 (0.85)	2.17	-	19.54 (20.08)	1.57 (1.98)	
Office equipment	22.65 (17.74)	7.75 (4.91)	4.98	25.42 (22.65)	12.95 (4.41)	6.97 (8.55)	4.24	-	15.69 (12.95)	9.69 (13.33)	
Furniture & fixtures	17.24 (14.22)	4.74 (3.02)	-	21.99 (17.24)	6.74 (5.68)	1.27 (1.06)	-	-	8.02 (6.74)	10.50 (8.54)	
Plant & machinery	1,147.04 (969.96)	43.77 (179.52)	101.50 (2.44)	1,089.31 (1,147.04)	327.42 (260.16)	71.44 (67.31)	67.10 (0.05)	-	331.77 (327.42)	819.62 (709.80)	
Electrical installation	65.84 (27.09)	6.21 (38.76)	-	72.05 (65.84)	15.45 (11.58)	5.49 (3.88)	-	-	20.94 (15.45)	50.39 (15.51)	
Vehicles	5.92 (5.92)	-	0.53	5.39 (5.92)	4.06 (3.70)	0.32 (0.36)	0.21	-	4.16 (4.06)	1.86 (2.22)	
Total (A)	1,868.64 (1,624)	67.62 (247)	110.44 (2)	1,825.81 (1,869)	426.19 (336)	96.03 (90)	73.72 (0)	-	448.51 (426)	1,442.44 (1,288)	
PY Numbers											
Intangible assets (B)											
Software	36.50 (36.50)	8.20 -	-	44.70 (36.50)	15.10 (13.85)	2.02 (1.25)	-	-	17.12 (15.10)	21.40 (22.65)	
Total (B)	36.50 (36.50)	8.20 -	-	44.70 (36.50)	15.10 (13.85)	2.02 (1.25)	-	-	17.12 (15.10)	21.40 (22.65)	
PY Numbers											
Total (A) + (B)	1,905.14 (1,660.18)	75.82 (247.40)	110.44 (2.44)	1,870.51 (1,905.14)	441.29 (349.78)	98.05 (91.57)	73.72 (0.05)	-	465.63 (441.29)	1,463.84 (1,310.40)	
PY Numbers											

(In ₹ Lakhs)

DESCRIPTION	CWIP			CLOSING BALANCE	
	As at 01 <sup>st</sup> April, 2021 ₹	Additions to CWIP ₹	Capitalised ₹	As at 31 <sup>st</sup> March, 2022 ₹	As at 31 <sup>st</sup> March, 2021 ₹
Capital work in progress	224.89 (311.50)	88.29 (78.39)	8.17 (165.01)	305.00 (224.89)	224.89 (311.50)
<b>Total</b>	<b>224.89</b>	<b>88.29</b>	<b>8.17</b>	<b>305.00</b>	<b>224.89</b>
<b>PY Numbers</b>	<b>(311.50)</b>	<b>(78.39)</b>	<b>(165.01)</b>	<b>(224.89)</b>	<b>(311.50)</b>



## Coretec Engineering India Private Limited

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## Notes forming part of Balance Sheet

Capital work-in-progress as at 31<sup>st</sup> March 2022

## (a) Ageing of CWIP:

(In ₹ Lakhs)

DESCRIPTION	Amounts in Capital work-in-progress for				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	88.29	-	216.71	-	305.00
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>88.29</b>	<b>-</b>	<b>216.71</b>	<b>-</b>	<b>305.00</b>

## (b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

(In ₹ Lakhs)

DESCRIPTION	To be Completed in				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process MALUR UNIT BUILDING EXTENSION	232.31	-	-	-	232.31
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>232.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>232.31</b>

Capital work-in-progress as at 31<sup>st</sup> March 2021

## (a) Ageing of CWIP:

(In ₹ Lakhs)

DESCRIPTION	Amounts in Capital work-in-progress for				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	8.17	216.71	-	-	224.89
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>8.17</b>	<b>216.71</b>	<b>-</b>	<b>-</b>	<b>224.89</b>

## (b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

(In ₹ Lakhs)

DESCRIPTION	To be Completed in				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process MALUR UNIT BUILDING EXTENSION	-	232.31	-	-	232.31
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>232.31</b>	<b>-</b>	<b>-</b>	<b>232.31</b>

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**4. Other financial assets - non current**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
Security deposits	22.18	20.63
<b>Total</b>	<b>22.18</b>	<b>20.63</b>

**4a. Income tax assets - non current**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
Advance tax net of provision Rs. Nil (PY Rs. Nil)	7.86	4.60
<b>Total</b>	<b>7.86</b>	<b>4.60</b>

**5. Inventories**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
Raw materials and components	675.36	528.95
Work-in-progress	178.07	183.79
Finished goods	118.94	89.14
Material In-Transit	0.55	0.44
<b>Total</b>	<b>972.93</b>	<b>802.32</b>

The mode of valuation of inventories has been stated in note 2 (g)

**6. Trade receivables**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
<b>Current</b>		
Trade receivables		
(a) Unsecured, considered good	1,501.70	756.18
(b) Doubtful	-	-
Less: Allowance for credit losses	-	-
<b>Total</b>	<b>1,501.70</b>	<b>756.18</b>

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**Aging of receivables as at 31<sup>st</sup> March 2022**

(In ₹ Lakhs)

Particulars	Outstanding for following periods from the due date					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
	₹	₹	₹	₹	₹	₹
<b>Undisputed Trade receivables</b>						
considered good	983.10	165.34	88.81	264.45	-	1,501.70
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Disputed Trade receivables</b>						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>983.10</b>	<b>165.34</b>	<b>88.81</b>	<b>264.45</b>	<b>-</b>	<b>1,501.70</b>

**Aging of receivables as at 31<sup>st</sup> March 2021**

(In ₹ Lakhs)

Particulars	Outstanding for following periods from the due date					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
<b>Undisputed Trade receivables</b>						
considered good	397.72	74.16	284.29	-	-	756.18
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Disputed Trade receivables</b>						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>397.72</b>	<b>74.16</b>	<b>284.29</b>	<b>-</b>	<b>-</b>	<b>756.18</b>

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

## 7. Cash and cash equivalents

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
Cash on hand	0.75	1.27
Balances with banks		
(i) In current accounts	6.80	6.08
<b>Cash and cash equivalents as per balance sheet</b>	<b>7.54</b>	<b>7.35</b>
<b>Cash and cash equivalents as per statement of cash flows-(A)</b>	<b>7.54</b>	<b>7.35</b>

## 8. Loans and advances

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
<b>Current</b>		
Advance to employees	1.08	0.05
<b>Total</b>	<b>1.08</b>	<b>0.05</b>

## 9. Other current assets

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
Trade and other advances	40.39	44.49
Prepaid expenses	33.63	27.85
Balance with government authorities (including GST)	77.30	51.38
<b>Total</b>	<b>151.31</b>	<b>123.70</b>

## Note 10.a Share capital

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022		As at 31 <sup>st</sup> March,2021	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,00,000	500.00	50,00,000	500.00
<b>(b) Issued, subscribed and fully paid up</b>				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	36,19,600	361.96	36,19,600	361.96
	<b>36,19,600</b>	<b>361.96</b>	<b>36,19,600</b>	<b>361.96</b>

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

Refer notes (i) to (iv) below

(Rs. In Lakhs)

**(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 <sup>st</sup> March, 2022	
	Number of shares	₹
<b>Equity shares with voting rights</b>		
As at 31 <sup>st</sup> March, 2021	36,19,600	361.96
As at 31 <sup>st</sup> March, 2022	36,19,600	361.96

**\*Rights issue:**

On March 10<sup>th</sup>, 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 <sup>st</sup> March, 2022	
	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>		
- Yuken India Limited	36,19,200	99.99
- K Gopalkrishna	400	0.01

**(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 shareholders at the ensuing Annual General Meeting.

**(iv) Shareholding of Promotor**

Shares held by promotor as at March 31, 2022

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2022	
	Number of shares held	% holding in that class of shares
- Yuken India Limited	36,19,200	99.99
- K Gopalkrishna	400	0.01

## Coretec Engineering India Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**10.b Other equity**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
<b>Surplus in statement of profit and loss</b>		
Profit and Loss:		
Opening balance	(104.99)	3.85
Additions during the period	(155.75)	(108.84)
<b>Closing Balance</b>	<b>(260.74)</b>	<b>(104.99)</b>
Other Comprehensive Income:		
Opening balance	5.82	4.74
Additions during the period	3.59	1.08
<b>Closing Balance</b>	<b>9.41</b>	<b>5.82</b>
<b>Total</b>	<b>(251.34)</b>	<b>(99.18)</b>

**Financial liabilities****11. Borrowings****Non-current borrowings**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
<b>Secured - at amortised cost</b>		
(i) Loans		
from banks*	162.50	287.50
<b>Total</b>	<b>162.50</b>	<b>287.50</b>

**Terms of Loan (refer note below):**

(In ₹ Lakhs)

Repayment Details	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
<b>HDFC term loan</b>		
4 years (including 6 months moratorium) Facility of ₹ 136.88 lakhs at 11.5% rate of interest	-	10.01
<b>SMBC term loan</b>		
Principal in 16 equal quarterly instalment over 4 years after 1 year moratorium Interest monthly (even in moratorium period) Facility of ₹ 500 lakhs	162.50	277.48

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

Corporate Guarantee given by Yuken India Limited amounting to ₹ 1850 lakhs

Rate of Interest - 9.30 % reset quarterly



## Coretec Engineering India Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**Current borrowings**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
<b>Secured - at amortised cost</b>		
(i) Loans		
from banks	762.83	767.75
(ii) Current maturities of long term debt	125.00	135.02
<b>Total</b>	<b>887.83</b>	<b>902.76</b>

**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

**12. Provisions**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
Gratuity	0.79	0.58
Compensated leave absences	0.45	0.33
<b>Current</b>	<b>1.23</b>	<b>0.91</b>
Gratuity	33.32	26.86
Compensated leave absences	13.89	12.08
<b>Non-current</b>	<b>47.22</b>	<b>38.94</b>
<b>Total</b>	<b>48.45</b>	<b>39.85</b>

**Note 13 Deferred tax balances**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
<b>Deferred tax liabilities</b>	<b>118.95</b>	<b>100.12</b>
On difference between book balance and tax balance of fixed assets	118.95	100.12
<b>Deferred tax assets</b>	<b>249.17</b>	<b>189.07</b>
Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	14.15	11.46
Unabsorbed depreciation carried forward / brought forward business losses	235.02	177.61
<b>Net deferred tax liabilities/ (assets)</b>	<b>(130.22)</b>	<b>(88.95)</b>

## Coretec Engineering India Private Limited

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**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**14. Trade payables**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
<b>Current</b>		
Trade payables: micro and small enterprises	48.31	218.15
Trade payables: others	911.76	679.70
Trade payables to related parties (see note 33)	158.40	37.59
<b>Total</b>	<b>1,118.47</b>	<b>935.44</b>

**Ageing of Trade Payables for year ended 31<sup>st</sup> March 2022**

(In ₹ Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
	₹	₹	₹	₹	₹	₹	₹
Undisputed trade payables							
(i) MSME	-	-	48.27	0.04	-	-	48.31
(ii) Others	38.54	-	946.67	58.84	26.10	-	1,070.16
Disputed trade payables							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	<b>38.54</b>	<b>-</b>	<b>994.94</b>	<b>58.88</b>	<b>26.10</b>	<b>-</b>	<b>1,118.47</b>

**Ageing of Trade Payables for year ended 31<sup>st</sup> March 2021**

(In ₹ Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
	₹	₹	₹	₹	₹	₹	₹
Undisputed trade payables							
(i) MSME	-	-	217.37	0.78	-	-	218.15
(ii) Others	32.95	-	652.12	32.23	-	-	717.29
Disputed trade payables							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	<b>32.95</b>	<b>-</b>	<b>869.49</b>	<b>33.01</b>	<b>-</b>	<b>-</b>	<b>935.44</b>

## Coretec Engineering India Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**15. Other financial liabilities**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Interest accrued but not due on borrowings	1.74	1.48
<b>Total</b>	<b>1.74</b>	<b>1.48</b>

**16. Other current liabilities**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Statutory liabilities (includes GST, ESI, TDS, profession tax & provident fund)	76.04	60.99
Advance from customers	2,099.05	1,001.72
<b>Total</b>	<b>2,175.09</b>	<b>1,062.70</b>

**17. Revenue from operations**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
(a) Revenue from sale of products	2,631.90	1,996.38
(b) Revenue from sale of services	36.10	71.95
(c) Scrap sale	26.35	22.40
<b>Total revenue from operations</b>	<b>2,694.36</b>	<b>2,090.73</b>

**18. Other income**

(In ₹ Lakhs)

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

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
a) Rental Income	2.10	4.20
b) Miscellaneous Income*	32.72	0.09
c) Profit on sale of Assets	32.36	0.21
<b>Total of other income</b>	<b>67.18</b>	<b>4.50</b>

\* Miscellaneous income includes income received on account of transfer of pattern shop unit, related raw materials and consumables to Grotek Enterprises Private Limited.

## Coretec Engineering India Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**19. Cost of materials consumed**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
Opening stock	528.95	495.77
Add: Purchases	1,783.08	1,160.44
	<b>2,312.03</b>	<b>1,656.21</b>
Less: Closing stock	675.36	528.95
<b>Cost of materials consumed</b>	<b>1,636.67</b>	<b>1,127.25</b>

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

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
Inventories at the end of the year:		
Finished goods	118.94	89.14
Work-in-progress	178.07	183.79
	<b>297.01</b>	<b>272.93</b>
Inventories at the beginning of the year:		
Finished goods	89.14	75.99
Work-in-progress	183.79	158.65
	<b>272.93</b>	<b>234.65</b>
<b>Net (increase) / decrease</b>	<b>(24.08)</b>	<b>(38.28)</b>

**21. employee benefits expense**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
Salaries and wages	235.57	251.82
Contribution to provident and other funds (see note 29)	18.56	18.60
Gratuity	14.82	4.18
Staff welfare expenses	22.83	18.96
<b>Total</b>	<b>291.78</b>	<b>293.57</b>

**22. Finance costs**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
Interest costs :-		
(i) Interest on bank overdrafts and loans (other than those from related parties)	84.64	97.75
(ii) Other Borrowing costs	30.12	32.29
<b>Total</b>	<b>114.76</b>	<b>130.04</b>

## Coretec Engineering India Private Limited

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**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**23. Depreciation and amortization expense**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
Depreciation of property, plant and equipment pertaining to continuing operations	96.03	90.32
Amortisation of intangible assets (Note 3)	2.02	1.25
<b>Total depreciation and amortisation expense</b>	<b>98.06</b>	<b>91.57</b>

**24. Other Expenses**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
Sub-contracting charges	399.39	283.11
Contract Labour charges	165.50	113.61
Freight charges	44.88	32.38
Power and fuel	53.34	49.00
Rates and taxes	3.49	15.18
Rent	17.23	15.88
Insurance	13.64	14.36
Repairs and maintenance		
- Building	3.98	10.59
- Machinery	43.46	65.44
- Vehicle	2.74	-
- Others	7.54	11.73
Legal and professional charges	30.08	41.39
Payment to auditors		
- Statutory audit	2.25	2.25
- Tax audit	0.50	0.50
- Other services	0.98	0.65
Travelling & conveyance expenses	8.05	2.73
Bad debts written off	1.08	-
Communication expenses	3.62	2.86
Printing & stationary	2.21	1.84
Testing charges	0.28	-
Security charges	17.62	11.64
Miscellaneous expenses	19.53	17.46
<b>Total</b>	<b>841.38</b>	<b>692.61</b>

## Coretec Engineering India Private Limited

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**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**25. Income Tax Expense/(Benefit)**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
<b>Current Tax</b>		
In respect of the current year	-	-
<b>Deferred Tax</b>		
In respect of the current year	(41.28)	(92.69)
	<b>(41.28)</b>	<b>(92.69)</b>
<b>Total income tax expense/(benefit) recognised in the current year.</b>	<b>(41.28)</b>	<b>(92.69)</b>

**26.**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
<b>26.1 Expenditure in foreign currency:</b>		
Raw materials & Components	17.32	14.96
Fixed Assets	9.25	-
<b>26.2. Estimated amount of contracts remaining to be executed on capital account and not provided for</b>	<b>-</b>	<b>-</b>

**27. Contingent liabilities (to the extent not provided for)**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
<b>Demand received from tax authorities</b>		
Income tax	-	2.72

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

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
	₹	₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	48.31	218.15
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.76	1.43
(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	0.76	1.43

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.



## Coretec Engineering India Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 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 ₹ 18.56 lakhs (previous year : ₹ 18.60 lakhs)

#### 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:

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
	₹	₹
Fair value of plan assets		
Present value of obligations	34.11	27.44
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(34.11)</b>	<b>(27.44)</b>

#### 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: (In ₹ Lakhs)

Particulars	Non -Current		Current	
	As on 31 <sup>st</sup> March,2022	As on 31 <sup>st</sup> March,2021	As on 31 <sup>st</sup> March,2022	As on 31 <sup>st</sup> March,2021
	₹	₹	₹	₹
Gratuity	33.32	26.86	0.79	0.58
<b>Total</b>	<b>33.32</b>	<b>26.86</b>	<b>0.79</b>	<b>0.58</b>

#### Movement in present values of defined benefit obligations

(In ₹ Lakhs)

Particulars	Gratuity	
	Year ended 31 <sup>st</sup> March,2022	Year ended 31 <sup>st</sup> March,2021
Defined benefit obligation at the beginning of the year	27.44	27.31
Past Service cost		
Current service cost	4.21	2.68
Interest cost	1.86	1.87
Actuarial (gains) / losses	(4.98)	(1.45)
Benefits paid	10.14	(2.98)
Transfer in/ (out)	(4.56)	-
<b>Present value of defined benefit obligation at year end</b>	<b>34.11</b>	<b>27.44</b>

## Coretec Engineering India Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**Expense recognised in Statement of profit and loss**

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March,2022	Year ended 31 <sup>st</sup> March,2021
	₹	₹
Current service cost	4.21	2.68
Interest on obligation	1.86	1.87
Past Service Cost	-	-
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>6.07</b>	<b>4.55</b>

**30. Expense recognised in Other Comprehensive Income**

(In ₹ Lakhs)

Particulars	Gratuity	
	Year ended 31 <sup>st</sup> March,2022	Year ended 31 <sup>st</sup> March,2021
	₹	₹
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(4.98)	(0.63)
- experience variance (i.e. Actual experience vs assumptions)	10.14	(1.80)
<b>Total expense recognised in Other Comprehensive Income</b>	<b>5.16</b>	<b>(2.44)</b>

**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 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2022	As at 31 <sup>st</sup> March,2021
Discount rate	7.25%	6.80%	7.25%	6.80%
Estimated rate of return on plan assets	-	-	-	-
Attrition rate	-	-	-	-
Future salary increases	2% for the two years and 4% thereafter	2% for the two years and 5% thereafter	2% for the two years and 4% 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.

## Coretec Engineering India Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### Sensitivity analysis :

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	37.62	31.06	30.71	24.64
(% change compared to base due to sensitivity)	10.30%	-8.90%	11.90%	-10.20%
Salary Growth Rate (- / + 1%)	30.94	37.71	24.55	30.76
(% change compared to base due to sensitivity)	-9.30%	10.50%	-10.50%	12.10%
Attrition Rate (- / + 50% of attrition rates)	33.55	34.62	27.12	27.73
(% change compared to base due to sensitivity)	-1.70%	1.50%	-1.20%	1.00%
Mortality Rate (- / + 10% of mortality rates)	34.08	34.14	27.42	27.46
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

### 31. Earnings per share

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹	₹
<b>Basic and diluted</b>		
Net loss for the year from operations attributable to the equity shareholders ₹	(155.75)	(108.84)
Weighted average number of equity shares	36,19,600	36,19,600
Earnings per share from operations - Basic and diluted- ₹	(4.30)	(3.01)

### 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.

### 33. Related party disclosures

Particulars	Year ended 31 <sup>st</sup> March, 2022
<b>Related party transactions</b>	
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 managerial personnel	S K Naik

## Coretec Engineering India Private Limited

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**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

(In ₹ Lakhs)

Details of transactions	Year Ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
<b><u>Holding company</u></b>	-	-
- Sales of goods and services	2,997.41	2,042.96
- Purchase of fixed asset	18.08	152.18
- Purchase of goods and services	60.92	31.14
- Sales of asset	-	2.57
- Corporate guarantee commission	47.37	-
<b><u>Fellow subsidiary</u></b>	-	-
<u>Yuflow Engineering Private Limited</u>	-	-
- Purchase of goods	0.12	0.26
- Sales of goods	-	3.79
- Rental Income	2.48	4.96
<u>Grotek Enterprises Private Limited</u>	-	-
- Sales of goods	29.16	100.01
- Sales of asset	136.63	-
- Purchase of goods	3.78	8.22
- Purchase of asset	-	1.48
<u>Kolben Hydraulics Limited</u>	-	-
- Sales of goods	-	0.94
- Purchase of goods	-	-

(In ₹ Lakhs)

Amount outstanding (receivables)	Year ended	Year ended
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
	₹	₹
<b><u>Holding company</u></b>	-	-
Yuken India Limited	953.40	366.80
<b><u>Fellow subsidiary</u></b>	-	-
Yuflow Engineering Private Limited	103.67	99.67
Kolben Hydraulics Limited	-	3.73
Grotek Enterprises Private Limited	366.85	433.27

(In ₹ Lakhs)

Amount outstanding (payables)	Year ended	Year ended
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
	₹	₹
<b><u>Holding company</u></b>	-	-
Yuken India Limited	2,213.63	931.58
<b><u>Fellow subsidiary</u></b>	-	-
Kolben Hydraulics Limited	-	-
Yuflow Engineering Private Limited	0.83	0.71
Grotek Enterprises Private Limited	23.57	36.88

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

# Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

(In ₹ Lakhs)

Guarantees outstanding	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹	₹
<b>Holding company</b>	-	-
Yuken India Limited	1,850.00	1,850.00

## 34. Financial Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current ratio (times)	Current assets	Current liabilities	0.63	0.58	8.19%	
Debt-equity ratio (times)	Total Debt	Shareholder's Equity	2.90	3.29	-11.76%	
Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	0.22	0.39	-42.87%	Debt service coverage decreased due to repayment of outstanding loans
Return on equity (%)	Net Profits after taxes	Average Shareholder's Equity	- 1.41	- 0.41	239.94%	Due to increased loss during the period compared to loss in PY, return on equity has been reduced
Inventory turnover ratio (times)	COGS	Average inventory	1.84	1.47	25.67%	Due to increase in demand of inventory with parent company, inventory turnover has been increased.
Trade receivables turnover ratio (times)	Revenue	Average Trade Receivable	2.39	2.16	10.38%	
Trade payable turnover ratio (times)	Purchases of services and other expenses	Average Trade Payables	2.56	2.26	12.84%	
Net capital turnover ratio (times)	Revenue	Working Capital	1.74	1.72	0.92%	
Net profit ratio (%)	Net Profit	Revenue	- 0.06	- 0.05	11.04%	
Return on capital employed (%)	Earning before interest and taxes	Capital Employed	- 0.07	- 0.05	44.03%	Due to increased turnover and decreased borrowings, return on capital has been increased.
Return on investment (%)	Income generated from investments	Time weighted average investments	No investments			

Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PP&E etc

Debt service = Interest and principal repayments including lease payments.

Shareholders equity = Contributed capital + retained earnings

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 35. Fair value measurements

#### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March 2022 were as follows: (In ₹ Lakhs)

Particulars	Note No.	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
<b>Assets :</b>				
Loans				
(i) Loan to employees	8	1.08	-	-
Cash and cash equivalents	7	7.54	-	-
Other financial assets				
(i) Security deposits	4	22.18	-	-
Trade receivables	6	1,501.70	-	-
<b>Total</b>		<b>1,532.50</b>	-	-
<b>Liabilities:</b>				
Borrowings	11	1,050.33	-	-
Other financial liabilities				
(i) Trade payables	14	1,118.47	-	-
Current maturities of long term debt	15	125.00	-	-
<b>Total</b>		<b>2,293.80</b>	-	-

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March 2021 were as follows: (In ₹ Lakhs)

Particulars	Note No.	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
<b>Assets :</b>				
Loans				
(i) Loan to employees	8	0.05	-	-
Cash and cash equivalents	7	7.35	-	-
Other financial assets				
(i) Security deposits	4	20.63	-	-
Trade receivables	6	756.18	-	-
<b>Total</b>		<b>784.21</b>	-	-
<b>Liabilities:</b>				
Borrowings	11	1,055.24	-	-
Other financial liabilities				
(i) Trade payables	14	935.44	-	-
Current maturities of long term debt	15	135.02	-	-
<b>Total</b>		<b>2,125.70</b>	-	-



## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

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.

### 36. 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:

(In ₹ Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
		₹	₹
<b>Financials measured at amortized costs:</b>			
Financial assets			
(i) Loan to employees	8	1.08	0.05
Trade receivable *	6	1,501.70	756.18
<b>Cash and cash equivalents and other bank balances</b>			
Cash and cash equivalents #	7	7.54	7.35
<b>Financial liabilities measured at amortized cost:</b>			
Borrowings	11	1,175.33	1,325.28
Trade Payables *	14	1,118.47	935.44

\*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

CIN - U29246KA1998PTC023863

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 37. 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 its 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	(In ₹ Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Loan to employees	1.08	0.05
Cash and cash equivalents	7.54	7.35
Security deposits	22.18	20.63
Trade receivables	1,501.70	756.18
<b>Total</b>	<b>1,532.50</b>	<b>784.21</b>

#### 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.

## Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 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

(In ₹ Lakhs)

As at 31 <sup>st</sup> March 2022	Less than 1 year	1 year to 5 years	More than 5 years
	₹	₹	₹
Borrowings	887.83	162.50	-
Trade payables	1,118.47	-	-
Other current liabilities	2,175.09	-	-
	<b>4,181.39</b>	<b>162.50</b>	-
As at 31 <sup>st</sup> March 2021	Less than 1 year	1 year to 5 years	More than 5 years
	₹	₹	₹
Borrowings	902.76	287.50	-
Trade payables	935.44	-	-
Other current liabilities	1,062.70	-	-
	<b>2,900.90</b>	<b>287.50</b>	-

### (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

CIN - U29246KA1998PTC023863

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**38. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

(In ₹ Lakhs)

Particulars	Year ended	Year ended
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
<b>Accounting profit before tax and exceptional item</b>	(197.03)	(201.53)
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	(54.81)	(56.07)
<b>Reconciling items:</b>		
Tax effect on permanent non-deductible expenses	-	-
Tax adjustments of Prior Years	-	-
Others	13.53	(36.62)
<b>At the effective income tax rate of 27.82% (PY 27.82%)</b>	<b>(41.28)</b>	<b>(92.69)</b>
Income tax expense reported in the Statement of Profit and Loss	<b>(41.28)</b>	<b>(92.69)</b>

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

For and on behalf of the Board of Directors

**K.G. Ravi**  
**Director**  
DIN: 03520396

**S.K. Naik**  
**Director**  
DIN: 03533778

Place: Bangalore  
Date: 24<sup>th</sup> May 2022

## **1. GROTEK ENTERPRISES PRIVATE LIMITED**

## **NOTICE**

**NOTICE** is hereby given that the **25<sup>th</sup>** Annual General Meeting of the Members of **GROTEK ENTERPRISES PRIVATE LIMITED** will be held on Friday, 09<sup>th</sup> September, 2022 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 31<sup>st</sup> March, 2022, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. C P Rangachar (DIN: 00310893), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board,

**For GROTEK ENTERPRISES PRIVATE LIMITED**

**C P Rangachar**

Director

DIN: 00310893

Place: Bengaluru

Date: 24.05.2022

### **NOTES:**

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend & vote instead of himself/herself. 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 the 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 at least 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 25<sup>th</sup> Annual Report of the Company together with the audited financial statements for the year ended 31<sup>st</sup> March, 2022.

### **FINANCIAL RESULTS:**

#### **Financial highlights:**

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2022	31.03.2021
<b>Total Income</b>	<b>6,573.49</b>	<b>4,021.28</b>
Total expenditure	5,792.82	3,685.15
Profit/(Loss) before interest, depreciation and tax	780.67	336.13
Finance cost	133.14	125.82
Depreciation	328.36	281.58
<b>Profit/(Loss) before Tax</b>	<b>319.17</b>	<b>(71.27)</b>
Provision for taxation (Net of deferred tax)	56.36	(24.23)
<b>Profit/(loss) after tax</b>	<b>262.81</b>	<b>(47.04)</b>
Net comprehensive income/(loss) for the year	(6.35)	(0.97)
<b>Total comprehensive income/(loss) for the year</b>	<b>256.47</b>	<b>(48.01)</b>
Balance in Statement of profit and loss	<b>(268.07)</b>	<b>(220.06)</b>
<b>Amount available for appropriation</b>	<b>(11.60)</b>	<b>(268.07)</b>
<b>Appropriations:</b>		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
<b>Balance carried to Balance Sheet</b>	<b>(11.60)</b>	<b>(268.07)</b>

### **PERFORMANCE REVIEW:**

During the year, your Company has earned total revenue of Rs. 6,573.49 lakhs as compared to Rs. 4,021.28 lakhs of previous year. The growth is around 63% over the previous year. The Company has registered Net Profit of Rs. 256.47 lakhs as compared to previous year 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.

### **IMPACT OF COVID-19 PANDEMIC ON COMPANY'S BUSINESS:**

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the financial results.

The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, the necessary impact has been given in the preparation of the financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

### **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 2021-22, there were 7 (Seven) Board Meetings held on the following dates; 05.06.2021, 05.08.2021, 27.09.2021, 11.11.2021, 11.01.2022, 07.02.2022, and 14.02.2022.

### **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:**

**Investments:**

As you are aware that, your Company is engaged in the manufacture of cast iron castings, which requires huge power. At present we are consuming on an average of 10 lakhs units per month at the rate of around Rs. 8.50 per unit.

The Company is exploring the possibility of reducing the power cost by partnering with Abletech Electro Engineers Private Limited. They are one of the leading renewable energy producer.

Your Board of Directors at their meeting held on 11<sup>th</sup> January, 2022 given a consent for investing and implementing the wind power project with Abletech Electro Engineers Private Limited. The savings will be around Rs. 3.50 per unit.

The total project cost is around Rs. 2.80 Crores and during the financial year under review, the Company has invested Rs.1,30,000 (Rupees One Lakh Thirty Thousand Only) comprising of 13,000 equity shares of Rs. 10/- in special purpose vehicle - AEPL Grotek Renewable Energy Private Limited. The investments are within the limits prescribed under Section 186 of the Companies Act, 2013.

**Loans & Guarantees:**

The Company has not made any loans or advances or given guarantees or provided securities 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 TRANSFERRED 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 31<sup>st</sup> March, 2022 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:**

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:**

Sl. No.	Particulars	As on 31.03.2022 (Amt in INR)	As on 31.03.2021 (Amt in INR)
01	Foreign Exchange Outgo	78,87,830	48,60,903
02	Foreign Exchange earning	3,85,78,812	1,60,89,223

**DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of the Company during the year 2021-22.

**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. C P Rangachar- 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 to 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 2021-22.

#### **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 31<sup>st</sup> March, 2022.

#### **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, 2022 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 have been appointed as statutory auditors of the Company at the Annual General Meeting held on 09<sup>th</sup> September, 2021, 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 2026.

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 2021-22 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 2021-22. The Secretarial Auditors' Report for FY 2021-22 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 2022-23 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 2021-22, 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  
Date: 24.05.2022

**C P RANGACHAR**  
Director  
DIN: 00310893

**H M NARASINGA RAO**  
Director  
DIN: 00529717



**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: 24.05.2022

**C P RANGACHAR**

Director

DIN: 00310893

**H M NARASINGA RAO**

Director

DIN: 00529717



## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

[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 bearing CIN: U29220KA1997PTC023210** (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 **31<sup>st</sup> March 2022** 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 **31<sup>st</sup> March 2022** 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 28<sup>th</sup> 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 1<sup>st</sup> 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, the company had obtained approval of the members under Section 186 by way of special resolution at the extraordinary general meeting held on 14<sup>th</sup> March, 2022.

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. 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: F008908D000307206

Date: 12.05.2022

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.

Signature:

Name of Company Secretary in Practice:

**Abhishek Bharadwaj A B**

FCS No.: 8908

C P No.: 13649

Date: 12.05.2022

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, 2022, 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 March 31, 2022, and its profit, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities (‘the intermediaries’), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year ended March 31, 2022.
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: 22216281ALFTFV4728

Place: Hyderabad  
 Date: 24<sup>th</sup> May 2022

## 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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

### **Auditors' Responsibility**

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

was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

**Anand Kumar Daga**  
Partner  
Membership No. 216281  
UDIN: 22216281ALFTFV4728

Place: Hyderabad  
Date: 24<sup>th</sup> May 2022

## 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) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible 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) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets and the company is regular in filing statements on a quarterly basis with the banks or financial institutions. The quarterly statements filed with banks or financial institutions are in agreement with books of accounts.
- (iii) The Company has made investments in, companies, firms and Limited Liability Partnerships, during the year, in respect of which:
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) The Company has not granted any loans to any other entity during the year, and hence reporting under clause 3(iii)(c) of the Order is not applicable.
  - (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
  - (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan and hence reporting under clause 3(iii)(e) of the Order is not applicable.
  - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits or there is no amount which has been considered as deemed

deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(a) The Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute as on March 31, 2022

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix)

(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful

defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans by way of pledge of securities held in its subsidiaries, joint ventures or associates hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x)

(a) 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 (x) (a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)

(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv)
- (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We were unable to obtain some of the Internal Audit Reports of the Company on timely basis, hence the Internal Audit Reports have been considered by us, only to the extent made available to us.
- (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, provisions of section 192 of the Act are not applicable to the Company.
- (xvi)
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

**Anand Kumar Daga**  
 Partner  
 Membership No. 216281  
 UDIN: 22216281ALFTFV4728

Place: Hyderabad  
 Date: 24<sup>th</sup> May 2022

**Grotek Enterprises Private Limited**  
CIN - U29220KA1997PTC023210  
**Balance Sheet as at March 31, 2022**

(In ₹ Lakhs)

Particulars	Note No	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
		₹	₹
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.a	3,050.79	2,872.58
Capital work in progress		5.63	29.07
Goodwill	3.b	165.30	165.30
Other intangible assets	3.b	2.40	9.97
Investments	4	1.30	-
Income Tax Assets	5a	8.85	2.77
Other non current assets	5b	35.70	84.06
<b>Total non - current assets</b>		<b>3,269.97</b>	<b>3,163.75</b>
<b>Current assets</b>			
Inventories	6	739.67	683.09
Financial assets			
(i) Trade receivables	7	926.96	663.62
(ii) Cash and cash equivalents	8	7.20	26.61
Other current assets	9	313.30	195.47
<b>Total current assets</b>		<b>1,987.13</b>	<b>1,568.79</b>
<b>Total assets</b>		<b>5,257.10</b>	<b>4,732.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	501.00	501.00
Other equity	11	(11.60)	(268.07)
<b>Total equity</b>		<b>489.40</b>	<b>232.93</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	12	365.32	518.75
Provisions	13	92.53	67.78
Deferred tax liabilities (net)	14	190.06	157.15
<b>Total non - current liabilities</b>		<b>647.91</b>	<b>743.68</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	12	882.37	802.52
(ii) Trade payables	15		
Total outstanding dues of micro and small enterprises		448.52	278.73
Total outstanding dues of creditors other than micro and small enterprises		1,206.68	1,107.77
(iii) Other financial liabilities		-	-
Provisions	13	36.79	10.34
Other current liabilities	16	1,545.43	1,556.57
<b>Total current liabilities</b>		<b>4,119.79</b>	<b>3,755.93</b>
<b>Total liabilities</b>		<b>4,767.70</b>	<b>4,499.61</b>
<b>Total equity and liabilities</b>		<b>5,257.10</b>	<b>4,732.54</b>
<b>See accompanying notes to the Ind AS financial statements</b>	<b>1-36</b>		

In terms of our report of even date attached

**For V K A N & Associates**Chartered Accountants  
Firm Regn. No: 014226S**Anand Kumar Daga****Partner**

Membership No: 216281

Place : Hyderabad

Date : 24<sup>th</sup> May 2022

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**

FCS No: 11653

Place: Bangalore

Date : 24<sup>th</sup> May 2022

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Statement of Profit and Loss for the year ended March 31, 2022 (In ₹ Lakhs)

Particulars	Note No.	Year ended	Year ended
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
		₹	₹
<b>Income</b>			
Revenue from operations	17	6,535.48	3,885.18
Other income	18	38.01	136.10
		<b>6,573.49</b>	<b>4,021.28</b>
<b>Expenses</b>			
Cost of materials consumed	19	3,099.25	1,797.84
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	85.75	93.98
Employee benefit expenses	21	560.26	389.63
Finance costs	22	133.14	125.82
Depreciation and amortisation expense	23	328.36	281.58
Other expenses	24	2,047.57	1,403.71
		<b>6,254.32</b>	<b>4,092.55</b>
<b>Profit/(Loss) before tax</b>		<b>319.17</b>	<b>(71.27)</b>
<b>Tax expense/(benefit):</b>			
Current tax		23.47	-
Deferred tax		32.89	(24.23)
<b>Total tax expense/(benefit)</b>		<b>56.36</b>	<b>(24.23)</b>
<b>Profit/(Loss) after tax</b>		<b>262.81</b>	<b>(47.04)</b>
<b>Other comprehensive loss</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		(9.19)	(1.40)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.84	0.43
<b>Other comprehensive loss for the year</b>		<b>(6.35)</b>	<b>(0.97)</b>
<b>Total Profit/(loss) and comprehensive income for the year</b>		<b>256.47</b>	<b>(48.01)</b>
<b>Earnings per equity share:</b>			
Basic and Diluted (₹)	29	5.25	(0.94)
<b>See accompanying notes to the Ind AS financial statements</b>	<b>1-36</b>		

In terms of our report of even date attached

For V K A N &amp; Associates

Chartered Accountants

Firm Regn. No: 014226S

Anand Kumar Daga

Partner

Membership No: 216281

Place : Hyderabad

Date : 24<sup>th</sup> May 2022

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  
FCS No: 11653

Place: Bangalore

Date : 24<sup>th</sup> May 2022



## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Statement of Cash Flows for the year ended 31<sup>st</sup> March 2022

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2022		For the year ended 31 <sup>st</sup> March, 2021	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		319.17		(71.27)
<i>Adjustments for:</i>				
Depreciation and amortization	328.36		281.58	
Finance costs	133.14		125.82	
Profit/(Loss) on sale of fixed assets	(20.84)		(0.65)	
Bad debts written off	0.08		0.06	
Liabilities no longer required written off	(0.23)		(3.95)	
Net unrealised exchange (gain) / loss	(0.11)		(1.11)	
		440.39		401.75
Operating profit / (loss) before working capital changes		759.57		330.47
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(56.58)		41.40	
Trade receivables	(263.41)		(94.58)	
Other non-current asset	48.36		-	
Other current asset	(117.83)		(19.33)	
<i>Adjustments for (increase) / decrease in operating liabilities:</i>				
Trade payables	(269.05)		(150.30)	
Provisions(short term and long term)	(12.55)		33.88	
Other current liabilities	11.14		(276.59)	
		(119.01)		320.50
Cash generated from operations		<b>640.55</b>		<b>650.98</b>
Net income tax (paid) / refunds		(2.77)		1.22
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>643.32</b>		<b>649.76</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(499.38)		(361.75)	
Investment in Share Capital of Subsidiary Company	(1.30)		-	
Proceeds from sale of fixed assets	44.66		17.21	
		(456.02)		(344.55)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(456.02)</b>		<b>(344.55)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of Share Capital				
Loan taken		-	-	
Net increase / (decrease) in Long Term Borrowings	(153.43)		(454.69)	
Net increase / (decrease) in working capital borrowings	79.85		287.22	
Finance cost	(133.14)		(125.82)	
		(206.72)		(293.29)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(206.72)</b>		<b>(293.29)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(19.41)</b>		<b>11.92</b>
Cash and cash equivalents at the beginning of the year		26.61		14.69
<b>Cash and cash equivalents at the end of the year(Refer Note No 7)</b>		<b>7.20</b>		<b>26.61</b>
<b>See accompanying notes to the Ind AS financial statements</b>	<b>1-36</b>			

In terms of our report of even date attached

For V K A N &amp; Associates

Chartered Accountants

Firm Regn. No: 014226S

Anand Kumar Daga

Partner

Membership No: 216281

Place : Hyderabad

Date : 24<sup>th</sup> May 2022

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

FCS No: 11653

Place: Bangalore

Date : 24<sup>th</sup> May 2022



## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2022 (In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	60,00,000	600.00	60,00,000	600.00
<b>(b) Issued, subscribed and fully paid up</b>				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,10,000	501.00	50,10,000	501.00
	<b>50,10,000</b>	<b>501.00</b>	<b>50,10,000</b>	<b>501.00</b>

(In ₹ Lakhs)

Particulars	Reserve and surplus	
	Retained earnings	Other comprehensive income
	₹	₹
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>(229.94)</b>	<b>9.89</b>
<b>Additions during the year</b>		
Profit/(Loss) during the year	(47.04)	-
<b>Items of the OCI, net of tax-</b>		
Re-measurement of net defined benefit liability/(asset)	-	(0.97)
<b>Total</b>	<b>(47.04)</b>	<b>(0.97)</b>
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>(276.98)</b>	<b>8.92</b>
<b>Balance as at 1<sup>st</sup> April, 2021</b>		
<b>Additions during the year</b>		
Profit during the year	262.81	-
<b>Items of the OCI, net of tax-</b>		
Re-measurement of net defined benefit liability/(asset)		(6.35)
<b>Total</b>	<b>262.81</b>	<b>(6.35)</b>
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>(14.17)</b>	<b>2.57</b>
<b>See accompanying notes to the Ind AS financial statements</b>		<b>1-36</b>

In terms of our report of even date attached

For V K A N &amp; Associates

Chartered Accountants

Firm Regn. No: 014226S

Anand Kumar Daga

Partner

Membership No: 216281

Place : Hyderabad

Date : 24<sup>th</sup> May 2022

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

FCS No: 11653

Place: Bangalore

Date : 24<sup>th</sup> May 2022

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022

### 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, hydraulics major 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, 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.

Goodwill that have an indefinite useful life is not subject to amortisation and is tested annually for impairment and noted that no events or instances that triggers impairment.

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 Companies 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 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 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**

##### **i) Financial Asset**

##### **A) Initial recognition 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.



**Grotek Enterprises Private Limited**  
CIN - U29220KA1997PTC023210

**Summary of significant accounting policies and other explanatory information**  
**for the year ended 31<sup>st</sup> March 2022 (cont'd)**  
**3.a Property, plant and equipment (Amounts in brackets indicate previous year numbers)**

3.a Property, plant and equipment (Amounts in brackets indicate previous year numbers)										(In ₹ Lakhs)
TANGIBLE ASSETS		Gross carrying amount			Accumulated Depreciation			Net carrying amount		
Particulars	Balance as at 1 <sup>st</sup> April, 2021	Additions	Deductions/ Adjustments	Balance as at 31 <sup>st</sup> March, 2022	Balance as at 1 <sup>st</sup> April, 2021	Depreciation For the year	Eliminated on Deductions /Adjustments	Balance as at 31 <sup>st</sup> March, 2022	Balance as at 31 <sup>st</sup> March, 2021	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	
<b>Owned</b>										
Computer systems	14.53 (13.50)	5.63 (1.02)	-	20.16 (14.53)	8.36 (6.59)	2.60 (1.77)	-	10.96 (8.36)	9.19 (6.16)	
Office equipments	15.35 (14.89)	17.63 (0.46)	-	32.98 (15.35)	8.35 (7.65)	2.88 (0.71)	-	11.23 (8.35)	7.00 (7.25)	
Furniture / fixtures	19.14 (19.14)	-	-	19.14 (19.14)	9.54 (7.72)	1.36 (1.83)	-	10.90 (9.54)	9.59 (11.42)	
Plant machinery & equipment	3,114.40 (2,001.80)	449.11 (1,122.65)	93.45 (10.06)	3,470.06 (3,114.40)	756.32 (546.16)	260.48 (212.52)	37.62 (2.36)	979.17 (756.32)	2,358.07 (1,455.64)	
Jigs/fixtures	287.26 (300.25)	1.18 -	-	288.44 (287.26)	100.43 (81.67)	22.77 (23.57)	-	123.20 (100.43)	186.83 (218.58)	
Electrical installation	245.65 (209.31)	3.79 (36.33)	2.52	246.91 (245.65)	60.21 (46.21)	15.99 (14.00)	34.53	41.67 (60.21)	185.44 (163.10)	
Motor vehicles	10.33 (8.20)	5.13 (2.13)	-	15.46 (10.33)	3.50 (2.68)	1.44 (0.82)	-	4.94 (3.50)	6.83 (5.52)	
Building	148.74 (143.85)	40.35 (7.86)	-	189.09 (148.74)	36.08 (21.67)	13.27 (16.70)	-	49.35 (36.08)	112.66 (122.18)	
<b>Total (A)</b>	<b>3,855.38</b>	<b>522.82</b>	<b>95.98</b>	<b>4,282.22</b>	<b>982.80</b>	<b>320.79</b>	<b>72.16</b>	<b>1,231.43</b>	<b>2,872.58</b>	
<b>PY numbers</b>	<b>(2,710.94)</b>	<b>(1,170.45)</b>	<b>(26.01)</b>	<b>(3,855.38)</b>	<b>(720.35)</b>	<b>(271.90)</b>	<b>(9.45)</b>	<b>(2,872.58)</b>	<b>(1,990.59)</b>	
										(In ₹ Lakhs)

(In ₹ Lakhs)

Particulars	Balance as at 1 <sup>st</sup> April, 2021	Additions	Capitalised	Closing Balance	
				Balance as at 31 <sup>st</sup> March, 2022	31-Mar-21
Particulars	₹	₹	₹	₹	₹
Capital Work in Progress	29.07 (891.67)	211.77 (214.28)	235.21 (1,076.88)	5.63 (29.07)	29.07 (891.67)
<b>Total (B)</b>	<b>29.07</b>	<b>211.77</b>	<b>235.21</b>	<b>5.63</b>	<b>29.07</b>
<b>PY numbers</b>	<b>(891.67)</b>	<b>(214.28)</b>	<b>(1,076.88)</b>	<b>(29.07)</b>	<b>(891.67)</b>

**Grotek Enterprises Private Limited**  
CIN - U29220KA1997PTC023210

**Summary of significant accounting policies and other explanatory information**  
**for the year ended 31<sup>st</sup> March 2022 (cont'd)**  
**3.b Other Intangible Assets (Amounts in brackets indicate previous year numbers)**

3.b Other Intangible Assets (Amounts in brackets indicate previous year numbers)										(In ₹ Lakhs)
INTANGIBLE ASSETS	Gross carrying amount				Accumulated Amortisation				Net carrying amount	
	Balance as at 1 <sup>st</sup> April, 2021	Additions	Deductions/ Adjustments	Balance as at 31 <sup>st</sup> March, 2022	Balance as at 1 <sup>st</sup> April, 2021	Amortisation expense for the year	Eliminated on Deductions /Adjustments	Balance as at 31 <sup>st</sup> March, 2022	Balance as at 31 <sup>st</sup> March, 2021	
Particulars	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Other than internally generated										
Software	49.39	-	-	49.39	39.42	7.57	-	46.99	2.40	
	(47.97)	(1.42)	-	(49.39)	(29.75)	(9.67)	-	(39.42)	(18.23)	
Goodwill	165.30	-	-	165.30	-	-	-	-	165.30	
	(165.30)	-	-	(165.30)	-	-	-	(165.30)	(165.30)	
Total	214.69	-	-	214.69	39.42	7.57	-	46.99	175.27	
PY Numbers	(213.27)	(1.42)	-	(214.69)	(29.75)	(9.67)	-	(39.42)	(183.52)	

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

Capital work-in-progress as at 31<sup>st</sup> March 2022

(In ₹ Lakhs)

**(a) Ageing of CWIP:**

Particulars	Amounts in Capital work-in-progress for				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	5.62	-	-	-	5.62
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>5.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.62</b>

**(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:**

Particulars	To be Completed in				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Capital work-in-progress as at 31<sup>st</sup> March 2021

(In ₹ Lakhs)

**(a) Ageing of CWIP:**

Particulars	Amounts in Capital work-in-progress for				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	16.19	12.88	-	-	29.07
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>16.19</b>	<b>12.88</b>	<b>-</b>	<b>-</b>	<b>29.07</b>

**(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:**

Particulars	To be Completed in				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**4. Investments**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Investment in AEPL Grotek Renewable Energy Private Limited 13,000 Equity shares of Rs.10 each	1.30	-
<b>Total</b>	<b>1.30</b>	<b>-</b>

**5a. Income tax assets**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Advance tax Net of provision (PY Rs. Nil)	8.85	2.77
<b>Total</b>	<b>8.85</b>	<b>2.77</b>

**5b. Other non current assets**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Capital advance	4.12	52.48
Minimum alternate tax (MAT) credit entitlement	31.58	31.58
<b>Total</b>	<b>35.70</b>	<b>84.06</b>

**6. Inventories**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
(i) Raw materials and components	458.02	315.70
(ii) Finished goods	281.65	367.40
<b>Total</b>	<b>739.67</b>	<b>683.09</b>

**7. Trade receivables**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
<b>Current</b>		
Trade receivables		
(a) Unsecured, considered good		
- From Related Parties	38.03	124.25
- From Others	888.93	539.37
(b) Unsecured, considered doubtful		
- From Related Parties	-	-
- From Others	-	0.53
Less: Allowance for credit losses	-	0.53
<b>Total</b>	<b>926.96</b>	<b>663.62</b>

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

Ageing of receivables as at 31<sup>st</sup> March 2022

(In ₹ Lakhs)

Particulars	Outstanding for following periods from the due date					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
	₹	₹	₹	₹	₹	₹
<b>Undisputed Trade receivables</b>						
considered good	831.26	40.85	32.39	22.46	-	926.96
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Disputed Trade receivables</b>						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>831.26</b>	<b>40.85</b>	<b>32.39</b>	<b>22.46</b>	<b>-</b>	<b>926.96</b>

Ageing of receivables as at 31<sup>st</sup> March 2021

(In ₹ Lakhs)

Particulars	Outstanding for following periods from the due date					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
	₹	₹	₹	₹	₹	₹
<b>Undisputed Trade receivables</b>						
considered good	573.10	40.69	49.84	-	-	663.62
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Disputed Trade receivables</b>						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>573.10</b>	<b>40.69</b>	<b>49.84</b>	<b>-</b>	<b>-</b>	<b>663.62</b>

## 8. Cash and cash equivalents

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Cash on hand	0.14	0.36
Balances with Banks		
(i) In current accounts	6.06	25.24
(ii) In deposit accounts	1.00	1.00
<b>Total</b>	<b>7.20</b>	<b>26.61</b>

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**9. Other current assets**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Balances with govt authorities ( Includes TDS,TCS, GST & Custom duty receivable)	2.79	17.49
Employee advances	2.66	0.40
Prepaid expenses	86.88	56.24
Advance to vendors	220.97	121.35
<b>Total</b>	<b>313.30</b>	<b>195.47</b>

**10. Equity Share capital**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	60,00,000	600.00	60,00,000	600.00
<b>(b) Issued, subscribed and fully paid up</b>				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,10,000	501.00	50,10,000	501.00
	<b>50,10,000</b>	<b>501.00</b>	<b>50,10,000</b>	<b>501.00</b>

Refer notes (i) to (iii) below

(In ₹ Lakhs)

**(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 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	₹	Number of shares	₹
<b>Equity shares with voting rights</b>				
Balances as at the beginning of the year	50,10,000	501.00	50,10,000	501.00
Add: Issued and subscribed during the year				
Balance at the end of the year	<b>50,10,000</b>	<b>501.00</b>	<b>50,10,000</b>	<b>501.00</b>

**(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.

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

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

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
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%

(iv) Share holding of Promotor

Shares held by promoters at March 31, 2022

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2022	
	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>		
Yuken India Limited, the Holding Company	50,09,990	99.9998%
H M Narasinga Rao	10	0.0002%

## 11. Other Equity

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
<b>Surplus in statement of profit and loss</b>		
<b>Profit/(loss)</b>		
Opening balance	(276.98)	(229.94)
Net Profit/(loss) for the Year	262.81	(47.04)
<b>Closing balance</b>	<b>(14.17)</b>	<b>(276.98)</b>
<b>Other Comprehensive Income</b>		
Opening balance	8.92	9.89
Other Comprehensive Income for the period	(6.35)	(0.97)
<b>Closing balance</b>	<b>2.57</b>	<b>8.92</b>
<b>Total</b>	<b>(11.60)</b>	<b>(268.07)</b>



## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 12. Financial liabilities

#### (i) Borrowings

##### Non current borrowings

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
<b>Secured - at amortised cost</b>		
(i) Loans		
from Banks	365.32	518.75
<b>Total</b>	<b>365.32</b>	<b>518.75</b>

##### Terms of Loan (refer note below):

(In ₹ Lakhs)

Repayment Details	₹	₹
Principal in 16 equal quarterly installment over 4 years after 1 year moratorium	1,194.00	1,000.00
Interest charged monthly (including the period of moratorium)		

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

Corporate Guarantee given by Yuken India Limited amounting to ₹ 1,194.00/- lakhs

Rate of Interest - 7.75 % reset quarterly

##### Current borrowings

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
<b>Secured - at amortised cost</b>		
(i) Loans		
from banks	626.35	540.02
Current maturities of long term debt	256.02	262.50
<b>Total</b>	<b>882.37</b>	<b>802.52</b>

##### Secured working capital loans from banks (refer notes below):

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
<b>HDFC Bank Limited</b>		
Loan limit	600.00	600.00
Amount outstanding Repayable on demand Interest rate - 9.75%	327.35	540.00

##### Notes:

- Primary security - First charge on inventory, book debts and movable fixed assets of the company
- Secondary security - Corporate guarantee by Yuken India Limited

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**13. Provisions****Non current provisions**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Gratuity	50.37	34.60
Compensated leave absences	42.16	33.18
<b>Total</b>	<b>92.53</b>	<b>67.78</b>

**Current provisions**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
Gratuity	1.27	1.42
Compensated leave absences	3.96	3.67
Superannuation	8.09	5.25
Provision for Income tax under MAT	23.47	-
<b>Total</b>	<b>36.79</b>	<b>10.34</b>

**14. Deferred tax balances**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
<b>Deferred tax liabilities</b>	<b>396.82</b>	<b>357.19</b>
On difference between book balance and tax balance of fixed assets	396.82	357.19
<b>Deferred tax assets</b>	<b>206.76</b>	<b>200.03</b>
Provision for gratuity, compensated absences and provision for doubtful debts	30.55	22.51
Unabsorbed depreciation carried forward / brought forward business losses	176.21	177.52
<b>Total</b>	<b>190.06</b>	<b>157.15</b>

**15. Trade payables**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹	₹
<b>Current</b>		
Due to micro enterprises and small enterprises	448.52	278.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,206.68	1,107.77
<b>TOTAL</b>	<b>1,655.20</b>	<b>1,386.50</b>

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

Ageing of Trade Payables as at 31<sup>st</sup> March 2022:

(In ₹ Lakhs)

Particulars	Unbilled	Not Due	Outstanding for the following periods from the due date				Total
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<b>Undisputed trade payables</b>							
MSME	-	-	448.52	-	-	-	448.52
Others	32.94	-	985.25	100.01	66.33	22.14	1,206.68
<b>Disputed trade payables</b>							
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>32.94</b>	<b>-</b>	<b>1,433.77</b>	<b>100.01</b>	<b>66.33</b>	<b>22.14</b>	<b>1,655.20</b>

Ageing of Trade Payables as at 31<sup>st</sup> March 2021:

(In ₹ Lakhs)

Particulars	Unbilled	Not Due	Outstanding for the following periods from the due date				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
MSME	-	-	278.73	-	-	-	278.73
Others	56.55	-	938.51	75.57	37.14	-	1,107.76
<b>Disputed trade payables</b>							
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>56.55</b>	<b>-</b>	<b>1,217.24</b>	<b>75.57</b>	<b>37.14</b>	<b>-</b>	<b>1,386.50</b>

## 16. Other current liabilities

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Current</b>	-	-
Statutory liabilities (includes GST, ESI, TDS, Profession Tax & Provident Fund)	11.40	36.74
Advance from customers {Includes Advance from holding company of ₹ 1,531.32/- lakhs (2021: 1,514.45/- lakhs)}	1,534.03	1,519.83
<b>TOTAL</b>	<b>1,545.43</b>	<b>1,556.57</b>

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

# Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**17. Revenue from operations**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	₹	₹
(a) Revenue from sale of products	6,519.42	3,880.89
(b) Sale of scrap	16.06	4.28
<b>Total</b>	<b>6,535.48</b>	<b>3,885.18</b>

**18. Other income**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	₹	₹
(a) Foreign exchange gain	0.11	1.11
(b) Sale of patterns	9.54	8.92
(c) Liabilities no longer required written back	0.23	3.95
(d) Profit on sale of Asset	20.84	0.65
(e) Miscellaneous incomes	7.28	121.48
<b>Total</b>	<b>38.01</b>	<b>136.10</b>

**19. Cost of materials consumed**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	₹	₹
Opening stock	315.70	263.11
Add: Purchases	3,241.57	1,850.43
	<b>3,557.27</b>	<b>2,113.54</b>
Less: Closing stock	458.02	315.70
<b>Cost of materials consumed</b>	<b>3,099.25</b>	<b>1,797.84</b>

**20. Changes in inventories of finished goods, Work in progress and stock-in-trade**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	₹	₹
Inventories at the end of the year:		
Finished goods	281.65	367.40
	<b>281.65</b>	<b>367.40</b>
Inventories at the beginning of the year:		
Finished goods	367.40	461.38
	<b>367.40</b>	<b>461.38</b>
<b>Net (increase) / decrease</b>	<b>85.75</b>	<b>93.98</b>

## Grotek Enterprises Private Limited

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**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**21. Employee benefits expense**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	₹	₹
Salaries and wages	471.82	347.16
Contribution to provident and other funds (see note 27)	24.44	17.48
Gratuity	10.94	8.61
Staff welfare expenses	53.05	16.38
<b>Total</b>	<b>560.26</b>	<b>389.63</b>

**22. Finance costs**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	₹	₹
<b>Interest</b>		
Interest on bank overdrafts and loans	133.14	125.82
<b>Total</b>	<b>133.14</b>	<b>125.82</b>

**23. Depreciation and amortization expense**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	₹	₹
Depreciation of property, plant and equipment pertaining to continuing operations	320.79	271.90
Amortisation of intangible assets (Note 3.b)	7.57	9.67
<b>Total</b>	<b>328.36</b>	<b>281.58</b>

## Grotek Enterprises Private Limited

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**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**24. Other Expenses**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
	₹	₹
Sub-contracting charges	211.81	128.11
Contract Labour wages	397.55	236.30
Power and fuel	970.46	696.44
Rent	87.32	78.82
Repair and maintenance		
- Building	6.39	-
- Machinery	150.42	106.88
- Others	12.83	21.96
Insurance	27.15	18.66
Rates and taxes	5.51	0.75
Travelling & conveyance expenses	33.80	21.62
Freight and carriage	30.12	4.39
Legal and professional charges	32.82	21.22
Payment to auditors		
- Statutory audit	3.75	3.75
- Tax audit	0.50	0.50
- Other services	1.32	1.89
- Reimbursement of expenses	-	0.43
Bad debts write off	0.08	0.06
Foreign Exchange Loss	7.01	-
Communication	7.21	5.38
Printing and stationery expenses	4.82	3.53
Office maintenance	21.06	13.72
Security expenses	33.27	27.54
Miscellaneous expenses	2.39	11.78
<b>Total</b>	<b>2,047.57</b>	<b>1,403.71</b>

## Grotek Enterprises Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 25. Foreign Currency Transactions

(In ₹ Lakhs)

Particulars	Year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
25.1. Expenditure in foreign currency		
- Purchase of goods	57.61	45.22
- Capital goods	21.26	3.39
25.2. Earnings in foreign currency (Sale of goods - Export)	385.79	160.89

There are no Capital Commitments and Contingent Liabilities as on 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

### 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, 2022 and March 31, 2021 has been made in the financial statements based on information received and available with the Company.

(In ₹ Lakhs)

Particulars	Year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
(i) The principal amount remaining unpaid to any supplier at the end of each accounting year;	448.52	278.73
(ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	3.24	1.25
(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	3.24	1.25

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.

### 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.24.44/- lakhs (Previous year :Rs.17.48/- lakhs).



## Grotek Enterprises Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**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:

(In ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
Fair value of plan assets		
Present value of obligations	(51.65)	(36.02)
Liability/(Asset) recognised in the balance sheet	51.65	36.02
<b>Plan assets at the end of the year</b>	-	-

**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:

(In ₹ Lakhs)

Particulars	Non -current		Current	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹	₹	₹
Gratuity	50.37	34.60	1.27	1.42
	<b>50.37</b>	<b>34.60</b>	<b>1.27</b>	<b>1.42</b>

**Movement in present values of defined benefit obligations**

(In ₹ Lakhs)

Particulars	Gratuity	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
Defined benefit obligation at the beginning of the year	36.02	59.64
Current service cost	5.64	4.19
Interest Expense or Cost	2.47	3.99
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions		
- Change in financial assumptions	(7.08)	(1.64)
- experience variance (i.e. Actual experience vs assumptions)	16.26	3.05
Benefits Paid	(6.23)	(33.20)
Transfer In/(out)	4.56	-
<b>Present value of defined benefit obligation at year end</b>	<b>51.65</b>	<b>36.02</b>

## Grotek Enterprises Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

## Expense recognised in statement of profit and loss

(In ₹ Lakhs)

Particulars	Gratuity	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
Current service cost	5.64	4.19
Past service cost		-
Net interest cost / (income) on the net defined benefit liability / (asset)	2.47	3.99
<b>Total expense recognised in the statement of profit and loss</b>	<b>8.10</b>	<b>8.18</b>

## Expense recognised in other comprehensive income

(In ₹ Lakhs)

Particulars	Gratuity	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
Re-measurement (or actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	-	-
- Change in financial assumptions	(7.08)	(1.64)
- Experience variance (i.e. actual experience vs assumptions)	16.26	3.05
<b>Total expense recognised in other comprehensive income</b>	<b>9.19</b>	<b>1.40</b>

## 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	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Discount rate	7.25%	6.85%	7.25%	6.85%
Estimated rate of return on plan assets	-	-	-	-
Attrition rate	-	-	-	-
Future salary increases	2% for the two years and 4% thereafter	2% for the two years and 5% thereafter	2% for the two years and 4% 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.

## Grotek Enterprises Private Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**Sensitivity analysis**

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

(In ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
Impact of change in the discount rate		
Impact due to increase of 1%	(5.03)	(3.73)
Impact due to decrease of 1%	5.81	4.34
Impact of change in the salary growth rate		
Impact due to increase of 1%	5.05	4.40
Impact due to decrease of 1%	(4.44)	(3.84)
Impact of change in the attrition rate		
Impact due to increase of 50%	1.04	0.39
Impact due to decrease of 50%	(1.14)	(0.43)
Impact of change in the mortality rate		
Impact due to increase of 10%	0.05	0.02
Impact due to decrease of 10%	(0.05)	(0.02)

**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
	Kolben Hydraulics Limited
Key managerial personnel	H M Narasinga Rao - Director
	Vinayak Hegde - Company Secretary

(In ₹ Lakhs)

Related Party Transactions	Year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
<b><u>Holding company</u></b>		
- Purchase of goods (including GST)	93.16	21.65
- Issue of equity shares		
- Sale of goods and services	2,466.17	1,327.56
- Rent expense	86.77	82.64
- Corporate guarantee received	694.00	-
- Corporate guarantee commission paid	38.35	31.72
- Expenses incurred	15.66	3.18
- Purchase of Assets	-	16.28
- Sale of Assets	33.28	3.19
<b><u>Managerial Remuneration</u></b>		
Vinayak Hegde	1.50	1.50

## Grotek Enterprises Private Limited

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# Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

(In ₹ Lakhs)

Related Party Transactions	Year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
<b>Fellow subsidiary</b>		
<u>Coretec Engineering India Private Limited</u>		
- Purchase of goods	29.15	18.74
- Sale of goods	3.78	9.70
- Expenses to be reimbursed to Coretec	4.24	18.14
- Purchase of assets	136.63	63.14
<u>Yuflow Engineering Private Limited</u>		
- Sale of goods	8.56	17.75
- Purchase of goods	2.00	-
<u>Kolben Hydraulics Limited</u>		
- Sale of goods	48.65	4.19
- Purchase of goods	0.44	1.33

**Balances outstanding at the end of the year**

(In ₹ Lakhs)

<b>Holding company</b>		
- Advance payable	1,528.25	1,506.13
- Corporate guarantee received	2,294.00	1,600.00
<b>Fellow subsidiary</b>		
<u>Coretec Engineering India Private Limited</u>		
- Net payable / (receivable)	343.36	198.20
<u>Yuflow Engineering Private Limited</u>		
- Net payable / (receivable)	(9.51)	(4.66)
<u>Kolben Hydraulics Limited</u>		
- Net payable / (receivable)	(26.72)	(3.16)

**29. Earnings per Share**

(In ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
	₹	₹
<b>Basic and diluted</b>		
Net loss for the year from operations attributable to the equity shareholders	262.81	(47.04)
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.	5.25	(0.94)

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 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. Financial Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current ratio (times)	Current assets	Current liabilities	0.48	0.42	15.48%	
Debt-equity ratio (times)	Total Debt	Shareholder's Equity	2.49	2.64	-5.57%	
Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	1.89	1.13	66.83%	Due to profit during the period compared to loss in PY, more funds are available to pay debt obligations.
Return on equity (%)	Net Profits after taxes	Average Shareholder's Equity	0.54	- 0.20	365.91%	Due to profit during the period compared to loss in PY, surplus funds available to equity holders
Inventory turnover ratio (times)	COGS	Average inventory	4.36	2.55	70.55%	Due to higher sales and efficient movement of inventory, there is an increase in inventory turnover ratio.
Trade receivables turnover ratio (times)	Revenue	Average Trade Receivable	8.22	6.31	30.25%	Due to increase in sales, the efficiency of the company to collect its receivables in a year has increased.
Trade payable turnover ratio (times)	Purchases of services and other expenses	Average Trade Payables	3.48	2.48	40.36%	Due to increase sales, purchases and availability of funds, company's capacity to pay off accounts payables in a year has increased
Net capital turnover ratio (times)	Revenue	Working Capital	3.06	1.78	72.51%	Due to increase in turnover, net capital turnover has been increased
Net profit ratio (%)	Net Profit	Revenue	0.04	- 0.01	432.13%	Due to increase in net profit and sales earnings, net profit ratio has increased.
Return on capital employed (%)	Earning before interest and taxes	Capital Employed	0.23	0.03	636.45%	Due to increased turnover and EBIT, return on capital has been increased.
Return on investment (%)	Income generated from investments	Time weighted average investments	No investments			

Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PP&E etc

Debt service = Interest and principal repayments including lease payments.

Shareholders equity = Contributed capital + retained earnings

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**32. Fair value measurements****(i) Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March 2022 were as follows: (In ₹ Lakhs)

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
<b>Assets :</b>				
Loans				
Loan to employees	9	2.66	-	-
Cash and cash equivalents	8	7.20	-	-
Trade Receivables	7	926.96	-	-
<b>Total</b>		<b>936.82</b>	-	-
<b>Liabilities:</b>				
Borrowings	12	991.67	-	-
Other financial liabilities				
(i) Trade payables	15	1,655.20	-	-
Current maturities of long term debt	12	256.02	-	-
<b>Total</b>		<b>2,902.89</b>	-	-

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March 2021 were as follows: (In ₹ Lakhs)

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
<b>Assets :</b>				
Loans				
Loan to employees	9	0.40	-	-
Cash and cash equivalents	8	26.61	-	-
Trade Receivables	7	663.62	-	-
<b>Total</b>		<b>690.63</b>	-	-
<b>Liabilities:</b>				
Borrowings	12	1,058.77	-	-
Other financial liabilities				
(i) Trade payables	15	1,386.50	-	-
Current maturities of long term debt	12	262.50	-	-
<b>Total</b>		<b>2,707.77</b>	-	-

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.

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### (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.

### 33. Fair value heirarchy

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:

(In ₹ Lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
		₹	₹
<b>Financials measured at amortized costs:</b>			
Financial assets			
(i) Loan to employees	9	2.66	0.40
Trade receivable *	7	926.96	663.62
<b>Cash and cash equivalents and other bank balances</b>			
Cash and cash equivalents #	8	7.20	26.61
<b>Financial liabilities measured at amortized cost:</b>			
Borrowings	12	991.67	1,058.77
Trade payables *	15	1,655.20	1,386.50
Current Maturities of long term debt	12	256.02	262.50

\*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.

### 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.



**Grotek Enterprises Private Limited**

CIN - U29220KA1997PTC023210

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)****(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:

(In ₹ Lakhs)

Assets under credit risk	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Loan to employees	2.66	0.40
Cash and cash equivalents	0.14	0.36
Bank balances other than cash and cash equivalents	7.06	26.24
Trade receivables	926.96	663.62
	<b>936.82</b>	<b>690.63</b>

**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.

**(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.

## Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

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

**Maturities of financial liabilities**

(In ₹ Lakhs)

As at 31 <sup>st</sup> March 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	882.37	365.32	-	1,247.69
Trade payables	1,655.20	-	-	1,655.20
Others	-	-	-	-
<b>Total</b>	<b>2,537.57</b>	<b>365.32</b>	<b>-</b>	<b>2,902.89</b>

**Maturities of financial liabilities**

(In ₹ Lakhs)

As at 31 <sup>st</sup> March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	802.52	518.75	-	1,321.27
Trade payables	1,386.50	-	-	1,386.50
Others	-	-	-	-
<b>Total</b>	<b>2,189.02</b>	<b>518.75</b>	<b>-</b>	<b>2,707.77</b>

**(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.

**35. Reconciliation of tax expense and the accounting profit**

(In ₹ Lakhs)

Particulars	Year ended	Year ended
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	₹	₹
<b>Accounting profit before tax and exceptional item</b>	319.17	(71.27)
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	88.79	(19.83)
Tax effect on permanent non-deductible expenses	-	-
Tax adjustments of prior years	-	-
Effect of unabsorbed business losses	-	-
Others	(32.42)	(4.41)
<b>At the effective income tax rate of 27.82% (PY 27.82%)</b>	<b>56.36</b>	<b>(24.23)</b>
Income tax expense reported in the Statement of Profit and Loss	<b>56.36</b>	<b>(24.23)</b>

**Note 36.** 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

**Anand Kumar Daga****Partner**

Membership No: 216281

Place : Hyderabad

Date : 24<sup>th</sup> May 2022**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**

FCS No: 11653

Place: Bangalore

Date : 24<sup>th</sup> May 2022

### **3. KOLBEN HYDRAULICS LIMITED**

## **NOTICE**

**NOTICE** is hereby given that the **15<sup>th</sup>** Annual General Meeting of the Members of **KOLBEN HYDRAULICS LIMITED** will be on held on Thursday, 08<sup>th</sup> September, 2022 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, 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 31<sup>st</sup> March, 2022, 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.

By order of the Board,

**For KOLBEN HYDRAULICS LIMITED**

**Suresh Kannan Varadhan**

Whole Time Director

DIN: 03280922

Date: 24.05.2022

Place: Bengaluru

### **NOTES:**

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend & vote instead of himself/herself. 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 the 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 at least 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 15<sup>th</sup> Annual Report of the business and operations of the Company together with the audited financial statements for the year ended 31<sup>st</sup> March, 2022.

### **FINANCIAL RESULTS:**

#### **Financial highlights:**

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2022	31.03.2021
<b>Total Income</b>	<b>959.19</b>	<b>420.32</b>
Total expenditure	909.99	483.77
<b>Profit/(Loss) before interest, depreciation and tax</b>	<b>49.20</b>	<b>(63.45)</b>
Finance cost	-	-
Depreciation	10.21	10.29
<b>Profit/(Loss) before tax</b>	<b>38.99</b>	<b>(73.74)</b>
Provision for taxation (Net of deferred tax)	(0.65)	(25.46)
<b>Profit/(loss) after tax</b>	<b>39.64</b>	<b>(48.28)</b>
Net comprehensive income/(loss) for the year	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>39.64</b>	<b>(48.28)</b>
Balance in Statement of profit and loss	(200.55)	(152.27)
<b>Amount available for appropriation</b>	<b>(160.92)</b>	<b>(200.55)</b>
<b>Appropriations:</b>		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
<b>Balance carried to Balance Sheet</b>	<b>(160.92)</b>	<b>(200.55)</b>

### **PERFORMANCE REVIEW:**

During the year, your Company has earned total revenue of Rs. 959.19 lakhs as compared to Rs. 420.32 lakhs of previous year. The growth is around 128% over the previous year. The Company has registered net Profit of Rs. 39.64 lakhs as compared to previous year 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.

### **IMPACT OF COVID-19 PANDEMIC ON COMPANY'S BUSINESS:**

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the financial results.

The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, the necessary impact has been given in the preparation of the financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

### **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 2021-22, there were 4 (Four) Board Meetings held on the following dates; 05.06.2021, 05.08.2021, 11.11.2021, and 07.02.2022.

### **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 TRANSFERRED 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 31<sup>st</sup> March, 2022 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:**

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 31.03.2022 (Amt in INR)	As on 31.03.2021 (Amt in INR)
01	Foreign Exchange Earnings	NIL	NIL
02	Foreign Exchange Outgo	3,43,47,369	77,78,304

**DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of the Company during the year 2021-22.

**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. 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.

**KEY MANAGERIAL PERSONNEL:**

Pursuant to 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 2021-22.

**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 31<sup>st</sup> March, 2022.

**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, 2022 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. 1,00,06,000/- consisting of 10,00,600 Equity Shares of Rs. 10/- each.

During the year under review, the Company has increased its Authorized share capital from Rs. 2,00,00,000/- divided into Rs. 20,00,000 Equity shares of Rs. 10/- each to Rs. 5,00,00,000/- divided into 50,00,000 Equity Shares of Rs.10/- each at the Extraordinary General Meeting held on 05<sup>th</sup> July,2021.

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 22<sup>nd</sup> 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 2021-22 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 2021-22, 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: 24.05.2022

Place: Bengaluru

**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.

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: 24.05.2022

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, 2022, 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 March 31, 2022, and its profit, total comprehensive income, 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 even though the Company had a profit of Rs.3,963,748 during the year ended March 31, 2022 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
    - v. The Company has not declared or paid any dividend during the year ended March 31, 2022.
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: 22230042ALFQZA8018

Place: Bangalore  
 Date: 24<sup>th</sup> May 2022



## 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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

#### **Auditors' Responsibility**

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

obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Padam Prakash Mehta**  
Partner  
Membership No. 230042  
UDIN: 22230042ALFQZA8018

Place: Bangalore  
Date: 24<sup>th</sup> May 2022



## 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)

- |   |  |
|---|--|
| <p>(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:</p> <p>(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>(B) The Company has maintained proper records showing full particulars of intangible assets.</p> <p>(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.</p> <p>(c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.</p> <p>(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.</p> <p>(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.</p> <p>(ii)</p> <p>(a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.</p> | <p>(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.</p> <p>(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.</p> <p>(iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.</p> <p>(v) The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.</p> <p>(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.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> <p>(a) The Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.</p> |
|---|--|

- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute as on March 31, 2022.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x)
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that

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

- (xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.

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

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

**Padam Prakash Mehta**  
Partner  
Membership No. 230042  
UDIN: 22230042ALFQZA8018

Place: Bangalore  
Date: 24<sup>th</sup> May 2022

**Kolben Hydraulics Limited**  
CIN - U29119KA2007PLC043340

**Balance Sheet as at 31<sup>st</sup> March, 2022**

(In ₹ Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
		₹	₹
<b>A ASSETS</b>			
<b>I Non-current assets</b>			
Property, Plant and Equipment	3	36.15	40.88
Capital Work in Progress	3	-	27.60
Other Intangible assets	3	26.12	3.56
Deferred tax assets (Net)	4	81.60	80.95
Financial assets			
(i) Other financial assets	5a	0.10	9.12
Income tax assets	5b	0.76	0.76
<b>Total Non-current assets</b>		<b>144.73</b>	<b>162.86</b>
<b>II Current assets</b>			
Inventories	6	236.53	73.42
Financial assets			
(i) Trade receivables	7	154.15	79.83
(ii) Cash and cash equivalents	8	9.95	4.45
Current tax assets (Net)	9	5.00	1.84
Other current assets	10	15.42	4.76
<b>Total Current assets</b>		<b>421.05</b>	<b>164.31</b>
<b>Total Assets</b>		<b>565.78</b>	<b>327.17</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity Share capital	11	100.06	100.06
Other equity	12	(160.92)	(200.55)
<b>Total Equity</b>		<b>(60.86)</b>	<b>(100.49)</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
Provisions	13	14.21	7.83
		<b>14.21</b>	<b>7.83</b>
<b>2 Current liabilities</b>			
Financials Liabilities			
(i) Trade payables	14		
Total outstanding dues of creditors to micro enterprises and small enterprises		0.15	0.78
Total outstanding dues of creditors other than micro enterprises and small enterprises		77.55	29.39
Provisions	15	0.31	0.72
Other current liabilities	16	534.43	388.94
		<b>612.43</b>	<b>419.83</b>
<b>Total Equity and liabilities</b>		<b>565.78</b>	<b>327.17</b>
<b>See accompanying notes forming part of the standalone Ind AS Financial Statements</b>	1-37		

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: 24<sup>th</sup> May 2022

**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, 2022** (In ₹ Lakhs)

Particulars	Note No.	Year Ended	Year Ended
		31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
		₹	₹
<b>Income</b>			
Revenue from operations	17	957.14	418.60
Other income	18	2.05	1.71
		<b>959.19</b>	<b>420.32</b>
<b>Expenses</b>			
Cost of materials consumed	19	920.73	348.90
Changes in stock of finished goods, work-in-progress and stock-in-trade	20	(123.21)	25.03
Employee benefits expenses	21	45.88	56.30
Depreciation and amortisation expense	3	10.21	10.29
Other expenses	22	66.60	53.54
<b>Total Expenses</b>		<b>920.20</b>	<b>494.06</b>
<b>Profit/(loss) before tax</b>		<b>38.99</b>	<b>(73.74)</b>
<b>Tax expense/(benefit):</b>	23		
Current tax		-	-
Deferred tax		(0.65)	(25.46)
<b>Profit/(Loss) after tax</b>		<b>39.64</b>	<b>(48.28)</b>
<b>Other Comprehensive Income</b>			
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		-	-
<b>Total Other comprehensive Income for the year</b>		-	-
<b>Total Comprehensive Income for the year (12+13)</b>		<b>39.64</b>	<b>(48.28)</b>
<b>Earnings per share (of Rs. 10/- each)</b>			
Basic and diluted (in Rs.)		<b>3.96</b>	<b>(4.83)</b>
<b>See accompanying notes forming part of the standalone Ind AS Financial Statements</b>	1-37		

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: 24<sup>th</sup> May 2022

**H M Narasinga Rao**  
**Director**  
DIN: 00529717

**V Suresh Kannan**  
**Director**  
DIN: 03280922

## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022

(In ₹ Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022		Year ended 31 <sup>st</sup> March 2021	
	₹		₹	
<b>A. Cash flow from operating activities :</b>				
Net profits/(Loss) Extraordinary, Prior Year Items and Tax		38.99		(73.74)
<b>Adjustments for :</b>		-		-
Depreciation	10.21		10.29	
Assets Written Off	0.00		-	
CWIP Expensed Off	2.60			
Bad Debts Written Off	2.76		0.02	
		15.57		10.31
<b>Operating profit / (loss) before working capital changes</b>		54.56		(63.44)
<b>Changes in working capital:</b>				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	(163.11)		30.84	
Trade Receivables	(77.08)		(52.11)	
Other non-current assets	9.02		-	
Other Current assets	(10.66)		2.00	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Trade payables	(47.53)		(99.29)	
Other Current liabilities	(145.49)		193.19	
Long Term Provisions	(6.38)		(4.14)	
Short Term Provisions	0.42	(42.85)	(0.06)	70.43
<b>Cash Generated from Operations</b>		11.71		6.99
Direct tax paid	(3.16)	(3.16)	(0.47)	(0.47)
<b>Cashflow before extra ordinary items</b>		8.55		6.52
<b>Net cash flow from / (used in) operating activities (A)</b>		8.55		6.52
<b>B. Cashflow from investing Activities</b>				
Purchase of fixed assets including Capital WIP	(3.04)		(2.75)	
Sale of fixed assets		(3.04)	-	(2.75)
<b>Net cash flow from / (used in) investing activities (B)</b>		(3.04)		(2.75)
<b>C. Cash flow from financing activities</b>				
Increase / (Decrease) in share capital			-	
Receipt / (Repayment) of Unsecured Loan during the year		-	-	-
<b>Net cash flow from / (used in) financing activities (C)</b>		-		-
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		5.50		3.77
<b>Cash and cash equivalent as at</b>				
Opening balance		4.45		0.68
Closing balance		9.95		4.45
See accompanying notes forming part of the standalone Ind AS Financial Statements			1-37	

In terms of our report attached

For V K A N &amp; 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: 24<sup>th</sup> May 2022

H M Narasinga Rao

Director

DIN: 00529717

V Suresh Kannan

Director

DIN: 03280922

**Kolben Hydraulics Limited**  
CIN - U29119KA2007PLC043340

**Statement of Changes in Other Equity**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,00,000	500.00	20,00,000	200.00
<b>(b) Issued, subscribed and fully paid up</b>				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	10,00,600	100.06	10,00,600	100.06
	<b>10,00,600</b>	<b>100.06</b>	<b>10,00,600</b>	<b>100.06</b>

(In ₹ Lakhs)

Particulars	Reserve and Surplus	
	Retained earnings	Other comprehensive income
	₹	₹
<b>Balance as at 1<sup>st</sup> April, 2020</b>	(152.27)	-
<b>Additions during the year</b>		
Profit during the year	(48.28)	-
<b>Items of the OCI, net of tax-</b>		
Re-measurement of net defined benefit liability/(asset)		-
<b>Total</b>	(48.28)	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	(200.55)	-
<b>Balance as at 1<sup>st</sup> April, 2021</b>	(200.55)	-
<b>Additions during the year</b>		
Profit during the year	39.64	-
<b>Items of the OCI, net of tax-</b>		
Re-measurement of net defined benefit liability/(asset)		-
<b>Total</b>	39.64	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	(160.92)	-
<b>See accompanying notes forming part of the standalone Ind AS Financial Statements</b>	<b>1-37</b>	

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: 24<sup>th</sup> May 2022**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<sup>st</sup> March 2022

### 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, hydraulics major and a listed Company. The company carries on its manufacturing operations from Malur (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.

The estimated useful lives of intangible assets for the current and comparative years are as follows:

Assets Description	Useful Life (Years)
Knowhow	5 Years

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.

### 1) 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.

**Kolben Hydraulics Limited**  
CIN - U29119KA2007PLC043340

**Notes forming part of the standalone financial statements**

**3. Property, Plant and Equipment (Amounts in brackets indicate previous year balances)** (In ₹ Lakhs)

Sl No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01 <sup>st</sup> April 2021	Additions during the year	Deletions during the year	As on 31 <sup>st</sup> March 2022	Up to 01 <sup>st</sup> April 2021	For the year	Deletions during the year	Up to 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Tangible assets (A)										
1	Plant & Machinery	61.83 (61.73)	2.04 (0.10)	-	63.87 (61.83)	34.59 (30.47)	4.19 (4.12)	-	38.78 (34.59)	25.09 (27.24)	27.24 (31.26)
2	Factory & Office Equipment	3.31	0.37	0.07	3.62	1.88	0.46	0.07	2.26	1.35	1.44
		(2.67)	(0.65)	-	(3.31)	(1.48)	(0.40)	-	(1.88)	(1.44)	(1.18)
3	Computers	12.83 (10.83)	- (2.00)	0.02	12.81 (12.83)	9.53 (8.13)	1.51 (1.41)	0.02	11.02 (9.53)	1.79 (3.30)	3.30 (2.71)
4	Electrical Installation	6.43 (6.43)	0.11 -	0.11 -	6.43 (6.43)	2.56 (1.91)	0.62 (0.64)	0.11 -	3.07 (2.56)	3.36 (3.88)	3.88 (4.52)
5	Furniture & Fixtures	12.10 (12.10)	0.52 -	-	12.62 (12.10)	7.07 (5.90)	0.99 (1.17)	-	8.06 (7.07)	4.56 (5.03)	5.03 (6.19)
	Total (A)	96.51 (93.76)	3.04 (2.75)	0.20	99.35 (96.51)	55.63 (47.90)	7.77 (7.73)	0.20	63.19 (55.63)	36.15 (40.88)	40.88 (45.87)
	Intangible assets (B)										
1	Software	8.81 (8.81)	-	0.21	8.60 (8.81)	5.25 (2.69)	2.42 (2.56)	0.21	7.47 (5.25)	1.13 (3.56)	3.56 (6.12)
2	Knowhow	-	25.00	-	25.00	-	0.01	-	0.01	24.99	-
		-	-	-	-	-	-	-	-	-	-
	Total (B)	8.81 (8.81)	25.00	0.21	33.60 (8.81)	5.25 (2.69)	2.44 (2.56)	0.21	7.48 (5.25)	26.12 (3.56)	3.56 (6.12)
	PY Numbers										
	Grand Total (A+B)	105.31 (102.57)	28.04 (2.75)	0.41	132.94 (105.31)	60.88 (50.59)	10.21 (10.29)	0.41	70.67 (60.88)	62.27 (44.44)	44.44 (51.98)

(In ₹ Lakhs)

Sl No	Description	GROSS BLOCK			Closing Balance	
		As on 01 <sup>st</sup> April 2021 ₹	Additions during the year ₹	Capitalised during the year ₹	As on 31 <sup>st</sup> March 2022 ₹	As on 31 <sup>st</sup> March 2021 ₹
1	Capital work in progress	27.60 (27.60)	-	27.60	-	27.60 (27.60)
	<b>Total</b>	<b>27.60</b>	<b>-</b>	<b>27.60</b>	<b>-</b>	<b>27.60</b>
-	<b>PV Numbers</b>	<b>(27.60)</b>	<b>-</b>	<b>-</b>	<b>(27.60)</b>	<b>(27.60)</b>



## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

## Notes forming part of the standalone financial statements

Capital work-in-progress as at 31<sup>st</sup> March 2022

(In ₹ Lakhs)

## (a) Ageing of CWIP:

Particulars	Amounts in Capital work-in-progress for				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

## (b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

(In ₹ Lakhs)

Particulars	To be Completed in				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

Capital work-in-progress as at 31<sup>st</sup> March 2021

## (a) Ageing of CWIP:

(In ₹ Lakhs)

Particulars	Amounts in Capital work-in-progress for				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	-	-	-	27.60	27.60
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	27.60	27.60

## (b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

(In ₹ Lakhs)

Particulars	To be Completed in				Total
	Less than one year	1 to 2 Years	2 to 3 Years	More than 3 Years	
	₹	₹	₹	₹	₹
(i) Projects in process	-	-	-	-	-
(A) Electronic hardware designed for use in Auto levelling of material handling equipment	-	-	-	25.00	25.00
(B) Software package for Service business	-	-	-	2.60	2.60
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	27.60	27.60

## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**4. Deferred tax Asset / (Liability)**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
<b>Tax effect on items constituting deferred tax liability / (asset):</b>		
On difference between book balance and tax balance of fixed assets	(8.33)	(8.05)
Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	14.51	8.56
Unabsorbed depreciation carried forward / brought forward business losses	287.13	290.00
<b>Deferred Tax Asset / (Liability) - Net</b>	<b>293.31</b>	<b>290.98</b>
<b>Tax effect on the above - deferred tax Asset / (Liability)</b>	<b>81.60</b>	<b>80.95</b>

**5a . Other Financial Assets**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Security deposits	0.10	9.12
<b>Total</b>	<b>0.10</b>	<b>9.12</b>

**5b. Income Tax Assets**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Advance Tax - Net of Provision Rs. Nil (PY Rs. Nil)	0.76	0.76
<b>Total</b>	<b>0.76</b>	<b>0.76</b>

**6 . Inventories**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Raw materials and Components	40.71	0.82
Work-in-progress	1.12	3.33
Finished goods	194.70	69.28
<b>Total</b>	<b>236.53</b>	<b>73.42</b>

**7. Trade receivables**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
<b>Trade receivables</b>		
(a) Unsecured, considered good	154.15	79.83
(b) Doubtful	-	-
Less: Allowance for credit losses	-	-
<b>Total</b>	<b>154.15</b>	<b>79.83</b>

## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

Aging of receivables as at 31<sup>st</sup> March 2022

(In ₹ Lakhs)

Particulars	Outstanding for following periods from the due date					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
	₹	₹	₹	₹	₹	₹
<b>Undisputed Trade receivables</b>						
considered good	143.13	6.56	1.10	3.36	-	154.15
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Disputed Trade receivables</b>						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>143.13</b>	<b>6.56</b>	<b>1.10</b>	<b>3.36</b>	<b>-</b>	<b>154.15</b>

Aging of receivables as at 31<sup>st</sup> March 2021

(In ₹ Lakhs)

Particulars	Outstanding for following periods from the due date					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
	₹	₹	₹	₹	₹	₹
<b>Undisputed Trade receivables</b>						
considered good	57.86	1.73	20.25	-	-	79.83
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Disputed Trade receivables</b>						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>57.86</b>	<b>1.73</b>	<b>20.25</b>	<b>-</b>	<b>-</b>	<b>79.83</b>

## 8. Cash and cash equivalents

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Cash on hand	0.60	0.31
Balance with banks:		
- In current account	9.35	4.14
<b>Total</b>	<b>9.95</b>	<b>4.45</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 'Statement of Cash Flows' is	9.95	4.45

## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**9. Current Tax Assets**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Current Tax Assets-Net of provision	5.00	1.84
<b>Total</b>	<b>5.00</b>	<b>1.84</b>

**10. Other current assets**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
<b>Unsecured, considered good</b>		
Trade and other advances	2.15	2.15
Prepaid expenses	0.69	0.55
Balances with government authorities:		
- GST advance	-	0.96
- GST input tax credit	12.58	1.11
<b>Total</b>	<b>15.42</b>	<b>4.76</b>

**11(a). Share capital**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
<b>Authorised</b>		
50,00,000 Equity shares of Rs. 10/- each with voting rights	500.00	200.00
(For Previous year-20,00,000 Equity shares of Rs. 10/- each with voting rights)		
<b>Total</b>	<b>500.00</b>	<b>200.00</b>
<b>Issued, subscribed and fully paid-up</b>		
10,00,600 Equity shares of Rs. 10/- each fully paid with voting rights	100.06	100.06
<b>Total</b>	<b>100.06</b>	<b>100.06</b>

**11(b). Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares	₹	No. of Shares	₹
Equity share of Rs. 10/- each				
Opening balance	10,00,600	100.06	10,00,600	100.06
Issued during the year	-	-	-	-
<b>Closing balance</b>	<b>10,00,600</b>	<b>100.06</b>	<b>10,00,600</b>	<b>100.06</b>

**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.

## Kolben Hydraulics Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 11(d). Details of equity shares held by each shareholder holding more than 5% of shares:

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> 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%
V Suresh Kannan	1,40,600	14.05%	1,40,600	14.05%
<b>Total</b>	<b>10,00,298</b>	<b>100.00%</b>	<b>10,00,298</b>	<b>100.00%</b>

### 11(e). Shareholding of Promotor

Shares held by promotor as at March 31, 2022:

Particulars	As at 31 <sup>st</sup> March 2022	
	No. of Shares	% Of shares
Yuken India Limited	8,59,698	85.92%
V Suresh Kannan	1,40,600	14.05%
<b>Total</b>	<b>10,00,298</b>	<b>100.00%</b>

### 12. Other Equity

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
<b>Surplus in statement of profit and loss</b>		
<b>Profit/(loss)</b>		
Opening balance	(200.55)	(152.27)
Additions during the period	39.64	(48.28)
<b>Closing balance</b>	<b>(160.92)</b>	<b>(200.55)</b>
<b>Total</b>	<b>(160.92)</b>	<b>(200.55)</b>

### 13. Provisions (Non-current)

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
<b>Provision for employee benefits:</b>		
- Gratuity	7.50	3.79
- Compensated absence	6.71	4.04
<b>Total</b>	<b>14.21</b>	<b>7.83</b>

### 14. Trade payables

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
<b>Current</b>		
Total outstanding dues of creditors to micro enterprises and small enterprises	0.15	0.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	77.55	29.39
<b>Total</b>	<b>77.70</b>	<b>30.17</b>

## Kolben Hydraulics Limited

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## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

Ageing of Trade Payables as at 31<sup>st</sup> March 2022:

(In ₹ Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date				Total
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
	₹	₹	₹	₹	₹	₹	₹
<b>Undisputed trade payables</b>							
MSME	-	-	0.15	-	-	-	<b>0.15</b>
Others	4.54	-	70.24	0.43	0.18	2.16	<b>77.55</b>
<b>Disputed trade payables</b>							
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>4.54</b>	<b>-</b>	<b>70.38</b>	<b>0.43</b>	<b>0.18</b>	<b>2.16</b>	<b>77.70</b>

Ageing of Trade Payables as at 31<sup>st</sup> March 2021:

(In ₹ Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date				Total
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
	₹	₹	₹	₹	₹	₹	₹
<b>Undisputed trade payables</b>							
MSME	-	-	0.78	-	-	-	<b>0.78</b>
Others	5.52	-	13.41	7.28	3.19	-	<b>29.39</b>
<b>Disputed trade payables</b>							
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>5.52</b>	<b>-</b>		<b>7.28</b>	<b>3.19</b>	<b>-</b>	<b>30.17</b>

## 15. Provisions (Current)

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
<b>Provision for employee benefits:</b>		
- Bonus	0.31	0.72
<b>Total</b>	<b>0.31</b>	<b>0.72</b>

## 16. Other current liabilities

(In ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Other payables:		
Payables on purchase of fixed assets	-	-
Statutory remittances (PT, ESI & TDS)	0.79	0.13
Advances from customers	2.88	9.20
Advances received - Related Parties	530.75	379.61
<b>Total</b>	<b>534.43</b>	<b>388.94</b>

## Kolben Hydraulics Limited

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**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**17. Revenue from operations**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
Sale of products	929.22	398.88
Sale of services	27.92	19.72
<b>Total</b>	<b>957.14</b>	<b>418.60</b>

**18. Other income**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
Packing and Forwarding Charges Collected	1.08	1.07
Miscellaneous income	0.95	0.64
<b>Total</b>	<b>2.05</b>	<b>1.71</b>

**19. Cost of materials consumed****(a). Raw material under broad heads**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
Opening Stock	0.82	6.62
Add: Purchases	960.63	343.10
	961.44	349.72
Less: Consumed	920.73	348.90
Closing Stock	40.71	0.82
<b>Total</b>	<b>920.73</b>	<b>348.90</b>

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

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
Inventories at the end of the year:		
Finished goods	194.70	69.28
Work-in-progress	1.12	3.33
	<b>195.82</b>	<b>72.61</b>
Inventories at the beginning of the year:		
Finished goods	69.28	95.06
Work-in-progress	3.33	2.58
	<b>72.61</b>	<b>97.64</b>
<b>Net (increase) / decrease</b>	<b>(123.21)</b>	<b>25.03</b>



## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

**21. Employee benefit expenses**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
Salaries and wages	35.40	51.12
Contributions to provident and other funds	3.70	0.03
Staff welfare Expenses	6.77	5.15
<b>Total</b>	<b>45.88</b>	<b>56.30</b>

**22. Other expenses**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
Sub-contracting charges	7.33	3.11
Communication Expenses	1.29	1.92
Power and fuel	4.68	5.29
Packing & forwarding	0.08	0.06
Rates and Taxes	1.48	1.87
Exchange Loss (Net)	2.88	4.34
Insurance	0.16	0.16
Rent	5.02	7.64
Repair and Maintenance		
- Building	2.10	-
- Machinery	3.39	1.06
- Others	1.44	1.28
Printing & Stationery	1.66	0.31
Freight, Transport & Other Charges	3.26	9.83
Legal and Professional charges	13.55	5.75
Payment to auditors		
- Statutory audit	0.98	0.98
- Tax audit	0.33	0.33
- Other services	0.30	0.30
Travelling & Conveyance	9.41	3.17
Sales Promotion Expenses	1.75	1.44
Asset Written Off	0.00	-
Bad Debts Written Off	2.76	0.02
Bank Charges	1.93	1.47
Miscellaneous Expenses	0.83	3.21
<b>Total</b>	<b>66.60</b>	<b>53.54</b>

## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**23. Tax expense**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
Current tax	-	-
Current tax expense relating to prior years	-	-
Deferred tax	(0.65)	(25.46)
Less: MAT credit availed	-	-
<b>Total</b>	<b>(0.65)</b>	<b>(25.46)</b>

**24.**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
<b>24.1 Expenditure in foreign currency:</b>		
Raw materials & Components	343.47	77.78
Foreign Travel	-	-
<b>24.2. Estimated amount of contracts remaining to be executed on capital account and not provided for</b>	-	-

**25. Contingent liabilities (to the extent not provided for)**

According to information and explanations provided to us, there are no capital commitments and contingent liabilities as on 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

**26. Foreign Currency Exposure**

Foreign Currency Exposure as at March 31, 2022 that have not been hedged by a derivative instrument or other wise: (In ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2021	
	Amount in INR.	Amt-Foreign Currency	Amount in INR.	Amt-Foreign Currency
Receivables -USD	-	-	-	-
Receivables -EURO	31.40	0.37	-	-
<b>Total</b>	<b>31.40</b>	<b>0.37</b>	-	-
Payables- USD	0.42	0.01	-	-
Payables- EURO	26.97	0.32	7.70	0.09
<b>Total</b>	<b>27.38</b>	<b>0.33</b>	<b>7.70</b>	<b>0.09</b>

## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

**27. Dues to micro and small suppliers**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.15	0.78
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.02	0.02
(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	0.02	0.02
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.02	0.02

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	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Net Profit/(Loss) after Tax	39.64	(48.28)
Weighted average number of equity shares (No.s)	10,00,600	10,00,600
Earnings per share from operations - Basic and diluted	3.96	(4.83)
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 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<sup>st</sup> March 2022 (cont'd)**

(In ₹ Lakhs)

PARTICULARS	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
<b>Enterprises and their relatives exercise significant influence</b>		
M/s Yuken India Limited		
- Sales & Services	303.66	89.78
- Purchase	596.00	270.32
- Rent paid	1.70	1.53
- Expenses reimbursed	5.92	0.08
- Fixed Asset Purchased	-	-
<b>Fellow Subsidiary</b>		
M/s Coretec Engineering India Private Limited		
- Purchase	-	0.94
- Sales & Services	-	-
M/s Grotek Enterprises Private Limited		
- Sales & Services	2.17	0.39
- Purchase	50.39	4.19
<b>Fellow Associate</b>		
M/s Sai India Limited		
- Sales & Services	-	0.67
<b>Relative of a Director</b>		
Mrs. S K Vijaya		
- Vehicle Lease Rent	-	0.08
Mr. V Suresh Kannan		
- Vehicle Lease Rent	3.58	-
<b>Key Managerial Personnel</b>		
Mr. V Suresh Kannan		
- Remuneration paid during the year	20.49	15.94

(In ₹ Lakhs)

PARTICULARS	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
<b>Balances at the end</b>		
M/s Yuken India Limited	533.70	377.04
M/s Coretec Engineering India Private Limited	-	4.68
M/s Grotek Enterprises Private Limited	26.72	3.16
Mr. V Suresh Kannan	0.01	0.13
Mrs. S K Vijaya	-	-

## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 32. Financial Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current ratio (times)	Current assets	Current liabilities	0.69	0.39	75.67%	Due to increased sales, increase in trade receivables and pay off of debts, current ratio has increased
Debt-equity ratio (times)	Total Debt	Shareholder's Equity	No Debt			
Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	No Debt			
Return on equity (%)	Net Profits after taxes	Average Shareholder's Equity	0.65	- 0.48	235.56%	Due to profit during the period compared to loss in PY, surplus funds available to equity holders
Inventory turnover ratio (times)	COGS	Average inventory	5.94	3.93	51.28%	Due to higher sales and efficient movement of inventory, there is an increase in inventory turnover ratio.
Trade receivables turnover ratio (times)	Revenue	Average Trade Receivable	8.18	7.78	5.12%	
Trade payable turnover ratio (times)	Purchases of services and other expenses	Average Trade Payables	19.05	4.97	283.25%	Due to increase sales, purchases and availability of funds, company's capacity to pay off accounts payables in a year has increased
Net capital turnover ratio (times)	Revenue	Working Capital	5.00	1.64	205.29%	Due to increase in turnover, there is an increase in net capital turnover increased.
Net profit ratio (%)	Net Profit	Revenue	0.04	- 0.12	135.90%	Due to increase in net profit and sales earnings, net profit ratio has increased.
Return on capital employed (%)	Earning before interest and taxes	Capital Employed	0.64	- 0.73	187.30%	Due to increased turnover and EBIT, return on capital has been increased.
Return on investment (%)	Income generated from investments	Time weighted average investments	No investments			

Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PP&E etc

Debt service = Interest and principal repayments including lease payments.

Shareholders equity = Contributed capital + retained earnings

## Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2022 (cont'd)

### 33. Fair value measurements

#### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March 2022 were as follows: (In ₹ Lakhs)

Particulars	Note No.	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
<b>Assets :</b>				
Cash and cash equivalents	8	9.95	-	-
Other financial assets				
(i) Security deposits	5a	0.10	-	-
Trade receivables	7	154.15	-	-
<b>Total</b>		<b>164.20</b>	-	-
<b>Liabilities:</b>				
Other financial liabilities				
(i) Trade payables	14	77.70	-	-
<b>Total</b>		<b>77.70</b>	-	-

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March 2021 were as follows: (In ₹ Lakhs)

Particulars	Note No.	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
<b>Assets :</b>				
Cash and cash equivalents	8	4.45	-	-
Other financial assets				
(i) Security deposits	5a	9.12	-	-
Trade receivables	7	79.83	-	-
<b>Total</b>		<b>93.40</b>	-	-
<b>Liabilities:</b>				
Other financial liabilities				
(i) Trade payables	14	30.17	-	-
<b>Total</b>		<b>30.17</b>	-	-

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<sup>st</sup> March 2022 (cont'd)

### 34. 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:

(In ₹ Lakhs)

Particulars	Note No.	2021-22	2020-21
		₹	₹
<b>Financials measured at amortized costs:</b>			
Financial assets			
Trade receivable *	7	154.15	79.83
<b>Cash and cash equivalents and other bank balances</b>			
Cash and cash equivalents #	8	9.95	4.45
<b>Financial liabilities measured at amortized cost:</b>			
Trade Payables *	14	77.70	30.17

\*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.

### 35. 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 its 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.



**Kolben Hydraulics Limited**

CIN - U29119KA2007PLC043340

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)****(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:

(In ₹ Lakhs)

Assets under credit risk	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	₹	₹
Cash and cash equivalents	9.95	4.45
Security deposits	0.10	9.12
Trade receivables	154.15	79.83
<b>Total</b>	<b>164.20</b>	<b>93.40</b>

**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.

**Kolben Hydraulics Limited**  
CIN - U29119KA2007PLC043340

**Summary of significant accounting policies and other explanatory information  
for the year ended 31<sup>st</sup> March 2022 (cont'd)**

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

**Maturities of financial liabilities**

(In ₹ Lakhs)

As at 31 <sup>st</sup> March 2022	Less than 1 year	1 year to 5 years	More than 5 years
	₹	₹	₹
Trade payables	77.70	-	-
	<b>77.70</b>	<b>-</b>	<b>-</b>

**Maturities of financial liabilities**

(In ₹ Lakhs)

As at 31 <sup>st</sup> March 2021	Less than 1 year	1 year to 5 years	More than 5 years
	₹	₹	₹
Trade payables	30.17	-	-
	<b>30.17</b>	<b>-</b>	<b>-</b>

**(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.

**36. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

(In ₹ Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
	₹	₹
<b>Accounting profit before tax and exceptional item</b>	38.99	(73.74)
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	10.85	(20.52)
<b>Reconciling items:</b>		
Tax effect on permanent non-deductible expenses	-	-
Tax adjustments of Prior Years	-	-
Others	(11.50)	(4.94)
<b>At the effective income tax rate of 27.82% (PY 27.82%)</b>	<b>(0.65)</b>	<b>(25.46)</b>
Income tax expense reported in the Statement of Profit and Loss	<b>(0.65)</b>	<b>(25.46)</b>

**37. Previous year figures**

Previous year figures have been regrouped / reclassified wherever necessary to confirm to current year's classification / disclosure.

For and on behalf of Board of Directors

**H M Narasinga Rao**  
Director  
DIN: 00529717

**V Suresh Kannan**  
Director  
DIN: 03280922

Place: Bangalore  
Date: 24<sup>th</sup> May 2022

## **4. YUFLOW ENGINEERING PRIVATE LIMITED**

## **NOTICE**

**NOTICE** is hereby given that the **20<sup>th</sup>** Annual General Meeting of the Members of **YUFLOW ENGINEERING PRIVATE LIMITED** will be held on Friday, 09<sup>th</sup> September, 2022 at 03.00 PM at the Registered office of the Company at C/o. Yuken India Limited, B-80, 2<sup>nd</sup> Cross, 1<sup>st</sup> 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 31<sup>st</sup> March, 2022, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. C P Rangachar (DIN: 00310893), 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: 24.05.2022

### **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. 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 at least 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 20<sup>th</sup> Annual Report of the business and operations of the Company together with the audited financial statements for the year ended 31<sup>st</sup> March, 2022.

### **FINANCIAL RESULTS:**

**Financial highlights:**

*(Rs. In Lakhs)*

Particulars	Year ended	Year ended
	31.03.2022	31.03.2021
<b>Total Income</b>	<b>231.92</b>	<b>90.97</b>
Total expenditure	257.50	109.22
<b>Profit/(Loss) before interest, depreciation and tax</b>	<b>(25.58)</b>	<b>(18.25)</b>
Finance cost	0.46	0.27
Depreciation	5.85	5.45
<b>Profit/(Loss) before tax</b>	<b>(31.89)</b>	<b>(23.97)</b>
Provision for taxation (Net of deferred tax)	-	-
<b>Profit/(loss) after tax</b>	<b>(31.89)</b>	<b>(23.97)</b>
Net comprehensive income/(loss) for the year	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>(31.89)</b>	<b>(23.97)</b>
Balance in Statement of profit and loss	(765.37)	(741.40)
Balance in General reserve	53.28	53.28
<b>Amount available for appropriation</b>	<b>(743.97)</b>	<b>(712.09)</b>
<b>Appropriations:</b>		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
<b>Balance carried to Balance Sheet</b>	<b>(743.97)</b>	<b>(712.09)</b>

### **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. 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. 231.92 lakhs as compared to previous year total revenue of Rs. 90.97 lakhs. The Company has incurred a net loss of Rs. 31.89 lakhs.

Your Directors are making all efforts to ensure optimal operational results in the coming years.

### **IMPACT OF COVID-19 PANDEMIC ON COMPANY'S BUSINESS:**

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the financial results.

The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, the necessary impact has been given in the preparation of the financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

### **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 2021-22, there were 5 (five) Board Meetings held on the following dates; 15.04.2021, 05.06.2021, 05.08.2021, 11.11.2021, and 07.02.2022.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

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

- 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 31<sup>st</sup> March, 2022.

**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:**

Your Board of Directors at their meeting held on 15<sup>th</sup> 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).

Subsequently, the Company has received the Order dated 14<sup>th</sup> March, 2022 from National Company Law Tribunal (NCLT). As per the Order, National Company Law Tribunal (NCLT) have dispensed with holding of shareholders and Secured/ Unsecured Creditors meeting of Yuken India Limited and given direction to hold Unsecured Creditors meeting of Yuflow Engineering Private Limited on 05<sup>th</sup> May, 2022. Accordingly, the Company has conducted the Unsecured Creditors meeting on 05<sup>th</sup> May, 2022.

Apart from this, there has been no other 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 31.03.2022 (Amount in Rs)	As on 31.03.2021 (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. C P Rangachar – 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 31<sup>st</sup> March, 2022.

#### **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, 2022 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 01<sup>st</sup> 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 2021-22 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 2021-22, 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**

Place: Bengaluru

Date: 24.05.2022

**C P Rangachar**

Director

DIN: 00310893

**H M Narasinga Rao**

Director

DIN: 00529717

**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**

Date: 24.05.2022  
Place : Bengaluru

**C P Rangachar**  
Director  
DIN: 00310893

**H M Narasinga Rao**  
Director  
DIN: 00529717

## Independent Auditor's Report

To

**The Members of  
Yuflow Engineering Private Limited**

**Report on the Ind AS Financial Statements**

### 1. Opinion

We have audited the accompanying Ind AS financial statements of **Yuflow Engineering Private Limited** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2022, 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 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, 2022, 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. 24 (xiii) regarding the proposed amalgamation of the Company with its Holding Company and the developments thereon.

Attention is also invited to Note no. 25 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.

Our opinion is not modified in this regard.

### 4. 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 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.

### 5. Responsibility of Management for 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.

## **6. 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 auditors' 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.

## **7. Report on Other Legal and Regulatory Requirements**

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "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 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 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 24(xiv) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, as on the date of this Audit Report, that the Intermediary

shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes 24 (xiv) to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **N.C. Rajagopal & Co.,**  
Chartered Accountants  
Firm Reg No: 003398S

**V. Chandrasekaran**  
(Partner)  
M. No: 024844  
UDIN: 22024844ALLFKM9887

Place: Chennai  
Date: 24.05.2022

## Annexure - A to the Independent Auditor's Report

[Referred to in Para 7 (I) of our report of even date]

- |   |  |
|---|--|
| <p>i. (a)</p> <p style="padding-left: 40px;">(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.</p> <p style="padding-left: 40px;">(B) The Company has maintained proper records showing full particulars of intangible assets.</p> <p>(b) These Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.</p> <p>(c) The Company does not own any immovable property and hence, reporting under Clause (i) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.</p> <p>(d) According to the information given to us, the company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.</p> <p>(e) Based on the information and explanations given to us, there have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.</p> | <p>iii. Based on the information and explanations given to us, the company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under Clauses (iii) (a) to (f) of the Companies (Auditor's Report) Order, 2020 does not arise.</p>  |
| <p>(b) These Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.</p>   | <p>iv. There are no loans, investments, guarantees, or security given by the Company under the provisions of Section 185 and 186 of Companies Act, 2013. Hence, reporting under Clause (iv) of the Companies (Auditor's Report) Order, 2020 does not arise.</p>  |
| <p>(c) The Company does not own any immovable property and hence, reporting under Clause (i) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.</p>  | <p>v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under or under the directives of the Reserve Bank of India. Hence, reporting under clause (v) of the Companies (Auditor's Report) Order, 2020 does not arise.</p>   |
| <p>(d) According to the information given to us, the company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.</p>   | <p>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 in respect of the company.</p>  |
| <p>(e) Based on the information and explanations given to us, there have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.</p>   | <p>vii.</p>  |
| <p>ii.</p> <p>(a) According to the information and explanations given to us, inventory has been physically verified by the management at reasonable intervals, and in our opinion, the coverage and procedure of such verification by the management is appropriate; and no discrepancy of 10% or more in the aggregate for each class of inventory was noticed.</p> <p>(b) Based on the information and explanations given to us, the Company has not been sanctioned working capital limits at any point of time of the year. Hence, reporting under Clause (ii) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.</p>  | <p>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 Goods and Services Tax, Employees' Provident Fund, Professional Tax, Income Tax 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 become payable as on the last day of the financial year.</p> <p>b. According to the information and explanation given to us and in our opinion, there are no dues on</p> |



account including Income Tax, Goods and Service Tax, Duty of Customs, Duty of Excise and other Statutory dues applicable to the Company which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us and as per the records of the Company, there have been no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year and no tax assessments under the Income Tax Act, 1961 (43 of 1961) have been received during the year.
- ix. (a) The company did not have any loans or other borrowings during the year. Hence, reporting under clause (ix) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company did not have any term loans during the year. Hence, reporting under clause (ix) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on a short term basis. Hence, reporting under clause (ix) (d) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (e) Based on the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Hence, reporting under clauses (ix) (e) and (f) of the Companies (Auditor's Report) Order, 2020 does not arise.
- x. (a) Based on the information and explanations given to us, the Company has not raised moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year. Hence, reporting under clause (x) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under clause (x) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xi. (a) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year;
- (b) No report under section 143 (12) of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanation given to us, there have been no whistle blower complaints received by the Company during the year. Hence, reporting under clause (xi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence, reporting under clauses (xii) (a) to (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. (a) Based on the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) Based on the information and explanations given to us, appointment of Internal Auditor is not applicable to the Company as per the provisions of the Company Act, 2013 and the rules made thereunder. Accordingly, appointment of Internal Auditor and reporting under Clause (xiv) (b) of the

Companies (Auditor's Report) Order, 2020 does not arise.

xv. 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, 2020 does not arise.

xvi.

(a) According to the information and explanations 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.

(b) Based on the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) In our opinion, the Company is not a Core Investment Company (CIC) and hence, reporting under Clause (xvi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.

(d) According to the information and explanations given to us, the Group does not have more than one CIC as part of the Group.

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred cash losses of Rs. 26,03,428 in the financial year and Rs. 18,52,486 in the immediately preceding financial year.

xviii. Based on the information and explanations given to us, there has been no resignation of the statutory auditors during the year. Hence, reporting under Clause (xviii)

of the Companies (Auditor's Report) Order, 2020 does not arise.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion, no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing on the balance sheet date as and when they fall due within a period of one year from the balance sheet date.

xx. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 135 (5) of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under Clause (xx) of the Companies (Auditor's Report) Order, 2020 does not arise.

xxi. In our opinion, the company does not have to prepare consolidated financial statements. Hence, reporting under Clause (xxi) of the Companies (Auditor's Report) Order, 2020 does not arise.

For **N.C. Rajagopal & Co.,**  
Chartered Accountants  
Firm Reg No: 003398S

**V. Chandrasekaran**  
(Partner)

M. No: 024844

UDIN: 22024844ALLFKM9887

Place: Chennai

Date: 24.05.2022

## Annexure - B to the Auditors' Report

[Referred to in Para 7(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 31<sup>st</sup> March, 2022, 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.

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 31<sup>st</sup> March,

2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N.C. Rajagopal & Co.,**  
Chartered Accountants  
Firm Reg No: 003398S

**V. Chandrasekaran**  
(Partner)

M. No: 024844

UDIN: 22024844ALLFKM9887

Place: Chennai

Date: 24.05.2022

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Balance Sheet as on 31<sup>st</sup> March, 2022

Particulars	Note No	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
		₹ in Lakhs	₹ in Lakhs
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
Property, Plant and Equipment	1 (a)	81.74	70.25
Intangible Assets	1 (b)	0.12	0.01
<b>Total Non - Current Assets</b>		<b>81.86</b>	<b>70.26</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Inventories	2	187.91	97.91
(ii) Trade receivables	3	31.94	11.37
(iii) Cash and cash equivalents	4	4.76	2.10
(b) Current tax assets	5	0.12	0.02
(c) Other current assets	6	59.20	33.52
<b>Total current assets</b>		<b>283.93</b>	<b>144.92</b>
<b>Total assets</b>		<b>365.79</b>	<b>215.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	7	200.00	200.00
(b) Other equity	8	(743.97)	(712.09)
<b>Total Equity</b>		<b>(543.97)</b>	<b>(512.09)</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	9	235.97	170.59
(b) Other current liabilities	10	673.79	556.68
<b>Total Current Liabilities</b>		<b>909.76</b>	<b>727.27</b>
<b>Total Liabilities</b>		<b>365.79</b>	<b>215.18</b>
<b>Significant Accounting Policies</b>	A-B		
<b>Notes to the Financial Statements</b>	1-28		

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)

Place: Bangalore

Date : 24.05.2022

**C.P.Rangachar**

DIN : 00310893

Director

**H.M. Narasinga Rao**

DIN : 00529717

Director

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022

Particulars	Note No.	Year ended	Year ended
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
		₹ in Lakhs	₹ in Lakhs
<b>I</b> Revenue from Operations	11	230.32	90.59
<b>II</b> Other Income	12	1.60	0.38
<b>III Total Income (I+II)</b>		<b>231.92</b>	<b>90.97</b>
<b>IV Expenses</b>			
Cost of materials consumed	13	223.88	109.20
Changes in Inventories of Finished Goods and Work - in - Progress	14	-69.90	-56.07
Employee benefit expenses	15	15.70	9.01
Finance costs	16	0.46	0.27
Depreciation	1	5.85	5.45
Other expenses	17	87.82	47.08
<b>Total expenses (IV)</b>		<b>263.81</b>	<b>114.94</b>
<b>V Profit/(loss) before tax(III-IV)</b>		<b>(31.89)</b>	<b>(23.97)</b>
<b>VI Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Tax on earlier Years		-	-
<b>VII Profit/(loss) for the year (V-VI)</b>		<b>(31.89)</b>	<b>(23.97)</b>
<b>VIII Other comprehensive income for the year</b>		-	-
<b>IX Total comprehensive Income for the year(VII+VIII)</b>		<b>(31.89)</b>	<b>(23.97)</b>
<b>Earnings per equity share :</b>			
Basic and Diluted (in Rs. Face Value of Rs. 10 per Share )	18	(1.59)	(1.20)
<b>Significant Accounting Policies</b>	A-B		
<b>Notes to the Financial Statements</b>	1-28		

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)  
Place: Bangalore  
Date : 24.05.2022

**C.P.Rangachar**  
DIN : 00310893  
Director

**H.M. Narasinga Rao**  
DIN : 00529717  
Director

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022

Particulars	Year ended 31 <sup>st</sup> March, 2022		Year ended 31 <sup>st</sup> March, 2021	
	₹ in Lakhs		₹ in Lakhs	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		(31.89)		(23.97)
<u>Adjustments for:</u>		-		-
Depreciation and amortisation	5.85		5.45	
(Profit) / loss on sale of assets	-		(0.01)	
Finance costs	0.46		0.27	
		6.31		5.71
Operating profit / (loss) before working capital changes-(1)		(25.58)		(18.26)
<u>Changes in working capital:</u>	-	-	-	-
Adjustments for (increase) / decrease in operating assets:-(2)				
Inventories	(90.00)		(72.76)	
Trade receivables	(20.57)		(8.24)	
Current tax assets	(0.10)		-	
Other Current Assets	(25.68)		(6.80)	
		(136.35)		(87.80)
Adjustments for increase / (decrease) in operating liabilities:-(3)				
Trade payables	65.38		57.67	
Other current liabilities	117.12		50.88	
		182.50		108.55
Cash generated from operations(1)+(2)+(3)		20.57		2.49
Net income tax (paid)/refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>20.57</b>		<b>2.49</b>
<b>B. Cash flow from investing activities</b>				
Payments for acquisition of Fixed Assets		(17.45)		(4.39)
Proceeds From Sale of Fixed Assets		-		0.24
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(17.45)</b>		<b>(4.15)</b>
<b>C. Cash flow from financing activities</b>				
Finance costs		(0.46)		(0.27)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(0.46)</b>		<b>(0.27)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>2.66</b>		<b>(1.93)</b>
Cash and cash equivalents at the beginning of the year		2.10		4.03
Less: Bank balances not considered as Cash and cash equivalents		-		-
Effect of exchange differences on restatement of foreign currency		-		-
Cash and cash equivalents				
<b>Cash and cash equivalents at the end of the year</b>		<b>4.76</b>		<b>2.10</b>

As per our Report of Even Date

For N.C.Rajagopal &amp; Co.,

Chartered Accountants

Firm Reg No. 003398S

For &amp; on behalf of the Board

V. Chandrasekaran

Partner

(Membership No. 024844)

Place: Bangalore

Date : 24.05.2022

C.P.Rangachar

DIN : 00310893

Director

H.M. Narasinga Rao

DIN : 00529717

Director



## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Statement of Changes In Equity for the year ended 31<sup>st</sup> March, 2022**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.

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
200.00	-	200.00	-	200.00

**(2) Previous Reporting Period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
200.00	-	200.00	-	200.00

**B. Other Equity****(1) Current reporting period (2021-2022)**

	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	-	53.28	(765.37)	(712.09)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	53.28	(765.37)	(712.09)
Profit after tax	-	-	(31.89)	(31.89)
Remeasurement of Defined Benefit Liability, Net of Tax	-	-	-	-
Total Comprehensive Income for the current year	-	-	(31.89)	(31.89)
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
Balance at the end of the current reporting period	-	53.28	(797.25)	(743.97)

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Statement of Changes In Equity for the year ended 31<sup>st</sup> March, 2022

## (2) Previous reporting period (2020-2021)

	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
Balance at the beginning of the previous reporting period	-	53.28	(741.40)	(688.12)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	53.28	(741.40)	(688.12)
Profit after tax	-	-	(23.97)	(23.97)
Remeasurement of Defined Benefit Liability, Net of Tax	-	-	-	-
Total Comprehensive Income for the previous year	-	-	(23.97)	(23.97)
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
Balance at the end of the previous reporting period	-	53.28	(765.37)	(712.09)

As per our Report of Even Date

**For N.C.Rajagopal & Co.,**

Chartered Accountants

Firm Reg No. 003398S

For &amp; on behalf of the Board

**V. Chandrasekaran**

Partner

(Membership No. 024844)

Place: Bangalore

Date : 24.05.2022

**C.P.Rangachar**

DIN : 00310893

Director

**H.M. Narasinga Rao**

DIN : 00529717

Director

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March, 2022**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 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.

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 initial 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, 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 lives 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 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.

#### **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 through 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 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.

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to the Ind AS financial statements for the Year ended 31<sup>st</sup> March, 2022

## 1 (a). Property, Plant and Equipment:

(₹ in lakhs)

SL. No.	DESCRIP- TION	GROSS BLOCK							DEPRECIATION					NET BLOCK	
		As at 01.04.2021	Addi- tions	Deletions/ Disposals	Acquisitions through business combinations	Amount of change due to revaluation	Others adjust- ments	As at 31.03.2022	Upto 31.03.2021	For the year	Deletions/ Disposal	Impairment Losses/ Reversals	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
1	Plant and Machinery	75.71	13.80	-	-	-	-	89.51	7.08	4.96	-	-	12.04	77.46	68.62
2	Furniture and Fixtures	1.14	3.45	-	-	-	-	4.58	0.19	0.22	-	-	0.41	4.17	0.95
3	Computers	1.85	-	-	-	-	-	1.85	1.16	0.58	-	-	1.75	0.10	0.68
	Total	78.69	17.25	-	-	-	-	95.93	8.44	5.76	-	-	14.20	81.74	70.25
	Previous Year	74.54	4.39	0.24	-	-	-	78.69	3.09	5.36	0.01	-	8.44	70.25	71.45

## 1 (b). Intangible Assets:

(₹ in lakhs)

SL. No.	DESCRIP- TION	GROSS BLOCK							AMORTISATION					NET BLOCK	
		As at 01.04.2021	Addi- tions	Deletions/ Disposals	Acquisitions through business combinations	Amount of change due to revaluation	Others adjust- ments	As at 31.03.2022	Upto 31.03.2021	For the year	Deletions/ Disposal	Impairment Losses/ Reversals	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
1	Computer Software	0.18	0.20	-	-	-	-	0.38	0.16	0.09	-	-	0.25	0.12	0.01
	<b>Total</b>	<b>0.18</b>	<b>0.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.38</b>	<b>0.16</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.12</b>	<b>0.01</b>
	<b>Previous Year</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.18</b>	<b>0.08</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>0.16</b>	<b>0.01</b>	<b>0.10</b>

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 2. Inventories

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Raw Materials	49.04	28.94
Work - in - Progress	107.91	53.28
Finished Goods	30.97	15.69
<b>Total</b>	<b>187.91</b>	<b>97.91</b>

## 3. Trade receivables

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
<b>Current</b>		
Trade receivables		
(a) Unsecured, considered good		
- Exceeding six months from the date they were due for payment	30.67	1.28
- Others	1.27	10.09
<b>Total</b>	<b>31.94</b>	<b>11.37</b>

## Trade Receivables ageing schedule

2021-22

₹ in Lakhs

Particulars	Outstanding for following periods from due date of transaction					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1.27	22.90	7.77	-	-	31.94
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

2020-21

₹ in Lakhs

Particulars	Outstanding for following periods from due date of transaction					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	10.09	1.28	-	-	-	11.37
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 4. Cash and cash equivalents

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Cash on hand	0.12	0.10
Balances with Banks		
(i) In current accounts	4.65	2.00
<b>Total</b>	<b>4.76</b>	<b>2.10</b>

## 5. Current Tax Assets (net)

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
<b>Current</b>		
Advance Income Tax (Net of Provisions: CY Rs. NIL, PY: Rs. NIL)	0.12	0.02
<b>Total</b>	<b>0.12</b>	<b>0.02</b>

## 6. Other Current Assets

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Balances with government authority	49.61	33.21
Advance to suppliers	1.62	0.31
Other Current Assets	7.97	-
<b>Total</b>	<b>59.20</b>	<b>33.52</b>

## 7. Share capital

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
<b>(a) Authorised</b>		
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	200.00	200.00
<b>(b) Issued, subscribed and fully paid up</b>		
20,00,000 Equity shares of Rs.10 /- each , Fully paid with Voting Rights	200.00	200.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

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 on 31 <sup>st</sup> March, 2022		As on 31 <sup>st</sup> March, 2021	
	Number of shares (In Lakhs)	Amount (₹ in Lakhs)	Number of shares (In Lakhs)	Amount (₹ in Lakhs)
<b>Equity shares</b>				
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 31 <sup>st</sup> March, 2022		As on 31 <sup>st</sup> March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
- Yuken India Limited	19,96,000	99.80%	19,96,000	99.80%

(iii) Details of shares held by promoters at the end of the year

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
- Yuken India Limited	19,96,000	99.80%	NIL

(iv) 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 shareholders at the ensuing Annual General Meeting.

(v) 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.

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 8. Other Equity

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
<b>General reserve:</b>		
Opening balance	53.28	53.28
Add: Transferred from surplus in statement of profit and loss	-	-
	<b>53.28</b>	<b>53.28</b>
<b>Surplus in statement of profit and loss :</b>		
Opening balance	(765.37)	(741.40)
Add: Transferred from other comprehensive income/(loss) for the year	-	-
Add: Net profit /(loss) for the year	(31.89)	(23.97)
Balance available for appropriation	<b>(797.25)</b>	<b>(765.37)</b>
Less: Appropriations	-	-
Transfer to general reserve	-	-
Closing Balance	<b>(797.25)</b>	<b>(765.37)</b>
<b>Total Other Equity</b>	<b>(743.97)</b>	<b>(712.09)</b>

## 9. Trade payables

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Total Outstanding Dues of Micro Enterprises and Small Enterprises	208.34	154.13
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	27.63	16.47
<b>Total</b>	<b>235.97</b>	<b>170.59</b>

## Trade Payables aging schedule

2021-22

₹ in Lakhs

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	109.08	9.08	8.68	81.50	208.34
(ii) Others	21.06	6.57	-	-	27.63
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

2020-21

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	63.95	8.68	-	81.50	154.13
(ii) Others	16.47	-	-	-	16.47
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-



## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 10. Other liabilities

Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
(i) Statutory Dues Payable	0.21	0.32
(ii) Advances from Customers	668.17	552.64
(iii) Provision for Expenses	2.44	2.10
(iv) Expenses Payable	2.97	1.62
<b>Total</b>	<b>673.79</b>	<b>556.68</b>

## 11. Revenue from Operations

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
(a) Revenue from Sale of products	230.32	90.58
(b) Revenue from Sale of Services	-	0.01
<b>Total</b>	<b>230.32</b>	<b>90.59</b>

## 12. Other Income

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
(a) Sale of Scrap	1.60	-
(b) Profit on sale of Fixed Assets	-	0.01
(c) Exchange Gain on Foreign Exchange Transactions	-	0.23
(d) Miscellaneous Income	-	0.14
<b>Total</b>	<b>1.60</b>	<b>0.38</b>

## 13. Cost of materials Consumed

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Opening stock of Raw Materials	28.94	11.44
Stock in Transit	-	0.79
Add: Purchases	234.51	120.37
Add : Freight Inwards	9.47	5.53
	<b>272.92</b>	<b>138.14</b>
Less: Closing stock of Raw Materials	49.04	28.94
Less: Stock in Transit	-	-
<b>Cost of materials consumed</b>	<b>223.88</b>	<b>109.20</b>

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 14. Changes in Inventories of Finished Goods and Work - in - Progress

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Opening stock:		
Finished Goods	15.69	2.95
Work - in - Progress	53.28	9.95
	<b>68.97</b>	<b>12.90</b>
Less: Closing stock:		
Finished Goods	30.97	15.69
Work - in - Progress	107.91	53.28
	<b>138.87</b>	<b>68.97</b>
<b>Total</b>	<b>-69.90</b>	<b>-56.07</b>

## 15. Employee benefits expense

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Salaries and wages	14.92	9.00
Staff welfare expenses	0.78	0.01
<b>Total</b>	<b>15.70</b>	<b>9.01</b>

## 16. Finance costs

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Interest due to Micro Enterprises and Small Enterprises	0.41	0.25
Bank Charges	0.05	0.02
<b>Total</b>	<b>0.46</b>	<b>0.27</b>

## 17. Other expenses

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Rent	3.60	4.20
Tools Consumed	1.11	0.17
Development Charges	1.59	0.16
Repair and Maintenance	0.26	0.01
Sub contracting charges	25.11	15.06
Freight Outward Charges	0.48	0.35
Rates & Taxes	0.18	0.03
Contract Labour wages	33.00	6.06
Travelling & Conveyance	0.23	0.85
Printing & Stationery	0.22	0.10
Professional and Consultancy Fees	16.78	16.41
Audit Fees	1.50	1.50
Security Charges	1.60	2.09
Stores & Consumables	1.53	-
Miscellaneous Expenses	0.63	0.09
<b>Total</b>	<b>87.82</b>	<b>47.08</b>

## Yuflow Engineering Private Limited

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 18. Earnings per Equity Share

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Net Profit / (loss) for the year attributable to Equity Shareholders	(31.89)	(23.97)
Weighted Average Number of Equity Shares	20,00,000	20,00,000
Earnings per Share - Basic & Diluted	(1.59)	(1.20)
Face Value per Share	10.00	10.00

## 19. Financial Instruments

## (a) Financial assets and liabilities

The carrying value of financial instruments by categories as of 31<sup>st</sup> March, 2022 is as follows:

Particulars	Amortised Cost	Total Carrying Cost	Total Fair Value
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Assets:</b>			
Trade receivables	31.94	31.94	31.94
Cash and cash equivalents	4.76	4.76	4.76
<b>Total</b>	<b>36.70</b>	<b>36.70</b>	<b>36.70</b>
<b>Liabilities:</b>			
Trade Payables	235.97	235.97	235.97
<b>Total</b>	<b>235.97</b>	<b>235.97</b>	<b>235.97</b>

The carrying value of financial instruments by categories as of 31<sup>st</sup> March, 2021 is as follows:

Particulars	Amortised Cost	Total Carrying Cost	Total Fair Value
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Assets:</b>			
Trade receivables	11.37	11.37	11.37
Cash and cash equivalents	2.10	2.10	2.10
<b>Total</b>	<b>13.47</b>	<b>13.47</b>	<b>13.47</b>
<b>Liabilities:</b>			
Trade Payables	170.59	170.59	170.59
<b>Total</b>	<b>170.59</b>	<b>170.59</b>	<b>170.59</b>

## 20.

## Employee benefit plans

## Defined contribution plans

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
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

CIN : U29120KA2002PTC120611

Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 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 31<sup>st</sup> March, 2022

Particulars	₹ in Lakhs		
	Holding Company	Fellow Subsidiaries	Total
<b>Purchase of fixed assets</b>			
Yuken India Limited	-	-	-
Coretec Engineering India Private Limited	-	-	-
	-	(3.76)	(3.76)
Grotek Enterprises Private Limited		8.33	8.33
		(17.75)	(17.75)
<b>Purchase of goods and services received</b>			
Yuken India Limited	1.77	-	1.77
Coretec Engineering India Private Limited	-	4.00	4.00
	-	(5.58)	(5.58)
Grotek Enterprises Private Limited	-	0.22	0.22
<b>Sale of goods and services</b>			
Yuken India Limited	228.15		228.15
	(77.52)		(77.52)
Coretec Engineering India Private Limited		0.12	0.12
		(0.26)	(0.26)
Grotek Enterprises Private Limited		2.00	2.00
<b>Advance Received</b>			
Yuken India Limited	341.92	-	341.92
	(138.00)	-	(138.00)
<b>Amount outstanding (Receivables)</b>			
Yuken India Limited	-	-	-
Coretec Engineering India Private Limited	-	-	-
Grotek Enterprises Private Limited	-	-	-
<b>Advance Given</b>			
Grotek Enterprises Private Limited	-	1.71	1.71

## Yuflow Engineering Private Limited

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Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

Particulars	₹ in Lakhs		
	Holding Company	Fellow Subsidiaries	Total
<b>Amount outstanding (Payables)</b>			
Yuken India Limited	668.17		668.17
	(552.64)		(552.64)
Coretec Engineering India Private Limited		102.83	102.83
		(98.95)	(98.95)
Grotek Enterprises Private Limited		9.51	9.51
		(4.66)	(4.66)

**Note:**

- The related party relationships are as identified by the Company, on the basis of information available with the Company.
- 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.
- No amounts in respect of the related parties have been written off /written back or provided for during the year.
- Figures in brackets relates to the previous year.

**22. Income Tax and Deferred Tax:****A. Amounts recognised in Statement of Profit or Loss**

₹ in Lakhs

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Current tax</b>		
In respect of the current year	-	-
In respect of the earlier years	-	-
<b>Deferred Tax</b>		
On account of origination and reversal of temporary differences	-	-
On account of change in tax rates	-	-
<b>Total Income tax expense recognised in Statement of Profit or Loss</b>	-	-

**B. Reconciliation of effective tax rate**

₹ in Lakhs

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Accounting Profit/ (loss) before tax	(31.89)	(23.97)
Income tax rate	26.00%	26.00%
Tax using the Company's domestic tax rate	(8.29)	(6.23)
Effect of:		
Origination and reversal of temporary differences	0.70	1.73
Current year losses for which no deferred tax asset was recognised	(8.99)	(7.96)
Tax effect on account of adjustment for expired carry forward losses/ Income Tax assessments	-	-
Tax effect on account of changes in tax rates	-	-
<b>Total Tax Expense</b>	<b>0.00</b>	<b>(0.00)</b>

## Yuflow Engineering Private Limited

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Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

C. The Major Components of Deferred tax (liabilities)/assets arising on account of timing differences are as follows:

## Deferred Tax for the year ended 31.03.2022

₹ in Lakhs

Particulars	Opening Balance	Adj. (on account of difference in tax rates)	Additions of current year / (Expiry of earlier years)	Closing Balance
<b>Deferred Tax Liability:</b>				
On account of Property, Plant and Equipment	6.36	-	0.70	7.05
<b>Total Deferred Tax Liability</b>	<b>6.36</b>	<b>-</b>	<b>0.70</b>	<b>7.05</b>
<b>Deferred Tax Asset:</b>				
On account of Carry Forward Losses	199.17	-	(7.83)	191.34
<b>Total Deferred Tax Asset</b>	<b>199.17</b>	<b>-</b>	<b>(7.83)</b>	<b>191.34</b>
<b>Net Deferred Tax Asset</b>	<b>192.81</b>	<b>-</b>	<b>(8.52)</b>	<b>184.29</b>

## 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
<b>Deferred Tax Liability:</b>				
On account of Property, Plant and Equipment	4.63	-	1.73	6.36
<b>Total Deferred Tax Liability</b>	<b>4.63</b>	<b>-</b>	<b>1.73</b>	<b>6.36</b>
<b>Deferred Tax Asset:</b>				
On account of Carry Forward Losses	205.33	-	(6.16)	199.17
<b>Total Deferred Tax Asset</b>	<b>205.33</b>	<b>-</b>	<b>(6.16)</b>	<b>199.17</b>
<b>Net Deferred Tax Asset</b>	<b>200.70</b>	<b>-</b>	<b>(7.89)</b>	<b>192.81</b>

Deferred tax assets are recognized only when it is probable that future taxable profit will be available against which the unused tax losses and deductible 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.

## Yuflow Engineering Private Limited

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Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 23. Ratios

Particulars	Items included in the Numerator / Denominator	Ratio		Variation (%)	Reason for Variance
		2021-22	2020-21		
(a) Current ratio	Current Assets/ Current Liabilities	0.31	0.20	57%	Due to increase in the inventory during the current year, the current ratio has improved.
(b) Debt-Equity ratio	Total Outside Debt/Equity Share Holder's Funds	NA	NA	NA	Since the Company has no external debt, this ratio is not calculated.
(c) Debt Service Coverage ratio	Earnings Available for Debt services/ Interest + Installments	NA	NA	NA	Since the Company has no external debt, this ratio is not calculated.
(d) Return on Equity ratio	Net Profit After Taxes / Equity Shareholder's Funds	NA	NA	NA	Since the Company has a negative networth, this ratio is not calculated.
(e) Inventory turnover ratio	Cost of Goods Sold / Average Inventory	1.08	0.86	25%	Due to higher activity during the year, the Cost of Goods Sold has increased beyond the average inventory. Hence, this ratio has increased.
(f) Trade Receivables turnover ratio	Net Sales/ Average Receivables	10.64	12.49	-15%	
(g) Trade payables turnover ratio	Net Purchases / Average Payables	1.15	0.85	36%	This ratio has increased due to the increased purchases during the year.
(h) Net capital turnover ratio	Revenue from Operations / Capital Employed	NA	NA	NA	Since the Company has a negative networth, this ratio is not calculated.
(i) Net profit ratio	Net Profit After Taxes / Revenue from Operations	-13.84%	-26.46%	-48%	This ratio has improved due to the increase in the value of sales and gross profit.
(j) Return on Capital employed	Earnings before Interest & Taxes/ Capital Employed	NA	NA	NA	Since the Company has a negative networth, this ratio is not calculated.
(k) Return on investment	Net Profit After Taxes / Capital Employed	NA	NA	NA	Since the Company has a negative networth, this ratio is not calculated.

## 24. Additional Regulatory Information:

- (i) The Company does not have any Immovable Properties not held in its name.
- (ii) The Company does not have and investment property.
- (iii) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets.
- (iv) The company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, either repayable on demand or without specifying any terms or period of repayment.
- (v) The Company does not have any Capital-Work-in Progress (CWIP).
- (vi) The Company does not have any Intangible Assets under Development.



**Yuflow Engineering Private Limited**

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**Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022**

- (vii) There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (viii) The Company does not have borrowings from banks or financial institutions on the basis of security of current assets.
- (ix) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (x) The company has not had any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (xi) There are no charges or satisfactions yet to be registered with the Registrar of Companies beyond the statutory period.
- (xii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (xiii) The Board of Directors at their meeting held on 15th April, 2021 approved the draft Scheme of Amalgamation ("Scheme"), of the Company with its Holding Company Yuken India Limited under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules & Regulations made thereunder. This process of amalgamation and the approval by the National Company Law Tribunal (NCLT) is in progress as at the year end and the Company has also complied with the direction of the NCLT for conducting the Unsecured Creditors' meeting. Upon approval of this scheme of amalgamation by the NCLT, necessary action will be taken in this regard.
- (xiv) Utilisation of Borrowed funds and share premium:
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xv) Undisclosed Income:
- No tax assessments under the Income Tax Act, 1961 (43 of 1961) have been received during the year and hence, there have been no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year. There has also not been any previously unrecorded income or related assets.
- (xvi) The Company is not covered under the provisions of Section 135 of the Companies Act, 2013.
- (xvii) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year.

**25. Going Concern**

The Company was engaged in the business of Manufacture of Hydraulic Cylinders and Hydraulic 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 being purchasing certain fixed assets since the past few years. 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

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Notes to Ind AS Financial Statements for the Year ended 31<sup>st</sup> March, 2022

## 26. Dues to Micro Enterprises and Small Enterprises:

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
a) The principal amount remaining unpaid to suppliers as at the end of the Year.	208.34	154.13
b) the interest due and payable thereon remaining unpaid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.94	0.53

## 27. Contingent Liabilities

Contingent Liabilities &amp; Commitments (to the extent not provided for)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	₹ in Lakhs	₹ in Lakhs
Claims against the Company not acknowledged as debts	NIL	NIL

28. Previous year figures have been regrouped / reclassified wherever necessary to conform to the current year's classification.

As per our Report of Even Date

For N.C.Rajagopal &amp; Co.,

Chartered Accountants

Firm Reg No. 003398S

For &amp; on behalf of the Board

V. Chandrasekaran

Partner

(Membership No. 024844)

Place: Bangalore

Date : 24.05.2022

C.P.Rangachar

DIN : 00310893

Director

H.M. Narasinga Rao

DIN : 00529717

Director