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1. GROTEK ENTERPRISES PRIVATE LIMITED

NOTICE

NOTICE is hereby given that the **28th** Annual General Meeting of the Members of **GROTEK ENTERPRISES PRIVATE LIMITED** will be held on Monday, 08th September, 2025 at 10.00 AM at the Registered Office of the Company situated at No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru - 560048, to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2025, 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 GROTEK ENTERPRISES PRIVATE LIMITED

C P Rangachar
Director
DIN: 00310893

Place: Bengaluru
Date: 03.08.2025

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 28th Annual Report of the Company together with the audited financial statements for the year ended 31st March, 2025.

FINANCIAL RESULTS:

Financial highlights:

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2025	31.03.2024
Total Income	9,455.36	8,747.24
Total expenditure	7,836.57	7,578.87
Profit/(Loss) before interest, depreciation and tax	1,618.79	1,168.37
Finance cost	212.20	196.72
Depreciation	369.18	356.60
Profit/(Loss) before Tax	1,037.41	615.05
Provision for taxation (Net of deferred tax)	297.04	158.40
Profit/(loss) after tax	740.37	456.65
Net comprehensive income for the year	(5.44)	(10.89)
Total comprehensive income for the year	734.93	445.76
Balance in Statement of profit and loss	655.75	209.99
Amount available for appropriation	1,390.68	655.75
Appropriations:		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
Balance carried to Balance Sheet	1,390.68	655.75

PERFORMANCE REVIEW:

During the year, your Company has earned total revenue of Rs. 9,455.36 lakhs as compared to Rs. 8,747.24 lakhs of previous year. The growth is around 8.1% over the previous year. The Company has registered Net Profit of Rs. 734.93 lakhs as compared to previous year profit of Rs. 445.76 lakhs.

Your Directors are making all efforts to ensure optimal operational results in coming years and achieving higher

margins. Directors are putting effort to control the cost and thereby improving the profitability in line with the increase in the revenue.

ANNUAL RETURN:

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the Company, if any. 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 2024-25, there were 6 (Six) Board Meetings held on the following dates; 21.05.2024, 06.08.2024, 08.08.2024, 12.11.2024, 05.02.2025 & 25.03.2025.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company as applicable to the subsidiaries of listed companies and such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

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

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

A statement in Form AOC-2 pursuant to the provisions of Clause (h) of sub-section (3) of section 134 of the Act read with sub-rule (2) of rule 8 of Companies (Accounts) Rules, 2014 is furnished in "Annexure-2" 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 31st March, 2025 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 31.03.2025 (Amt in INR)	As on 31.03.2024 (Amt in INR)
01	Foreign Exchange Outgo		56,91,000
02	Foreign Exchange earning		3,78,20,000

DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the year 2023-24.

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	T Parabrahman	Director

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

INDEPENDENT DIRECTORS:

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

The provisions of section 203 of Companies Act 2013 and Rule 8A of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 would not apply to the Company. Accordingly, there are no Key Managerial personnel within meaning of section 203.

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/ASSOCIATE:

AEPL Grotek Renewable Energy Private Limited is an Associate of the Company. The Accounts of AEPL Grotek Renewable Energy Pvt Ltd is consolidated at the level of parent entity of the Company, Yuken India Limited.

Form AOC-1 detailing out salient features of financials of AEPL Grotek is enclosed with this report as **Annexure 1**.

STATUS OF THE COMPANY:

The Company is 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.

COMPLIANCE UNDER MATERNITY BENEFIT ACT, 1961:

The Company confirms that it is in compliance with the provisions of the Maternity Benefit Act, 1961. The Company provides maternity leave and all other benefits as prescribed under the Act to its women employees. Provision of nursing breaks, and maintenance of prescribed records. Further, in accordance with the requirements of the Act, the Company has made arrangements for creche facilities at its workplace, wherever applicable, to support the well-being of women employees and their children.

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 2024-25.

CORPORATE SOCIAL RESPONSIBILITY:

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

SECRETARIAL STANDARDS:

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

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

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2025.

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, 2024 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 09th 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 2024-25 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 2024-25. The Secretarial Auditors' Report for FY 2024-25 does not contain any qualifications. The Report of the Secretarial Audit attached as 'Annexure 3' 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 2024-25 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.

There is no complaint registered under the Act during the period under review.

DISCLOSURE REGARDING MATERNITY BENEFIT COMPLIANCE:

The provision(s) pertaining to the Maternity Benefit Act, 1961 are not applicable to the Company.

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: 23.05.2025

C P RANGACHAR
Director
DIN: 00310893

H M NARASINGA RAO
Director
DIN: 00529717

Form AOC-1*(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)***Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures****Part “A” Subsidiaries- NIL****Part “B”: Associates****Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associates Companies.****Rs. In lakhs (except shares)**

Sl No.	Name of Associate	AEPL Grotek Renewable Energy Private Limited
1	Latest audited Balance Sheet Date	31 st March, 2025
2	Shares of Associate/ Joint Ventures held by the Company on the year ended 31 st March, 2025	54,90,000
3	Amount of Investment in Associates	5,49,00,000
4	Extent of Holding in Percentage	51%
5	Description of how there is significant influence	1. Holding 26.00% stake in the Associate Company 2. Director of the Company is a Director in the Associate Company.
6	Reason why the Subsidiary is not consolidated	Not Applicable
7	Net worth attributable to shareholding as per latest audited Balance Sheet	519.50
8	Profit/ (Loss) for the year including comprehensive income	1.50
9	i. Considered in Consolidation	0.77
10	ii. Not Considered in Consolidation	0.73

- Names of associates or joint ventures which are yet to commence operations –Not Applicable.
- Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

**For and on behalf of the Board of Directors
For GROTEK ENTERPRISES PRIVATE LIMITED**

Place: Bengaluru
Date: 23.05.2025

C P RANGACHAR
Director
DIN: 00310893

H M NARASINGA RAO
Director
DIN: 00529717

Annexure 2

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

C P Rangachar
Director
DIN: 00310893

H M NARASINGA RAO
Director
DIN: 00529717

Date: 23.05.2025
Place: Bengaluru

GROTEK ENTERPRISES PRIVATE LTD

(Subsidiary of Yuken India Limited)

Details of Shareholders as on 31.03.2025

EQUITY SHARES OF Rs. 10/- EACH

Sl. No	L/F	Name of Shareholders	Fathers Name/ Husband's Name	Address	No. of Shares
1	05	Yuken India Limited	NA	No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru – 560 048.	50,09,990
2	04	H M Narasinga Rao	Mr. Mukundarao Narasingappa Haldodderi	Sneha, No. 08/A, Brindavan Layout, Subramanyapura Road, Bengaluru – 560061,	10
				Total	50,10,000

For GROTEK ENTERPRISES PRIVATE LIMITED

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 31ST MARCH 2025

[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 **31st March 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2025** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made there under [**Not Applicable**];
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under [**Not Applicable**];
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [**Not Applicable**];
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [**Not Applicable**];
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [**Not Applicable**];
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable**];
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014); **Not Applicable**];
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [**Not Applicable**];
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [**Not Applicable**];
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable**]; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [**Not Applicable**];
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**To the extent Applicable to a material subsidiary as defined in Regulation 16 (1) (c) of the said Regulations**].

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

- a) Indian Stamp Act, 1899 and State Stamp Acts.
- b) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- c) The Employees' State Insurance Act, 1948
- d) The Child labour [Prohibition and Regulation] Act, 1986,
- e) The Water (Prevention and Control of Pollution) Act, 1974
- f) The Water (Prevention and Control of Pollution) Cess Act, 1977
- g) The Air (Prevention and Control of Pollution) Act, 1981
- h) The Environment (Protection) Act, 1986
- i) The Hazardous Wastes (Management and Handling) Rules, 1989
- j) The Factories Act, 1948
- k) The Karnataka Tax on Professions, Trades, Callings And Employment Act, 1976

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st October, 2017 (Revised versions).
- (ii) The Listing Agreements entered into by the Company **[Not Applicable]**;

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review there were changes in the composition of the Board of directors.

Mr. Parabrahman Tadimalla (DIN: 01392252) is nominated as Director on the board of the company, representing Yuken

India Limited pursuant to the provision of the section 2(87) of the Companies Act, 2013 and Regulation 24(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 consequent to the withdrawal of nomination of Mr. Premchander (DIN: 02278652) as a director by Yuken India Limited.

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

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

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

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

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. 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: F008908G000332121

Date: 13.05.2025

Place: Mysuru

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.

For **AAA & Co**

Company Secretaries

Signature:

Name of Company Secretary in Practice:

Abhishek Bharadwaj A B

FCS No.: 8908

C P No.: 13649

Date: 13.05.2025

Place: Mysuru

Independent Auditor's Report

**To the Members of
Grotek Enterprises Private Limited
Report on the Ind AS Financial Statements
Opinion**

We have audited the accompanying Ind AS financial statements of Grotek Enterprises Private Limited ("*the Company*") which comprises the Balance Sheet as at March 31, 2025, 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 material accounting policies and other explanatory information (hereinafter referred to as the "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2025, 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 of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) the Act with respect to

the preparation of these 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 Ind AS and accounting principles generally accepted in India, 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 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 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 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 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 Ind AS financial statements, including the disclosures, and whether the 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 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 except for the matters stated in the paragraph 143(3)(h)(vi) below on reporting under Rule 11(g).
 - 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 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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) With respect to the matters to be included in the Auditor's report in accordance with the requirement of section 197(16) Act, as amended, in our opinion and to the best of our information and according to

the explanation given to us, the Company has not paid any remuneration to its directors during the year in accordance with the provisions of section 197 of the Act.

- h) With respect to the maintenance of accounts and other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 except for the matters as stated in the paragraph 143(3)(b) and paragraph 143(3)(h)(vi), 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 (which are material either individually or in aggregate) 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 (which are material either individually or in the aggregate) 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year ended March 31, 2025.
 - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.
2. 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 Act, 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

Vishwas Deshmukh

Partner

Membership No. 230806

UDIN: 230806XXXXXXXXXX

Place: Bengaluru

Date: May 23, 2025

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, 2025 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 Act.

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 prescribed under section 143(10) of the Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if

such controls operated effectively in all material respects.

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 with reference to Financial Statement.

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, 2025, 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 ICAI.

For V K A N & Associates

Chartered Accountants

ICAI Firm Registration No 014226S

Vishwas Deshmukh

Partner

Membership No. 230806

Place: Bengaluru

Date: May 23, 2025

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) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that: 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.
- (a) 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.
- (b) 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.
- (c) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (d) 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) In our opinion, and according to the information and explanation given to us, the investments made are not prejudicial to the interest of 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 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 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, 2025.
- (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) 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, However the company have an internal audit system, which is commensurate with the size and nature of its business.
- (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 cash losses in the financial year and in 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 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 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

Vishwas Deshmukh

Partner

Membership No. 230806

Place: Bengaluru

Date: May 23, 2025

Grotek Enterprises Private Limited
CIN - U29220KA1997PTC023210
Balance Sheet as at 31st March 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	Note No	As at 31 st March 2025	As at 31 st March 2024
		₹	₹
ASSETS			
Non-current assets			
Property, plant and equipment	3a	2,883.45	2,856.02
Capital work-in-progress	3c	687.55	354.50
Goodwill	3b	165.30	165.30
Other Intangible assets	3b	17.14	22.55
Investments	4	549.00	280.00
Income tax assets	5a	-	77.00
Other non-current assets	5b	171.34	160.54
Total non-current assets		4,473.78	3,915.91
Current assets			
Inventories	6	1,100.54	784.63
Financial assets			
(i) Trade receivables	7	1,142.33	779.34
(ii) Cash and cash equivalents	8	27.86	8.50
Other current assets	9	181.24	747.64
Total current assets		2,451.97	2,320.11
TOTAL ASSETS		6,925.75	6,236.02
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	501.00	501.00
Other equity	11	1,390.68	655.75
TOTAL EQUITY		1,891.68	1,156.75
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12	606.08	285.35
Provisions	13	53.53	137.05
Deferred tax liabilities (net)	14	322.57	209.81
Total non-current liabilities		982.18	632.21
Current liabilities			
Financial liabilities			
(i) Borrowings	12	1,160.26	1,029.88
(ii) Trade Payables	15a		
(A) total outstanding dues of micro enterprises and small enterprises; and		322.97	383.17
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,023.96	784.93
(iii) Other financial liabilities	15b	53.65	39.80
Provisions	13	99.77	92.02
Other current liabilities	16	1,391.28	2,117.26
Total current liabilities		4,051.89	4,447.06
TOTAL LIABILITIES		5,034.07	5,079.27
TOTAL EQUITY AND LIABILITIES		6,925.75	6,236.02
The accompanying notes referred to above form an integral part of the IND AS financial statements.	1-37		

In terms of our report of even date attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Vishwas Deshmukh**Partner**

Membership No: 230806

Place : Bengaluru

Date : May 23, 2025

For and on behalf of the Board of Directors**C.P. Rangachar****Director**

DIN: 00310893

Place: Bengaluru

Date : May 23, 2025

H.M. Narasinga rao**Director**

DIN: 00529717

Place: Bengaluru

Date : May 23, 2025

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Statement of Profit and Loss for the year ended 31st March 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	Note No	Year ended 31 st March 2025	Year ended 31 st March 2024
		₹	₹
Income			
Revenue from operations	17	9,394.54	8,559.93
Other income	18	60.82	187.31
		9,455.36	8,747.24
Expenses			
Cost of materials consumed	19	4,485.57	4,071.98
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(46.65)	221.65
Employee benefit expenses	21	685.05	636.98
Finance costs	22	212.20	196.72
Depreciation and amortisation expense	23	369.18	356.60
Other expenses	24	2,712.60	2,648.26
		8,417.95	8,132.19
Profit/(Loss) before tax		1,037.41	615.05
Tax expense/(benefit):			
Current tax		184.28	250.55
Mat entitlement Credit			-
Deferred tax charge / (credit)		112.75	(92.15)
Total tax expense/(benefit)		297.04	158.40
Profit/(Loss) after tax		740.37	456.65
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		(7.53)	(15.09)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.09	4.20
Total other comprehensive income/ (loss), net of tax		(5.44)	(10.89)
Total comprehensive income/ (loss) for the year		734.93	445.76
Earnings per equity share:			
Basic and Diluted (₹)	29	14.78	9.11
The accompanying notes referred to above form an integral part of the IND AS financial statements.	1-37		

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

Vishwas Deshmukh

Partner

Membership No: 230806

Place : Bengaluru

Date : May 23, 2025

C.P. Rangachar

Director

DIN: 00310893

Place: Bengaluru

Date : May 23, 2025

H.M. Narasinga rao

Director

DIN: 00529717

Place: Bengaluru

Date : May 23, 2025

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Statement of Cash Flows for the year ended 31st March 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	For the year ended 31st March 2025		For the year ended 31st March 2024	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		1,037.41		615.05
<u>Adjustments for:</u>				
Depreciation and amortization	369.18		356.60	
Finance costs	212.20		196.72	
Loss on sale of assets	-		6.97	
Bad debts written off	31.38		5.99	
Liabilities no longer required written back	(18.25)		(5.98)	
		594.51		560.29
Operating profit / (loss) before working capital changes		1,631.92		1,175.34
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(315.91)		134.60	
Trade receivables	(394.37)		21.81	
Other non-current asset	(10.80)		121.31	
Other current asset	566.40		(428.77)	
<u>Adjustments for (increase) / decrease in operating liabilities:</u>				
Trade payables	210.93		469.99	
Provisions(short term and long term)	(24.22)		227.21	
Other financial liabilities	-			
Other current liabilities	(725.98)		(142.67)	
		(693.95)		(705.58)
Cash generated from operations		937.97		469.76
Net income tax (paid) / refunds		(164.27)		8.98
Net cash flow from / (used in) operating activities (A)		773.69		460.78
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(724.24)		(348.52)	
Investment in Share Capital of Subsidiary Company	(269.00)		-	
Proceeds from sale of fixed assets	-		6.56	
		(993.24)		(341.96)
Net cash flow from / (used in) investing activities (B)		(993.24)		(341.96)
C. Cash flow from financing activities				
Proceeds from Borrowings & Cash Credit(Net)	910.19		360.40	
Repayment of Borrowings	(459.08)		(295.37)	
Finance cost	(212.20)		(196.72)	
		238.91		(131.69)
Net cash flow from / (used in) financing activities (C)		238.91		(131.69)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		19.36		(12.87)
Cash and cash equivalents at the beginning of the year		8.50		21.37
Cash and cash equivalents at the end of the year (Refer Note No 8)		27.86		8.50
The accompanying notes referred to above form an integral part of the IND AS financial statements.			1-37	

In terms of our report of even date attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Vishwas Deshmukh

Partner

Membership No: 230806

Place : Bengaluru

Date : May 23, 2025

For and on behalf of the Board of Directors

C.P. Rangachar

Director

DIN: 00310893

Place: Bengaluru

Date : May 23, 2025

H.M. Narasinga rao

Director

DIN: 00529717

Place: Bengaluru

Date : May 23, 2025

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Statement of Changes in Equity for the year ended 31st March 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	60,00,000	600.00	60,00,000	600.00
(b) Issued, subscribed and fully paid up				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,10,000	501.00	50,10,000	501.00
	50,10,000	501.00	50,10,000	501.00

(₹ in Lakhs)

Particulars	Reserve and surplus	
	Retained earnings	Other comprehensive income / (loss)
	₹	₹
Balance as at 1st April 2023	207.85	2.14
Additions during the year		
Profit during the year	456.65	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	(10.89)
Total	456.65	(10.89)
Reductions during the year:		
Transfer to general reserve	-	-
Total	-	-
Balance as at 31st March 2024	664.50	(8.75)
Additions during the year		
Profit during the year	740.37	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	(5.44)
Total	740.37	(5.44)
Reductions during the year:		
Transfer to general reserve	-	-
Total	-	-
Balance as at 31st March 2025	1,404.87	(14.19)
The accompanying notes referred to above form an integral part of the IND AS financial statements.		1-37

In terms of our report of even date attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Vishwas Deshmukh

Partner

Membership No: 230806

Place : Bengaluru

Date : May 23, 2025

For and on behalf of the Board of Directors

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Place: Bengaluru

Date : May 23, 2025

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

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. Material 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 and relevant amendment rules issued thereafter. 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).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policy information used in preparation of the audited financial statements have been discussed in the respective notes.

2.2 Summary of the other Material accounting policies

a) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make certain estimates, judgements and assumptions that affect application of accounting policies and the amounts reported in the financial statements and notes thereto. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

b) 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. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

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 remaining useful lives of the assets as assessed by management of the company. The management estimates the useful lives as follows:

Assets Description	Useful Life (Years)
General plant and machinery	15.00
Buildings	30.00
Computers and data processing equipment *	6.17
Electrical Installation *	15.00
Furniture & Fixtures	10.00
Motor Vehicle	8.00
Jigs & Fixtures	3.00
Office Equipments *	21.05

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part-C of Schedule II of the Companies Act, 2013.

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

c) 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.

d) 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.

e) 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.

f) 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.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract,

the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

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 is recognised when a performance obligation in a customer contract has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales.

Other operating revenues comprise of scrap sales incidental to operations of the company and are recognised when the right to receive the income is established as per the terms of the contract.

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.

g) 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.

h) 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.

i) 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 reassessed 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.

j) 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.

k) 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 project 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.

l) 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.

m) 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.

n) 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.

o) Financial instruments

A) Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value on initial recognition except for trade receivables measured at transaction price. 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.

p) 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 (i.e., prices) or indirectly observable (i.e., derived from prices).

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

q) Investments in Subsidiaries and associates

The Company's investment in equity instruments in subsidiaries and associates are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Grotek Enterprises Private Limited
CIN - U29220KA1997PTC023210

**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

3a Property, plant and equipment (Amounts in brackets indicate previous year numbers) (₹ in Lakhs)

TANGIBLE ASSETS	Gross carrying amount			Accumulated Depreciation				Net carrying amount	
	Balance as at 1 st April 2024	Additions	Deductions/ Adjustments	Balance as at 31 st March 2025	Balance as at 1 st April 2024	Depreciation For the year	Eliminated on Deductions /Adjustments	Balance as at 31 st March 2025	Balance as at 31 st March 2024
Particulars	₹	₹	₹	₹	₹	₹	₹	₹	₹
Computer systems	21.77	1.18	-	22.95	17.00	1.92	-	18.92	4.77
	(20.16)	(1.61)	-	(21.77)	(14.06)	(2.94)	-	(17.00)	(6.09)
Office equipments	43.19	8.48	-	51.67	20.97	7.41	-	28.38	22.22
	(40.92)	(2.27)	-	(43.19)	(15.48)	(5.50)	-	(20.97)	(25.45)
Furniture / fixtures	19.14	1.15	-	20.29	13.24	1.10	-	14.34	5.90
	(19.14)	-	-	(19.14)	(12.09)	(1.15)	-	(13.24)	(7.05)
Plant machinery & equipment	3,852.35	366.07	-	4,218.42	1,503.31	292.62	-	1,795.93	2,349.04
	(3,811.24)	(82.33)	(41.22)	(3,852.35)	(1,244.75)	(286.26)	(27.69)	(1,503.31)	(2,566.50)
Jigs/fixtures	288.44	-	-	288.44	165.02	20.32	-	185.34	123.42
	(288.44)	-	-	(288.44)	(144.17)	(20.86)	-	(165.02)	(144.27)
Electrical installation	284.26	-	-	284.26	79.92	20.84	-	100.76	204.34
	(246.91)	(37.35)	-	(284.26)	(60.34)	(19.58)	-	(79.92)	(186.57)
Motor vehicles	35.64	9.40	-	45.04	9.44	4.57	-	14.01	26.20
	(15.46)	(20.19)	-	(35.64)	(6.73)	(2.72)	-	(9.44)	(8.73)
Building	198.07	4.91	-	202.98	77.93	14.99	-	92.92	120.14
	(197.26)	(0.81)	-	(198.07)	(64.09)	(13.84)	-	(77.93)	(133.17)
Total (A)	4,742.86	391.19	-	5,134.05	1,886.83	363.77	-	2,250.60	2,856.03
Total (previous year)	(4,639.52)	(144.55)	(41.22)	(4,742.85)	(1,561.69)	(352.84)	(27.69)	(1,886.84)	(3,077.83)
Capital work-in- progress	354.50	727.70	394.65	687.55	-	-	-	-	354.50
	(169.53)	(350.46)	(165.49)	(354.50)	-	-	-	-	(169.53)
Total (B)	354.50	727.70	394.65	687.55	-	-	-	687.55	354.50

Grotek Enterprises Private Limited
CIN - U29220KA1997PTC023210
Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

3b 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 st April 2024	Additions	Deductions/ Adjustments	Balance as at 31 st March 2025	Balance as at 1 st April 2024	Depreciation For the year	Eliminated on Deductions /Adjustments	Balance as at 31 st March 2025	Balance as at 31 st March 2024
Other than internally generated									
Software	74.89	-	-	74.89	52.34	5.41	-	17.14	22.55
	(55.89)	(19.00)	-	(74.89)	(48.59)	(3.76)	-	- 22.55	(7.31)
Goodwill	165.30	-	-	165.30	-	-	-	165.30	165.30
	(165.30)	-	-	(165.30)	-	-	-	(165.30)	(165.30)
Total	240.19	-	-	240.19	52.34	5.41	-	182.44	187.85
Total (previous year)	(221.19)	(19.00)	-	(240.19)	(48.59)	(3.76)	-	(187.85)	(172.61)

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

3c Capital work-in-progress as at 31st March 2025

(₹ 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	595.26	92.29	-	-	687.55
(ii) Projects temporarily suspended	-	-	-	-	-
Total	595.26	92.29	-	-	687.55

(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	687.55	-	-	-	687.55
(ii) Projects temporarily suspended	-	-	-	-	-
Total	687.55	-	-	-	687.55

Capital work-in-progress as at 31 March 2024**(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	184.97	169.53	-	-	354.50
(ii) Projects temporarily suspended	-	-	-	-	-
Total	184.97	169.53	-	-	354.50

(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	354.50	-	-	-	354.50
(ii) Projects temporarily suspended	-	-	-	-	-
Total	354.50	-	-	-	354.50

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

4. Investments

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Unquoted Investments		
Investment in equity shares of Subsidiary (refer note below)		
Investment in AEPL GROTEK Renewable Energy Pvt Ltd [54,90,000 (31st March 2024: 28,00,000) Equity shares of Rs.10 each]	549.00	280.00
Total	549.00	280.00
Note: On April 8, 2024, the Company acquired an additional 26,90,000 equity shares of AEPL GROTEK Renewable Energy Private Limited, thereby increasing its stake and reclassifying the entity from an associate to a subsidiary.		

5a. Income tax assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Advance tax (net of provision for income tax: Rs. Nil (31st March 2024: Rs. 132.65 lakhs))	-	77.00
Total	-	77.00

5b. Other non-current assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Security deposits	171.34	160.54
Total	171.34	160.54

6. Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
(i) Raw materials and components	771.63	502.37
(ii) Finished goods	328.91	282.26
Total	1,100.54	784.63

7. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Current		
Trade receivables		
(a) Unsecured, considered good		
- From Related Parties	40.91	-
- From Others	1,101.42	779.34
(b) Unsecured, considered doubtful		
- From Related Parties	-	-
- From Others	-	-
Less: Allowance for credit losses	-	-
Total	1,142.33	779.34

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

Aging of receivables as at 31st March 2025

(₹ 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	
	₹	₹	₹	₹	₹	₹
Undisputed Trade receivables						
considered good	1,139.52	2.81		-	-	1,142.33
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed Trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total	1,139.52	2.81	-	-	-	1,142.33

Aging of receivables as at 31st March 2024

(₹ 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	
	₹	₹	₹	₹	₹	₹
Undisputed Trade receivables						
considered good	734.52	2.93	41.89	-	-	779.34
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed Trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total	734.52	2.93	41.89	-	-	779.34

8. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Cash on hand	0.41	0.17
Balances with Banks		
(i) In current accounts	27.45	8.33
Total	27.86	8.50

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

9. Other current assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Advance to capex vendor	15.90	-
Advance to other vendors	95.09	450.47
Balances with govt authorities (Includes TDS,TCS, GST & Custom duty receivable)	37.90	5.12
Employee advances	16.72	13.62
Prepaid expenses	15.63	9.43
Share Application Money	-	269.00
Total	181.24	747.64

10. Equity Share capital

(₹ in Lakhs)

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	60,00,000	600.00	60,00,000	600.00
(b) Issued, subscribed and fully paid up				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,10,000	501.00	50,10,000	501.00
	50,10,000	501.00	50,10,000	501.00

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 st March 2025		As at 31 st March 2024	
	Number of shares	₹	Number of shares	₹
Equity shares with voting rights				
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	50,10,000	501.00	50,10,000	501.00

(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.

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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

Class of shares / Name of shareholder	As at 31 st March 2025		As at 31 st March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Yuken India Limited, the Holding Company	50,09,990	99.9998%	50,09,990	99.9998%
H M Narasinga Rao	10	0.0002%	10	0.0002%

(iv) The Promoters of the company does not hold any shares in the company as at 31st March 2025 and as at 31st March 2024.**11. Other Equity**

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Surplus in statement of profit and loss		
Opening balance	655.75	209.99
Add :- Transferred from other comprehensive Income/ (loss) for the year	(5.44)	(10.89)
Add:- Net Profit/(loss) for the Year	740.37	456.65
Total	1,390.68	655.75

12. Financial liabilities**(i) Borrowings****Non current borrowings**

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Secured - at amortised cost		
(i) Loans		
from Banks (refer notes below)	606.08	285.35
Total	606.08	285.35

Terms of Loan taken from Sumitomo Mitsui Banking Corporation (refer note below):

(₹ in Lakhs)

Repayment Details	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Principal in 16 equal quarterly installment over 4 years after 1 year moratorium	1,409.00	976.00
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 Rs. 3,000 lakhs (31st March 2024 : Rs. 976 lakhs)

Rate of Interest - 9.77 % reset quarterly (31st March 2024: 10.02% reset quarterly)

Grotek Enterprises Private Limited

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**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

Current borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Secured - at amortised cost		
(i) Loans		
from banks (refer notes below)	857.06	839.51
Current maturities of long term debt	303.20	190.36
Total	1,160.26	1,029.87

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

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
HDFC Bank Limited		
Loan limit	480.00	600.00
Amount outstanding Repayable on demand Interest rate - 11.9% (31 st March 2024: 12.70%)	357.06	339.51

Notes:

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

13. Provisions**Non current provisions**

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Gratuity	53.53	80.20
Compensated leave absences	-	56.85
Total	53.53	137.05

Current provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Gratuity	-	2.84
Compensated leave absences	72.90	5.73
Superannuation	4.49	4.08
Provision for Income tax	22.38	79.37
Total	99.77	92.02

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

14. Deferred tax balances

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Deferred tax liabilities	359.92	347.00
On difference between book balance and tax balance of fixed assets	359.92	347.00
Deferred tax assets	37.35	137.19
Provision for gratuity, compensated absences and provision for doubtful debts	37.35	137.19
Total	322.57	209.81

15a. Trade payables

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
(a) Total outstanding dues of micro enterprises and small enterprises	322.97	383.17
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1023.96	784.93
TOTAL	1346.93	1,168.10

Ageing of Trade Payables as at 31st March 2025:

(₹ in Lakhs)

Particulars	Unbilled	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	
Undisputed trade payables						
MSME	-	322.97	-	-	-	322.97
Others	39.52	870.71	113.73	-	-	1,023.96
Disputed trade payables						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	39.52	1,193.68	113.73	-	-	1,346.93

Ageing of Trade Payables as at 31st March 2024:

(₹ in Lakhs)

Particulars	Unbilled	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	
Undisputed trade payables						
MSME	-	383.17	-	-	-	383.17
Others	56.28	336.17	392.48	-	-	784.93
Disputed trade payables						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	56.28	719.34	392.48	-	-	1,168.10

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

15b. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Employee benefits payable		
Accrued Salary & Wages	50.29	36.33
Accrued Bonus	3.36	3.47
TOTAL	53.65	39.80

16. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Statutory liabilities (includes GST, ESI, TDS, Profession Tax & Provident Fund)	13.46	11.72
Advance from customers {Includes Advance from holding company of Rs. 1,377.41 lakhs (31 st March 2024: Rs. 2,094.40 lakhs)}	1,377.82	2,105.54
TOTAL	1391.28	2,117.26

17. Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	₹	₹
(a) Revenue from sale of products	9,375.21	8,543.14
(b) Sale of scrap	19.33	16.79
Total	9,394.54	8,559.93

The company has no unsatisfied performance obligation resulting from sale of products and services. No adjustment made to the contract price on account of refunds, credits, price concession, incentive or performance bonus.

18. Other income

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	₹	₹
(a) Sale of patterns	-	19.03
(b) Liabilities no longer required written back	18.25	5.98
(c) Interest income from security deposit	10.39	3.75
(c) Foreign Exchnage Gain (Net)	16.86	-
(d) Miscellaneous income	15.32	158.55
Total	60.82	187.31

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

19. Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	₹	₹
Opening stock	502.37	415.32
Add: Purchases	4,754.83	4,159.03
	5,257.20	4,574.35
Less: Closing stock	771.63	502.37
Cost of materials consumed	4,485.57	4,071.98

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

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	₹	₹
Inventories at the end of the year:		
Finished goods	328.91	282.26
	328.91	282.26
Inventories at the beginning of the year:		
Finished goods	282.26	503.91
	282.26	503.91
Net (increase) / decrease	(46.65)	221.65

21. Employee benefits expense

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	₹	₹
Salaries and wages	599.54	531.02
Contribution to provident and other funds	33.49	30.78
Gratuity (see note 27)	15.57	15.07
Staff welfare expenses	36.45	60.11
Total	685.05	636.98

22. Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	₹	₹
Interest on bank overdrafts and loans	212.20	196.72
Total	212.20	196.72

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**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

23. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	₹	₹
Depreciation of property, plant and equipment pertaining to continuing operations	363.77	352.84
Amortisation of intangible assets (Note 3b)	5.41	3.76
Total	369.18	356.60

24. Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
	₹	₹
Sub-contracting charges	287.45	257.13
Contract Labour wages	644.51	494.74
Power and fuel	1,138.45	1,105.38
Rent	54.10	59.73
Repair and maintenance		
- Building	0.68	8.28
- Machinery	224.56	177.64
- Others	4.44	49.70
Insurance	53.05	44.70
Rates and taxes	2.83	5.99
Travelling & conveyance expenses	43.37	53.15
Freight and carriage	8.57	4.88
Legal and professional charges	83.85	60.72
Payment to auditors		
- Statutory audit	4.70	4.68
- Tax audit	0.50	0.50
- Other services	1.58	1.87
Bad debts write off	31.38	5.99
Loss on sale of assets	-	6.97
Foreign Exchange Loss (Net)	-	2.99
Communication	7.42	8.32
Printing and stationery expenses	8.90	7.02
Office maintenance	24.54	22.63
Security expenses	53.58	45.75
Selling expenses	-	187.35
Miscellaneous expenses	34.14	32.16
Total	2,712.60	2,648.26

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**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

25. Foreign Currency Transactions

(₹ in Lakhs)

Particulars	Year ended	
	31 st March 2025	31 st March 2024
	₹	₹
25.1. Expenditure in foreign currency		
- Purchase of goods	78.62	56.91
- Repairs and maintainance	5.67	-
- Capital goods	321.58	-
25.2. Earnings in foreign currency (Sale of goods - Export)	620.55	378.20
25.3. Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
25.4. Contingent liabilities not provided for	-	-
25.5. Claims against the company not acknowledged as debts	-	-

26. Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2025 and 31st March 2024 has been made in the financial statements based on information received and available with the Company.

(₹ in Lakhs)

Particulars	Year ended	
	31 st March 2025	31 st March 2024
	₹	₹
(i) The principal amount remaining unpaid to any supplier at the end of each accounting year;	322.97	383.17
(ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	1.39	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1.39	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The same has been relied upon by the auditors.

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**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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.33.49 lakhs (Previous year :Rs.30.78 lakhs).

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 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 st March 2025	31 st March 2024
	₹	₹
Fair value of plan assets	50.53	-
Plan assets at the end of the year	50.53	-

Movement in Fair values of plan assets

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March 2025	31 st March 2024
	₹	₹
Fair Value of Plan Assets as at the beginning	-	-
Investment Income	-	-
Employer's Contribution	50.53	-
Employee's Contribution	-	-
Benefits Paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	-
Transfer In / (Out)	-	-
Present value of defined benefit obligation at year end	50.53	-

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 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
	₹	₹	₹	₹
Gratuity	53.53	80.20	-	2.84
	53.53	80.20	-	2.84

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

Movement in present values of defined benefit obligations

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March 2025	31 st March 2024
	₹	₹
Defined benefit obligation at the beginning of the year	83.04	60.50
Current service cost	7.52	6.35
Interest Expense or Cost	5.97	4.52
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	-	-
- Change in financial assumptions	3.94	1.84
- experience variance (i.e. Actual experience vs assumptions)	3.59	13.25
Benefits Paid	-	(3.42)
Transfer In/(out)	-	-
Present value of defined benefit obligation at year end	104.06	83.04

Expense recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March 2025	31 st March 2024
	₹	₹
Current service cost	7.52	6.35
Past service cost	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	5.97	4.52
Total expense recognised in the statement of profit and loss	13.49	10.87

Expense recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March 2025	31 st March 2024
	₹	₹
Re-measurement (or actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	-	-
- Change in financial assumptions	3.94	1.84
- Experience variance (i.e. actual experience vs assumptions)	3.59	13.25
Total expense recognised in other comprehensive income	7.53	15.09

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

Principal actuarial assumptions

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

Particulars	Gratuity		Compensated absence	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
	₹	₹	₹	₹
Discount rate	7.20%	7.45%	7.20%	7.45%
Estimated rate of return on plan assets	-	-	-	-
Attrition rate	2.00%	2.00%	2.00%	2.00%
Future salary increases	4.00%	4.00%	4.00%	4.00%
Retirement age	58 years	58 years	58 years	58 years

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

Sensitivity analysis

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

(₹ in Lakhs)

Particulars	31 st March 2025	31 st March 2024
	₹	₹
Impact of change in the discount rate		
Impact due to increase of 1%	(8.49)	(21.13)
Impact due to decrease of 1%	9.69	24.10
Impact of change in the salary growth rate		
Impact due to increase of 1%	8.99	24.15
Impact due to decrease of 1%	(7.96)	(21.08)
Impact of change in the attrition rate		
Impact due to increase of 50%	1.82	3.92
Impact due to decrease of 50%	(2.03)	(2.61)
Impact of change in the mortality rate		
Impact due to increase of 10%	0.06	0.14
Impact due to decrease of 10%	(0.08)	(0.13)

28. Related party disclosures

Nature of relationship	Name of related party
Holding company	Yuken India Limited
Fellow subsidiary	Coretec Engineering India Pvt Ltd
	Kolben Hydraulics Limited
Associate of holding company	AEPL Grotek Renewable Energy Private Limited
Key management personnel	H M Narasinga Rao - Director

Grotek Enterprises Private Limited

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Related Party Transactions	Year ended	
	31 st March 2025	31 st March 2024
	₹	₹
All amounts are including GST wherever applicable		
Holding company		
- Purchase of goods (including GST)\	66.61	169.37
- Sale of goods and services	3,331.72	3,395.94
- Rent expense	62.96	57.80
- Corporate guarantee received	-	-
- Corporate guarantee commission paid	28.01	29.03
- Expenses incurred	30.11	215.85
- Purchase of Assets	-	-
- Sale of Assets	-	-
Fellow subsidiary		
<u>Coretec engineering india private limited</u>		
- Purchase of goods	30.05	34.85
- Sale of goods	5.21	1.57
- Expenses to be reimbursed to Coretec	-	0.55
<u>Kolben Hydraulics Limited</u>		
- Sale of goods	0.39	7.28
- Purchase of goods	1.16	-

Balances outstanding at the end of the year

(₹ in Lakhs)

Related Party Transactions	Year ended	
	31 st March 2025	31 st March 2024
	₹	₹
Holding company		
- Advance received	1,378.74	2,094.40
- Corporate guarantee received	3,000.00	2,600.00
Fellow subsidiary		
<u>Coretec engineering india private limited</u>		
- Trade payable	201.71	291.64
Associate of holding company		
<u>AEPL Grotek Renewable Energy Private Limited</u>		
- Share application money paid	-	269.00
- Short term advance	10.50	-

29. Earnings per Share

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Basic and diluted		
Net profit for the year from operations attributable to the equity shareholders	740.37	456.65
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	14.78	9.11

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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	0.61	0.48	26.07%	Due to increase in trade receivables, current ratio has increased
Debt-equity ratio (times)	Total Debt	Shareholder's Equity	3.53	2.50	41.03%	Due to increased in the borrowings for procurement of new machines.
Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	2.56	1.60	60.28%	DSCR has increased due to increase in borrowings.
Return on equity (%)	Net Profits after taxes	Average Shareholder's Equity	0.39	0.31	26.25%	Due to increase in profits when compared to previous year, return on equity has increased.
Inventory turnover ratio (times)	COGS	Average inventory	4.76	4.91	-3%	
Trade receivables turnover ratio (times)	Revenue	Average Trade Receivable	9.78	8.61	13.56%	Due to increase in operations during the year resulted in higher revenue, thereby resulting in higher receivable turnover.
Trade payable turnover ratio (times)	Purchases of services and other expenses	Average Trade Payables	5.94	3.77	57.51%	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	(5.87)	(3.06)	-92%	Due to increase in turnover, net capital turnover varied
Net profit ratio (%)	Net Profit	Revenue	0.08	0.03	162.70%	Due to increase in net profit when compared to previous year, Net profit ratio has increased.
Return on capital employed (%)	Earning before interest and taxes	Capital Employed	0.31	0.21	49.49%	Due to increase in earnings before interest and taxes when compared to previous year, return on capital employed ratio has increased.
Return on investment (%)	Income generated from investments	Time weighted average investments	-	-	0%	

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

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Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

32. Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31st March 2025 were as follows: (₹ in Lakhs)

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
Assets :				
Loans				
Loan to employees	9	16.72	-	-
Cash and cash equivalents	8	27.86	-	-
Trade Receivables	7	1,142.33	-	-
Total		1,186.91	-	-
Liabilities:				
Borrowings	12	1,766.34	-	-
Other financial liabilities				
(i) Trade payables	15a	1,346.93	-	-
(ii) Other financial liability	15b	53.65		
Current maturities of long term debt	12	303.20	-	-
Total		3,470.12	-	-

The carrying value and fair value of financial instruments by categories as of 31st March 2024 were as follows: (₹ in Lakhs)

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
Assets :				
Loans				
Loan to employees	9	13.62	-	-
Cash and cash equivalents	8	8.50	-	-
Trade Receivables	7	779.34	-	-
Total		801.46	-	-
Liabilities:				
Borrowings	12	1,315.22	-	-
Other financial liabilities				
(i) Trade payables	15a	1,168.10	-	-
(ii) Other financial liability	15b	39.80		
Current maturities of long term debt	16	190.36	-	-
Total		2,713.48	-	-

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 Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(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:

Particulars	Notes	As at 31 st March 2025	As at 31 st March 2024
		₹	₹
Financials measured at amortized costs:			
Financial assets			
(i) Loan to employees	9	16.72	13.62
Trade receivable *	7	1,142.33	779.34
Cash and cash equivalents and other bank balances			
Cash and cash equivalents #	8	27.86	8.50
Financial liabilities measured at amortized cost:			
Borrowings	12	1,766.34	1,315.22
Trade payables *	15a	1,346.93	1,168.10
Other financial liability	15b	53.65	39.80
Current Maturities of long term debt	16	303.20	190.36

*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.

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**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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

(A) Credit risk analysis

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

Assets under credit risk	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Loan to employees	16.72	13.62
Cash and cash equivalents	0.41	0.17
Bank balances other than cash and cash equivalents	27.45	8.33
Trade receivables	1,142.33	779.34
	1,186.91	801.46

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.

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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 st March 2025	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	1,160.26	606.08	-	1,766.34
Trade payables	1,346.93	-	-	1,346.93
Others	-	-	-	-
Total	2,507.19	606.08	-	3,113.27

Maturities of financial liabilities

(₹ in Lakhs)

As at 31 st March 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	1,029.88	285.35	-	1,315.23
Trade payables	1,207.90	-	-	1,207.90
Others	-	-	-	-
Total	2,237.78	285.35	-	2,523.13

(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 st March 2025	31 st March 2024
	₹	₹
Accounting profit before tax and exceptional item	1,037.41	615.05
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	288.61	171.11
Tax effect on permanent non-deductible expenses	-	-
Tax adjustments of prior years	-	-
Effect of unabsorbed business losses	-	-
Others	8.43	(12.71)
At the effective income tax rate of 27.82% (PY 27.82%)	297.04	158.40
Income tax expense reported in the Statement of Profit and Loss	297.04	158.40

Grotek Enterprises Private Limited

CIN - U29220KA1997PTC023210

**Summary of Material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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

37. Additional Legal Regulatory Information

- a) The Company has not revalued its property, plant and equipment (including the right of use assets) and intangible assets.
- b) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- c) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lenders.
- d) Compliance with clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 with respect to layer of companies are not applicable to the company.
- e) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- f) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period.
- g) The Company has not entered into any scheme of arrangement as per section 230 to 237 of the Companies Act, 2013.
- h) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- i) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- j) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- k) The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

In terms of our report of even date attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Vishwas Deshmukh
Partner

Membership No: 230806

Place : Bengaluru

Date : May 23, 2025

For and on behalf of the Board of Directors

C.P. Rangachar
Director
DIN: 00310893

Place: Bengaluru
Date : May 23, 2025

H.M. Narasinga rao
Director
DIN: 00529717

Place: Bengaluru
Date : May 23, 2025

2. CORETEC ENGINEERING INDIA PRIVATE LIMITED

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of **CORETEC ENGINEERING INDIA PRIVATE LIMITED** will be held on Monday, 08th September, 2025 at 12.00 Noon at the Registered Office of the Company situated at B-59, Dyavasandra Industrial Estate, Mahadevapura, Whitefield Road, Bengaluru – 560048, to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2025, 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: 03.08.2025

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 27th Annual Report of the business and operations of the Company together with the audited financial statements for the year ended 31st March, 2025.

FINANCIAL RESULTS:

Financial highlights: (Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2025	31.03.2024
Total Income	4,899.17	4,770.42
Total expenditure excluding interest and depreciation	4,535.83	4430.40
Profit/(Loss) before interest, depreciation and tax	363.34	340.02
Finance cost	132.24	79.59
Depreciation	213.06	147.96
Profit/(Loss) before Tax	18.04	112.48
Provision for taxation (Net of deferred tax)	29.86	21.24
Profit/(loss) after tax	(11.82)	91.24
Net comprehensive income for the year	(2.53)	(3.26)
Total comprehensive income/loss for the year	(14.35)	87.98
Balance in Statement of profit and loss	(184.15)	(272.13)
Amount available for appropriation	(198.50)	(184.15)
Appropriations:		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
Balance carried to Balance Sheet	(198.50)	(184.15)

PERFORMANCE REVIEW:

During the year, your Company has earned total revenue of Rs. 4,899.17 lakhs as compared to previous year total revenue of Rs. 4,770.42 lakhs. The growth is around 2.70% over the previous year. The Company has incurred net loss of Rs. 14.35 lakhs.

Your Directors are making all efforts to ensure optimal operational results in coming years and achieving higher

margins. Directors are putting effort to control the cost and thereby improving the profitability in line with the increase in the revenue.

ANNUAL RETURN:

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the Company, if any. 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 2024-25, there were 4 (Four) Board Meetings held on the following dates; 21.05.2024, 06.08.2024, 12.11.2024 and 05.02.2025.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

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

As per requirements of Indian Accounting Standard 24, the transactions with related parties are disclosed in the Note No. 34 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 31st March, 2025 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 31.03.2025 (Amount in INR)	As on 31.03.2024 (Amount in INR)
01	Foreign Exchange Earnings	NIL	NIL
02	Foreign Exchange Outgo	7,72,036	19,43,000

DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the year 2024-25.

BOARD OF DIRECTORS:

The Board comprises following Directors:

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

Mr 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 2024-25.

CORPORATE SOCIAL RESPONSIBILITY:

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

SECRETARIAL STANDARDS:

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

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

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2025.

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, 2025 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 3rd September, 2024, 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 2029.

The Statutory Auditor's Report for FY 2024-25 does not contain any qualifications reservation or adverse remark.

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

SECRETARIAL AUDITORS:

As per the Regulation 16 (1) (c) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 the Company is a material subsidiary of Yuken India Limited for the FY 2024-25 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 2024-25. The Secretarial Auditors' Report for FY 2024-25 does not contain any qualifications. The Report of the Secretarial Audit attached as '*Annexure 3*' 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 2025-26 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 2024-25, 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

K.G. Ravi

Director

DIN: 03520396

Date: 23.05.2025

Place: Bengaluru

Annexure-1

Form AOC-2

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

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

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

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

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

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

Note: All related party transactions are in the ordinary course of business and on arm's length basis. Please refer transactions reported in Note No. 34 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

K.G. Ravi

Director
DIN: 03520396

Date: 23.05.2025

Place: Bengaluru

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

[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,

CORETEC ENGINEERING INDIA PRIVATE LIMITED

B-59, Dyavasandra Industrial Estate, Mahadevapura,
Whitefield Road, Bangalore, Ka 560048

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **CORETEC ENGINEERING INDIA PRIVATE LIMITED** bearing **CIN: U29246KA1998PTC023863** (hereinafter called The Company). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2025** 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 [**To the extent applicable to Share are dematerialised**];
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent

of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [**Not Applicable**];

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [**Not Applicable**];
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [**Not Applicable**];
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable**];
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014); [**Not Applicable**];
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [**Not Applicable**];
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [**Not Applicable**];
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable**]; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [**Not Applicable**];
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**To the extent**

Applicable to a material subsidiary as defined in Regulation 16 (1) (c) of the said Regulations].

- (vi) The other Laws as applicable specifically to the Company are as under,
- a) Indian Stamp Act, 1899 and State Stamp Acts.
 - b) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
 - c) The Employees' State Insurance Act, 1948
 - d) The Child labour [Prohibition and Regulation] Act, 1986,
 - e) The Water (Prevention and Control of Pollution) Act, 1974
 - f) The Water (Prevention and Control of Pollution) Cess Act, 1977
 - g) The Air (Prevention and Control of Pollution) Act, 1981
 - h) The Environment (Protection) Act, 1986
 - i) The Hazardous Wastes (Management and Handling) Rules, 1989
 - j) The Factories Act, 1948
 - k) The Karnataka Tax on Professions, Trades, Callings And Employment Act, 1976

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st October, 2017 (Revised versions).
- (ii) The Listing Agreements entered into by the Company **[Not Applicable]**;

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review there were changes in the composition of the Board of directors.

Mr. VENKATAKRISHNAN ANANTHANARAYAN (DIN: 08219189) is nominated as Director on the board of the company, representing Yuken India Limited pursuant to the provision of the section 2(87) of the Companies Act, 2013 and Regulation 24(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

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

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

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

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

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. 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: F008908G000332121

Date: 13.05.2025

Place: Mysuru

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,

CORETEC ENGINEERING INDIA PRIVATE LIMITED

B-59, Dyavasandra Industrial Estate, Mahadevapura,
Whitefield Road, Bangalore, Ka 560048

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.

For **AAA & Co**

Company Secretaries

Signature:

Name of Company Secretary in Practice:

Abhishek Bharadwaj A B

FCS No.: 8908

C P No.: 13649

Date: 13.05.2025

Place: Mysuru

Independent Auditor's Report

To the Members of Coretec Engineering India Private Limited Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Coretec Engineering India Private Limited ("*the Company*") which comprises the Balance Sheet as at March 31, 2025, 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 material accounting policies and other explanatory information (hereinafter referred to as the "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2025, 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 of the Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) the Act with respect to

the preparation of these 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 Ind AS and accounting principles generally accepted in India, 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 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 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 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 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 Ind AS financial statements, including the disclosures, and whether the 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 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 except for the matters stated in the paragraph 143(3)(h)(vi) below on reporting under Rule 11(g).
 - 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 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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) With respect to the matters to be included in the Auditor's report in accordance with the requirement of section 197(16) Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the Company has not paid any remuneration to its directors during the

year in accordance with the provisions of section 197 of the Act.

- h) With respect to the maintenance of accounts and other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 except for the matters as stated in the paragraph 143(3)(b) and paragraph 143(3)(h)(vi), 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 (which are material either individually or in aggregate) 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 (which are material either individually or in the aggregate) 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year ended March 31, 2025.
- vi. Based on our examination, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and recording an audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made, except for cases no audit trail is enabled at the database level for accounting software to log any direct data changes.

Except for the above-mentioned edit logs, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, except for the above scenario where no audit trail is enabled at the database level for accounting software to log any direct data changes.

- 2. 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 Act, 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

Vishwas Deshmukh

Partner

Membership No. 230806

Place: Bengaluru

Date: May 23, 2025

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, 2025 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 (the "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 Act.

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 prescribed under section 143(10) of the Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if

such controls operated effectively in all material respects.

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 to Financial Statement.

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, 2025, 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 ICAI.

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

Vishwas Deshmukh
Partner
Membership No. 230806

Place: Bengaluru
Date: May 23, 2025

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)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (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.
 - (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, 2025 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	AY 2008-09	5.68
Income tax act, 1961	Dispute on account of additional tax demanded	Assessing Officer	AY 2006-07	3.64

(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 cash losses in the financial year and in 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 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 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

Vishwas Deshmukh
Partner
 Membership No. 230806

Place: Bengaluru
 Date: May 23, 2025

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Balance Sheet as at 31st March, 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March 2025	As at 31 st March 2024
		₹	₹
ASSETS			
Non-current assets			
Property, plant and equipment	3a	2,869.98	1,862.22
Capital work in progress	3b	78.55	294.25
Intangible assets	3c	36.54	32.95
Right of Use Assets	3d	805.13	-
Financial assets			
(i) Other financial assets	4	47.57	22.25
Income tax assets	4a	5.65	16.85
Other non-current assets	4b	26.56	17.47
Deferred tax assets (net)	13	54.90	84.77
Total non-current assets		3,924.88	2,330.76
Current assets			
Inventories	5	1,295.89	1,052.51
Financial assets			
(i) Trade receivables	6	214.98	1,028.65
(ii) Cash and cash equivalents	7	13.31	11.29
Other current assets	8	215.09	164.20
Total current assets		1,739.27	2,256.65
TOTAL ASSETS		5,664.15	4,587.41
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10a	361.96	361.96
Other equity	10b	(198.50)	(184.15)
TOTAL EQUITY		163.46	177.81
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liability	3d	802.32	-
Provisions	12	59.55	70.40
Total non-current liabilities		861.87	70.40
Current liabilities			
Financial liabilities			
(i) Borrowings	11	476.11	413.63
(ii) Lease Liability	3d	35.52	-
(ii) Trade payables	14		
(A) total outstanding dues of micro enterprises and small enterprises; and		172.35	94.04
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,359.74	1,025.93
(iii) Other financial liabilities	15	36.42	1.44
Provisions	12	26.14	20.50
Other current liabilities	16	2,532.54	2,783.66
Total current liabilities		4,638.82	4,339.20
TOTAL LIABILITIES		5,500.69	4,409.60
TOTAL EQUITY AND LIABILITIES		5,664.15	4,587.41
The accompanying notes referred to above form an integral part of the IND AS financial statements.	1-41		

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

Vishwas Deshmukh

Partner

Membership No: 230806

Place: Bengaluru

Date: May 23, 2025

K.G. Ravi

Director

DIN: 03520396

Place: Bengaluru

S.K. Naik

Director

DIN: 03533778

Place: Bengaluru

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

**Statement of Profit and Loss and Other comprehensive income
for the year ended 31st March 2025**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 st March 2025	For the year ended 31 st March 2024
		₹	₹
Income			
Revenue from operations	17	4,886.03	4,770.32
Other income	18	13.14	0.10
Total Income		4,899.17	4,770.42
Expenses			
Cost of materials consumed	19	2,961.73	2,781.85
Changes in stock of finished goods, work-in-progress and stock-in-trade	20	(181.15)	31.32
Employee benefit expense	21	416.02	361.12
Finance costs	22	132.24	79.59
Depreciation and amortisation expense	23	213.06	147.96
Other expenses	24	1,339.23	1,256.10
Total expenses		4,881.13	4,657.94
Profit/(Loss) before tax		18.04	112.48
Tax expense/(benefit):			
Current tax		-	-
Deferred tax	25	29.86	21.24
		29.86	21.24
Profit/(Loss) after tax		(11.82)	91.24
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)	31	(3.50)	(4.52)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.97	1.26
Total other comprehensive income/ (loss), net of tax		(2.53)	(3.26)
Total comprehensive income/ (loss) for the year		(14.35)	87.98
Earnings per equity share:			
Basic and diluted (in Rs.)	32	(0.33)	2.52
The accompanying notes referred to above form an integral part of the IND AS financial statements.	1-41		

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

Vishwas Deshmukh

Partner

Membership No: 230806

Place: Bengaluru

Date: May 23, 2025

K.G. Ravi

Director

DIN: 03520396

Place: Bengaluru

S.K. Naik

Director

DIN: 03533778

Place: Bengaluru

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Cash Flow Statement for the year ended 31st March 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025		Year ended 31 st March 2024	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net profit / (loss) before tax		18.04		112.48
Adjustments for:				
Depreciation and amortization	213.06		147.86	
Finance costs	132.24		79.59	
Profit on sale of assets	(7.10)		(0.10)	
Bad debts written off	-		5.35	
Income on finanacial assets at amortized cost	(1.05)		-	
Liabililites/Provision write back	(3.05)		-	
		334.10		232.70
Operating profit / (loss) before working capital changes-(1)		352.14		345.18
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:-(2)				
Inventories	(243.38)		117.11	
Trade receivables	813.67		204.66	
Loans and advances	-		0.22	
Other current assets	(50.89)		77.56	
Other financial assets	(24.27)		-	
Other Non Current Assets	(26.56)		(22.72)	
Adjustments for (increase) / decrease in operating liabilities:-(3)				
Trade payables	415.18		(181.35)	
Other current liabilities	(251.12)		176.31	
Provisions(short term and long term)	9.73		29.31	
Other financial liabilities	34.98		(1.14)	
		677.34		399.96
Cash generated from operations-(1)+(2)-(3)		1,029.48		745.14
Net income tax (paid) / refunds		11.20		-
Net cash flow from / (used in) operating activities (A)		1,040.68		745.14
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(965.71)		(394.04)	
Proceeds from Sale of fixed assets	10.21		19.66	
		(955.50)		(374.38)
Net cash flow from / (used in) investing activities (B)		(955.50)		(374.38)
C. Cash flow from financing activities				
Proceeds from Borrowings	99.98		-	
Lease Liability paid	(57.46)		-	
Repayment of Borrowings	(37.50)		(286.48)	
Finance cost	-		(79.59)	
Interest Payment Made	(88.18)			
		(83.16)		(366.07)
Net cash flow from / (used in) financing activities (C)		(83.16)		(366.07)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		2.02		4.69
Cash and cash equivalents at the beginning of the year		11.29		6.60
Cash and cash equivalents at the end of the year(Refer Note No. 7)		13.31		11.29
The accompanying notes referred to above form an integral part of the IND AS financial statements.	1-41			

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

Vishwas Deshmukh

Partner

Membership No: 230806

Place: Bengaluru

Date: May 23, 2025

K.G. Ravi

Director

DIN: 03520396

Place: Bengaluru

S.K. Naik

Director

DIN: 03533778

Place: Bengaluru

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Statement of Changes in Equity for the year ended 31st March 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,00,000	500.00	50,00,000	500.00
(b) Issued, subscribed and fully paid up				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	36,19,600	361.96	36,19,600	361.96
Total	36,19,600	361.96	36,19,600	361.96

Particulars	Reserve and surplus	
	Retained earnings	Other comprehensive income / (loss)
	₹	₹
Balance as at 01 April 2023	(282.08)	9.96
Additions during the year		
Profit during the year	91.24	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	(3.26)
Total	91.24	(3.26)
Balance as at 31st March 2024	(190.84)	6.69
Additions during the year		
Profit during the year	(11.82)	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)	-	(2.53)
Total	(11.82)	(2.53)
Balance as at 31st March 2025	(202.66)	4.16
The accompanying notes referred to above form an integral part of the IND AS financial statements.		1-41

In terms of our report of even date attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Vishwas Deshmukh

Partner

Membership No: 230806

Place: Bengaluru

Date: May 23, 2025

For and on behalf of the Board of Directors

K.G. Ravi

Director

DIN: 03520396

Place: Bengaluru

S.K. Naik

Director

DIN: 03533778

Place: Bengaluru

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025

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. Material 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, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policy information used in preparation of the audited financial statements have been discussed in the respective notes.

2.2 Summary of the other Material accounting policies

a) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make certain estimates, judgements and assumptions that affect the application of accounting policies and amounts reported in the financial statements and notes thereto. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

b) 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. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any.

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

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 remaining useful lives of the assets as assessed by management of the Company. The management estimates the useful lives 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

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part-C of Schedule II of the Companies Act, 2013.

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

c) Leases

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand alone price.

As a lessee

i) Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Contracts which are covered under the ambit of Ind AS 116 typically have a tenure between 3 to 5 years based on assessment of the lease terms as required by the standard.

ii) Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company presents lease liabilities in 'Non Current Liabilities and Current Liabilities' in the Balance Sheet.

iii) Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Company has lease contracts for building used in its operations. Leases of building generally have lease terms between 5 to 10 years. The Company is restricted from assigning and subleasing the leased assets.

d) 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.

e) 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.

f) 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.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the

contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

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 & rendering of services

Revenue is recognised when a performance obligation in a customer contract has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

Other operating revenues comprise of scrap sales incidental to operations of the company and are recognised when the right to receive the income is established as per the terms of the contract.

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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) Financial instruments

A) Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value on initial recognition except for trade receivables measured at transaction price. 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 (i.e., prices) or indirectly observable (i.e., derived from prices).

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

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

3. Property plant & equipment

3a. Tangible Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION / IMPAIRMENT				NET BLOCK	
	As at 01 st April 2024	Additions	Deductions / Adjustments	As at 31 st March 2025	As at 01 st April 2024	Depreciation for the year	Deductions / Adjustments	As at 31 st March 2025	As at 31 st March 2024
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible assets (A)									
Freehold land	319.36	-	-	319.36	-	-	-	319.36	319.36
	(319.36)	-	-	(319.36)	-	-	-	(319.36)	(319.36)
Factory buildings	536.35	762.36	-	1,298.71	80.69	29.94	-	1,188.08	455.66
	(515.33)	(21.02)	-	(536.35)	(63.64)	(17.05)	-	(455.66)	(451.69)
Leasehold Improvements	-	194.04	-	194.04	-	1.05	-	1.05	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Computer systems	34.86	0.39	-	35.25	25.05	3.23	-	28.28	9.81
	(30.28)	(4.58)	-	(34.86)	(21.92)	(3.13)	-	(25.05)	(8.36)
Office equipment	34.82	30.69	-	65.51	20.41	3.81	-	41.29	14.41
	(34.59)	(0.23)	-	(34.82)	(18.08)	(2.33)	-	(14.41)	(16.51)
Furniture & fixtures	54.15	59.65	-	113.80	14.09	6.01	-	93.70	40.06
	(40.57)	(13.58)	-	(54.15)	(10.37)	(3.72)	-	(40.07)	(30.21)
Plant & machinery	1,495.37	50.26	8.74	1,536.89	526.15	100.94	5.63	915.44	969.23
	(1,403.75)	(111.19)	(19.57)	(1,495.37)	(422.63)	(102.67)	(0.86)	(969.22)	(981.12)
Electrical installation	88.16	67.83	-	155.99	35.13	9.11	-	111.75	53.03
	(80.00)	(8.16)	-	(88.16)	(27.82)	(7.32)	-	(53.03)	(52.19)
Vehicles	5.39	-	-	5.39	4.73	0.26	-	0.40	0.66
	(5.39)	-	-	(5.39)	(4.47)	(0.26)	-	(0.66)	(0.92)
Total (A)	2,568.46	1,165.22	8.74	3,724.94	706.25	154.35	5.63	2,869.98	1,862.22
PY Numbers	(2,429.27)	(158.75)	(19.57)	(2,568.46)	(568.92)	(136.48)	(0.86)	(1,862.22)	(1,860.35)

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

3b. Capital Work-in-Progress

(₹ in Lakhs)

DESCRIPTION	CWIP			CLOSING BALANCE	
	As at 01 st April 2024	Additions to CWIP	Capitalised	As at 31 st March 2025	As at 31 st March 2024
	₹	₹	₹	₹	₹
Capital work in progress	294.25 (81.71)	543.55 (394.04)	759.25 (181.50)	78.55 (294.25)	294.25 (81.71)
Total	294.25	543.55	759.25	78.55	294.25

3c. Intangible Assets

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / IMPAIRMENT				NET BLOCK	
	As at 01 st April 2024	Additions	Deductions / Adjustments	As at 31 st March 2025	As at 01 st April 2024	Depreciation for the year	Deductions / Adjustments	As at 31 st March 2025	As at 31 st March 2024
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Intangible assets (B)									
Software	70.77 (47.95)	16.19 (22.82)	- -	86.96 (70.77)	37.82 (27.18)	12.60 (10.64)	- -	50.42 (37.82)	32.95 (20.77)
Total (B)	70.77	16.19	-	86.96	37.82	12.60	-	50.42	32.95
PY Numbers	(47.95)	(22.82)	-	(70.77)	(27.18)	(10.64)	-	(37.82)	(20.77)
Total (A) +(B)	2,639.23	1,181.41	8.74	3,811.90	744.07	166.95	5.63	905.39	1,895.17
Total (A) +(B)	(2,477.22)	(181.57)	(19.57)	(2,639.23)	(596.10)	(147.12)	(0.86)	(744.07)	(1,881.12)

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

3d. Right of use assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Buildings		
As at April 01, 2024	-	-
Additions	851.24	-
Amortizataion expense	(46.11)	-
As at March 31, 2025	805.13	-

Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Buildings		
As at April 01, 2024	-	-
Additions	851.24	-
Interest expense on lease liabilities	44.06	-
Payments during the year	(57.46)	-
As at March 31, 2025	837.84	-
Classified as:		
Non-current	802.32	-
Current	35.52	-
Total	837.84	-
Amounts recognised in Profit & Loss		
Interest income on Security Deposit	1.05	-
Interest expense on Lease Liabilities	44.06	-
Amortization of right-of-use assets	46.11	-

NOTES:

1. Discounting rate used for the purpose of computing right to use asset is 9.00% (March 31, 2024: nil)
2. The Company did not enter into lease contracts that contain variable lease options.
3. The total cash outflow for the lease for the year ended March 31, 2025 was Rs. 57.46 lakhs (March 31, 2024: nil)

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

4. Other financial assets - non current

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Security deposits	45.76	20.63
Deposit with Banks	1.81	1.62
Total	47.57	22.25

4a. Income tax assets - non current

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Advance tax (net of provision for income tax: nil (31 March 2024: Rs. 2.58 Lakhs))	5.65	16.85
Total	5.65	16.85

4b. Other Non Current Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
MAT Credit Entitlement	-	17.47
Prepaid Lease	26.56	-
Total	26.56	17.47

5. Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Raw materials and components	779.56	719.46
Work-in-progress	329.15	238.01
Finished goods	184.83	94.82
Material In-Transit	2.35	0.22
Total	1,295.89	1,052.51

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

6. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Current		
Trade receivables		
(a) Unsecured, considered good	214.98	1,028.65
(b) Unsecured, considered doubtful	-	-
Less: Allowance for credit losses	-	-
Total	214.98	1,028.65

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

Aging of receivables as at 31st March 2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from the due date					Total
	Less than 6 months	6 months to 1 year	1 year to 2 year	2 years to 3 years	More than 3 years	
	₹	₹	₹	₹	₹	₹
Undisputed Trade receivables						
considered good	22.15	4.48	188.35	-	-	214.98
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed Trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total	22.15	4.48	188.35	-	-	214.98

Aging of receivables as at 31st March 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from the due date					Total
	Less than 6 months	6 months to 1 year	1 year to 2 year	2 years to 3 years	More than 3 years	
	₹	₹	₹	₹	₹	₹
Undisputed Trade receivables						
considered good	756.62	10.99	261.03	-	-	1,028.65
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed Trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total	756.62	10.99	261.03	-	-	1,028.65

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

7. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Cash on hand	0.39	0.59
Balances with banks		
(i) In current accounts	12.92	10.70
Cash and cash equivalents as per statement of cash flows	13.31	11.29

8. Other current assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Trade and other advances	172.20	126.49
Prepaid Lease	3.14	-
Prepaid expenses	28.16	22.87
Balance with government authorities (including GST)	11.59	14.84
Total	215.09	164.20

10. Equity**10a. Share capital**

(₹ in Lakhs)

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	50,00,000	500.00	50,00,000.00	500.00
(b) Issued, subscribed and fully paid up				
Equity shares of Rs.10 /- each (Previous year : Rs. 10/- each) with voting rights	36,19,600	361.96	36,19,600.00	361.96
	36,19,600	361.96	36,19,600.00	361.96

Refer notes (i) to (iv) 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 st March 2025		As at 31 st March 2024	
	Number of shares	₹	Number of shares	₹
Equity shares with voting rights				
Balance ast at begininng of the year	36,19,600	361.96	36,19,600.00	361.96
Add: Issued and subscribed during the year	-	-	-	-
Balance as at end of the year	36,19,600	361.96	36,19,600.00	361.96

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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

Class of shares / Name of shareholder	As at 31 st March 2025		As at 31 st March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Yuken India Ltd	36,19,200	99.99	36,19,200	99.99
- K Gopalkrishna	400	0.01	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 share holders at the ensuing Annual General Meeting.

(iv) Shareholding of Promoter

Shares held by promotor as at March 31, 2024

Class of shares / Name of shareholder	As at 31 st March 2025		As at 31 st March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
- Yuken India Ltd	36,19,200	99.99	36,19,200	99.99
- K Gopalkrishna	400	0.01	400	0.01

10b. Other equity

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Surplus in statement of profit and loss		
Profit and Loss:		
Opening balance	(190.84)	(282.08)
Additions during the period	(11.82)	91.24
Closing Balance	(202.66)	(190.84)
Other Comprehensive Income:		
Opening balance	6.69	9.95
Additions during the period	(2.53)	(3.26)
Closing Balance	4.16	6.69
Total	(198.50)	(184.15)

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

Financial liabilities**11. Borrowings****Current borrowings**

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Secured - at amortised cost		
(i) Loans		
from banks	476.11	376.13
(ii) Current maturities of long term debt	-	37.50
Total	476.11	413.63

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 st March 2025	As at 31 st March 2024
	₹	₹
Gratuity	-	1.09
Compensated leave absences	26.14	1.93
Provision for Payable under MAT	-	17.48
Current	26.14	20.50
Gratuity	59.55	51.44
Compensated leave absences	-	18.96
Non-current	59.55	70.40
Total	85.69	90.90

13. Deferred tax balances

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Deferred tax liabilities	182.12	144.17
On difference between book balance and tax balance of fixed assets	182.12	144.17
Deferred tax assets	237.02	228.94
Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	68.59	42.12
Unabsorbed depreciation carried forward / brought forward business losses	168.43	186.81
Net deferred tax liabilities/ (assets)	(54.90)	(84.77)

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

14. Trade payables

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
(a) Total Outstanding dues of Micro Entreprises and Small Entreprises	172.35	94.04
(b) Total Outstanding dues other than Micro Entreprises and Small Entreprises	1,196.31	1,019.01
(c) Trade payables to related parties (see note 33)	163.43	6.92
Total	1,532.09	1,119.97

Ageing of Trade Payables for year ended 31st March 2025

(₹ in Lakhs)

Particulars	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	91.78	80.56	-	-	-	172.35
(ii) Others	633.44	685.93	40.37	-	-	1,359.74
Disputed trade payables						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Total	725.22	766.49	40.37	-	-	1,532.09

Ageing of Trade Payables for year ended 31st March 2024

(₹ in Lakhs)

Particulars	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	-	94.04	-	-	-	94.04
(ii) Others	-	958.63	67.29	-	-	1,025.92
Disputed trade payables						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Total	-	1,052.68	67.29	-	-	1,119.97

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

15. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Interest accrued but not due on borrowings	1.85	1.44
Employee Benefits payables	34.57	
Total	36.42	1.44

16. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Statutory liabilities (includes GST, ESI, TDS, profession tax & provident fund)	35.04	37.98
Advance from customers*	2,497.50	2,745.68
Total	2,532.54	2,783.66

*Advance from customer is presented net of receivable balances.

17. Revenue from operations

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
(a) Revenue from sale of products	4,826.71	4,711.15
(b) Revenue from sale of services	35.43	21.59
(c) Scrap sale	23.89	37.58
Total revenue from operations	4,886.03	4,770.32

The company has no unsatisfied performance obligation resulting from sale of products and services. No adjustment made to the contract price on account of refunds, credits, price concession, incentive or performance bonus.

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

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
a) Profit on sale of Assets	7.13	0.10
b) Income on financial assets at amortised cost	1.05	-
c) Liabilities/Provisions write back	3.05	-
d) Interest Income		
- On deposits	0.70	-
- On income tax refund	0.22	-
e) Miscellaneous income	0.99	-
Total of other income	13.14	0.10

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

19. Cost of materials consumed

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Opening stock	719.46	804.68
Add: Purchases	3,021.83	2,696.63
	3,741.29	3,501.31
Less: Closing stock	779.56	719.46
Cost of materials consumed	2,961.73	2,781.85

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

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Inventories at the end of the year:		
Finished goods	184.83	94.82
Work-in-progress	329.15	238.01
	513.98	332.83
Inventories at the beginning of the year:		
Finished goods	94.82	121.29
Work-in-progress	238.01	242.86
	332.83	364.15
Net (increase) / decrease	(181.15)	31.32

21. Employee benefit expense

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Salaries and wages	338.16	298.75
Contribution to provident and other funds (see note 29)	25.89	22.12
Gratuity	10.12	8.96
Staff welfare expenses	41.85	31.29
Total	416.02	361.12

22. Finance costs

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Interest costs :-		
(i) Interest on bank overdrafts and loans (other than those from related parties)	78.17	54.61
(ii) Other Borrowing costs	10.01	24.98
(iii) Interest on lease liability	44.06	
Total	132.24	79.59

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**Summary of material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

23. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Depreciation of property, plant and equipment pertaining to continuing operations	154.35	137.32
Depreciation of leased assets (<i>refer note 3c</i>)	46.11	-
Amortisation of intangible assets (<i>refer note 3b</i>)	12.60	10.64
Total depreciation and amortisation expense	213.06	147.96

24. Other Expenses

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Sub-contracting charges	543.25	604.10
Contract Labour charges	340.65	278.76
Freight charges	76.55	63.61
Power and fuel	88.64	83.79
Rates and taxes	22.40	3.48
Rent	25.03	24.38
Insurance	19.01	17.41
Repairs and maintenance		
- Building	5.44	6.90
- Machinery	55.46	45.77
- Vehicle	2.58	1.22
- Others	11.59	17.26
Legal and professional charges	74.47	47.16
Payment to auditors	4.15	4.15
Travelling & conveyance expenses	12.92	6.75
Bad debts written off	-	5.35
Telephone Charges	0.10	0.06
Communication expenses	4.77	3.93
Printing & stationary	3.48	2.70
Security charges	29.57	20.80
Miscellaneous expenses	19.17	18.51
Total	1,339.23	1,256.09

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

25. Income Tax Expense/(Benefit)

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Deferred Tax		
In respect of the current year	29.86	21.24
Total income tax expense/(benefit) recognised in the current year.	29.86	21.24

26. Payment to Auditors

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Statutory audit	2.45	2.45
Tax audit	0.50	0.50
Others	1.20	1.20
Total	4.15	4.15

27. Expenditures in foreign currency

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
27.1 Expenditure in foreign currency:		
Raw materials & Components	7.72	19.43
Fixed Assets	-	-
27.2. Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

28. Contingent liabilities (to the extent not provided for)

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
Demand received from tax authorities		
Income tax	9.32	9.32

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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

The management has identified certain enterprises which have provided goods and services to the Company and which qualify under the definition of 'Micro and Small Enterprises' as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Accordingly the disclosure in respect of the amounts payable to such enterprises as at 31 March 2025 and 31 March 2024 have been made in the financial statements based on information available with the Company and relied upon by the auditors.

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	167.76	93.06
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	4.59	0.98
(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	4.59	0.98

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.

30. 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 ₹ 25.89/- lakhs (previous year : ₹ 22.12/- 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:

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Fair value of plan assets	-	-
Present value of obligations	(59.55)	(52.53)
Net asset / (liability) recognised in the Balance Sheet	(59.55)	(52.53)

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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 at 31 st March 2025	As at 31 st March 2024	As at 31 st March 2025	As at 31 st March 2024
	₹	₹	₹	₹
Gratuity	59.55	51.44	-	1.09
Total	59.55	51.44	-	1.09

Movement in present values of defined benefit obligations

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
Defined benefit obligation at the beginning of the year	52.52	41.54
Past Service cost	-	-
Current service cost	5.37	4.60
Interest cost	3.78	3.10
Actuarial (gains) / losses	3.52	4.52
Benefits paid	(5.64)	(1.24)
Transfer in/ (out)	-	-
Present value of defined benefit obligation at year end	59.55	52.52

Expense recognised in Statement of profit and loss

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
Current service cost	5.37	4.60
Interest on obligation	3.78	3.10
Past Service Cost	-	-
Total expense recognised in the Statement of Profit and Loss	9.15	7.70

31. Expense recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	0.65
- change in financial assumptions	1.76	1.09
- experience variance (i.e. Actual experience vs assumptions)	1.74	2.78
Total expense recognised in Other Comprehensive Income	3.50	4.52

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

Principal actuarial assumptions

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

Particulars	Gratuity	
	As at 31 st March 2025	As at 31 st March 2024
Discount rate	6.85%	7.45%
Estimated rate of return on plan assets	-	-
Attrition rate	-	-
Future salary increases	4%	4%
Retirement age	58 years	58 years

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

Sensitivity analysis :

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	64.97	54.79	57.10	48.52
(% change compared to base due to sensitivity)	9.10%	-8.00%	8.70%	-7.60%
Salary Growth Rate (- / + 1%)	54.62	65.07	48.37	57.20
(% change compared to base due to sensitivity)	-8.30%	9.30%	-7.90%	8.90%
Attrition Rate (- / + 50% of attrition rates)	58.44	60.50	51.52	53.42
(% change compared to base due to sensitivity)	-1.80%	1.60%	-1.90%	1.70%
Mortality Rate (- / + 10% of mortality rates)	59.49	59.57	52.49	52.56
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

32. Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
Basic and diluted		
Net Profit/(loss) for the year from operations attributable to the equity shareholders	(11.82)	91.24
Weighted average number of equity shares	36,19,600	36,19,600
Earnings per share from operations - Basic and diluted	(0.33)	2.52

33. 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.

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

34. Related party disclosures

Related party transactions

Description of relationship	Name of related party
Holding company	Yuken India Limited
Fellow subsidiary	Grotek Enterprises Private Limited
Fellow subsidiary	Yuflow Engineering Private Limited
Fellow subsidiary	Kolben Hydraulics Limited
Company having significant influence	Yuken Kogyo Co Ltd
Key management personnel	S K Naik

(₹ in Lakhs)

Details of transactions	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
Holding company	-	-
Yuken India Limited	-	-
- Sales of goods and services	5,675.85	5,506.33
- Purchase of fixed asset	7.95	6.25
- Purchase of goods and services	231.82	9.01
- Sales of asset	-	23.21
- Corporate guarantee commission	18.64	30.21
Fellow subsidiary	-	-
Grotek Enterprises Private Limited	-	-
- Sales of goods	30.07	35.61
- Purchase of goods	5.21	1.56

Amount outstanding (receivables)	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Fellow subsidiary	-	-
Grotek Enterprises Private Limited	-	-
- Trade receivable	201.71	291.64

Amount outstanding (payables)	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Holding company	-	-
Yuken India Limited	-	-
- Trade payable	163.43	6.92
- Other advances	2,497.11	2,013.62

Guarantees outstanding	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Holding company	-	-
Yuken India Limited	1,850	1,850

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

35. Financial Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current ratio (times)	Current assets	Current liabilities	0.37	0.53	-29.26%	Due to reduction in trade receivables as compared to previous year.
Debt-equity ratio (times)	Total Debt	Shareholder's Equity	2.91	2.33	25.21%	Due to increase in borrowings and net losses during the year.
Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	0.25	0.77	-67.07%	Due to recognition of lease liability during the year.
Return on equity (%)	Net Profits after taxes	Average Shareholder's Equity	(0.07)	0.68	-110.16%	Due to net losses during the year the return on equity is reduced
Inventory turnover ratio (times)	COGS	Average inventory	2.83	3.08	-7.96%	
Trade receivables turnover ratio (times)	Revenue	Average Trade Receivable	7.86	4.21	86.74%	Due to reduction in trade receivables as compared to previous year.
Trade payable turnover ratio (times)	Purchases of services and other expenses	Average Trade Payables	3.29	3.26	0.73%	
Net capital turnover ratio (times)	Revenue	Working Capital	(1.69)	(2.29)	-26.43%	Due to reduction in trade receivables as compared to previous year.
Net profit ratio (%)	Net Profit	Revenue	(0.00)	0.02	-112.65%	Due to net losses during the year.
Return on capital employed (%)	Earning before interest and taxes	Capital Employed	0.92	1.08	-14.89%	Due to net losses during the year.
Return on investment (%)	Income generated from investments	Time weighted average investments	No 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 repayable including lease payable.

Shareholders equity = Contributed capital + retained earnings

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

36. Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2025 were as follows: (₹ in Lakhs)

Particulars	Note No.	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
Assets :				
Loans				
Cash and cash equivalents	7	13.31	-	-
Other financial assets				
(i) Security deposits	4	45.76	-	-
Trade receivables	6	214.98	-	-
Total		274.05	-	-
Liabilities:				
Borrowings	11	476.11	-	-
Lease Liability	3d	837.84		
Other financial liabilities				
(i) Trade payables	14	1,532.09	-	-
Total		2,846.04	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2024 were as follows: (₹ in Lakhs)

Particulars	Note No.	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
		₹	₹	₹
Assets :				
Loans				
Cash and cash equivalents	7	11.29	-	-
Other financial assets				
(i) Security deposits	4	20.63	-	-
Trade receivables	6	1,028.65	-	-
Total		1,060.58	-	-
Liabilities:				
Borrowings	11	413.63	-	-
Other financial liabilities				
(i) Trade payables	14	1,119.97	-	-
Current maturities of long term debt	15	37.50	-	-
Total		1,571.10	-	-

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.

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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.

37. 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 st March 2025	As at 31 st March 2024
		₹	₹
Financials measured at amortized costs:			
Financial assets			
Trade receivable *	6	214.98	1,028.65
Cash and cash equivalents and other bank balances			
Cash and cash equivalents #	7	13.31	11.29
Financial liabilities measured at amortized cost:			
Borrowings	11	476.11	451.13
Lease liability	3d	837.84	-
Trade Payables *	14	1,532.09	1,119.97

*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.

38. 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.

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(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 st March 2025	As at 31 st March 2024
	₹	₹
Cash and cash equivalents	13.31	11.29
Security deposits	45.76	20.63
Trade receivables	214.98	1,028.65
Total	274.05	1,060.57

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.

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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 st March 2025	Less than 1 year	1 year to 5 years	More than 5 years
	₹	₹	₹
Borrowings	476.11	-	-
Lease liability	35.52	337.73	464.59
Trade payables	1,532.09	-	-
Other current liabilities	2,497.50	-	-
	4,541.22	337.73	464.59

As at 31 st March 2024	Less than 1 year	1 year to 5 years	More than 5 years
	₹	₹	₹
Borrowings	413.63	-	-
Trade payables	1,119.97	-	-
Other current liabilities	2,783.66	-	-
	4,317.26	-	-

(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.

39. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate (₹ in Lakhs)

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
	₹	₹
Accounting profit before tax and exceptional item	18.04	112.48
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	5.02	31.29
Reconciling items:		
Tax effect on permanent non-deductible expenses	-	-
Tax adjustments of Prior Years	-	-
Others	24.84	(10.05)
At the effective income tax rate of 27.82% (PY 27.82%)	29.86	21.24
Income tax expense reported in the Statement of Profit and Loss	29.86	21.24

Coretec Engineering India Private Limited

CIN - U29246KA1998PTC023863

**Summary of material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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

41. Additional Regulatory Information

- a) The Company has not revalued its property, plant and equipment (including the right of use assets) and intangible assets.
- b) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- c) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lenders.
- d) Compliance with clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 with respect to layer of companies are not applicable to the company.
- e) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- f) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period.
- g) The Company has not entered into any scheme of arrangement as per section 230 to 237 of the Companies Act, 2013.
- h) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- i) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- j) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- k) The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

In terms of our report of even date attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Vishwas Deshmukh

Partner

Membership No: 230806

Place: Bengaluru

Date: May 23, 2025

For and on behalf of the Board of Directors

K.G. Ravi

Director

DIN: 03520396

Place: Bengaluru

S.K. Naik

Director

DIN: 03533778

Place: Bengaluru

3. KOLBEN HYDRAULICS LIMITED

NOTICE

NOTICE is hereby given that the **18th** Annual General Meeting of the Members of **KOLBEN HYDRAULICS LIMITED** will be on held on Wednesday, 08th September, 2025 at 02.00 PM 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 31st March, 2025, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Kannan Varadhan (DIN: 03280922) 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: 03.08.2025
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 18th Annual Report of the business and operations of the Company together with the audited financial statements for the year ended 31st March, 2025.

FINANCIAL RESULTS:

Financial highlights: (Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2025	31.03.2024
Total Income	1,461.43	1,053.68
Total expenditure	1,474.93	1,101.37
Profit/(Loss) before interest, depreciation and tax	(13.5)	(47.70)
Finance cost	19.80	0.25
Depreciation	16.92	15.77
Profit/(Loss) before tax	(50.22)	(63.72)
Provision for taxation (Net of deferred tax)	(11.04)	1.55
Profit/(loss) after tax	(39.18)	(65.27)
Net comprehensive income for the year	-	-
Total comprehensive income for the year	(39.18)	(65.27)
Balance in Statement of profit and loss	(168.04)	(102.77)
Amount available for appropriation	(207.22)	(168.04)
Appropriations:		
Equity dividend paid	-	-
Tax on Equity Dividend	-	-
Balance carried to Balance Sheet	(207.22)	(168.04)

PERFORMANCE REVIEW:

During the year, your Company has earned total revenue of Rs. 1,461.43 lakhs as compared to Rs. 1,053.68 lakhs of previous year. The growth is around 38.70% over the previous year. The Company has registered net loss of Rs.(39.18) lakhs as compared to previous year loss of Rs. (65.27) lakhs.

Your Directors are making all efforts to ensure optimal operational results in coming years and achieving higher margins. Directors are putting effort to control the cost and

there by improving the profitability in line with the increase in the revenue.

ANNUAL RETURN:

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the Company, if any. 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 2024-25, there were 4 (Four) Board Meetings held on the following dates; 21.05.2024, 06.08.2024, 12.11.2024 and 05.02.2025.

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. 35 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 31st March, 2025 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 31.03.2025 (Amt in INR)	As on 31.03.2024 (Amt in INR)
01	Foreign Exchange Earnings	--	--
02	Foreign Exchange Outgo	3,19,54,000	94,82,000

DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the year 2024-25.

BOARD OF DIRECTORS:

The Board comprises following Directors:

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

Mr. Suresh Kannan Varadhan – Whole Time 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.

DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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.

Name of the Director / Key Managerial Personnel (KMP)	Remuneration for the financial year 2023-24 (In Rs.)	Remuneration for the financial year 2024-25 (In Rs.)	%increase/ (decrease) in remuneration in the financial year 2024-25
Mr. Suresh Kannan, Whole Time Director	29,91,644	32,13,841	7.43

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 2024-25.

CORPORATE SOCIAL RESPONSIBILITY:

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

SECRETARIAL STANDARDS:

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

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

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2025.

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, 2025 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 3,00,06,000/- consisting of 30,00,600 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 3rd September, 2024, 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 2029.

The Statutory Auditor's Report for FY 2024-25 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 2024-25, no complaint of sexual harassment has been received.

Compliance under Maternity Benefit Act, 1961:

The Company confirms that it is in compliance with the provisions of the Maternity Benefit Act, 1961. The Company provides maternity leave and all other benefits as prescribed under the Act to its women employees. Provision of nursing breaks, and maintenance of prescribed records. Further, in accordance with the requirements of the Act, the Company has made arrangements for creche facilities at its workplace, wherever applicable, to support the well-being of women employees and their children.

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: 23.05.2025

Place: Bengaluru

Annexure-1

Form AOC-2

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

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

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

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

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

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

Note: All related party transactions are in the ordinary course of business and on arm's length basis. Please refer transactions reported in Note No. 35 of the Notes forming part of the financial statements in the Annual Report.

For KOLBEN HYDRAULICS LIMITED

SURESH KANNAN VARADHAN

Whole-Time Director

DIN: 03280922

H M NARASINGA RAO

Director

DIN: 00529717

Date: 23.05.2025

Place: Bengaluru

KOLBEN HYDRAULICS LIMITED

Details of Shareholders as on 31/03/2025

Sl. No.	Name	Father's Name	Residential Address	Type of Shares	No. of Share Held	Amount Per Share (Rs.)
1	C P Rangachar	Padmanabhan Chattancholetore	B - 4, Yemlur Home Owners Assn Yemlur Village Road, BANGALORE 560037	Equity	100	10
2	Suresh Kannan Varadhan	Varadhan Ananthachari	2275, C-304, Rns Shanthi Nivas, B Blk, Tumkur Road, Next to Rns Shanthi Nivas Yeshw, Bangalore, 560022	Equity	140,600	10
3	Yuken India Limited	NA	No. 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura Bangalore-560048	Equity	28,59,698	10
4	Madhuri Krishnamurthi	Rangachar Padmanabhan Cattanganore	B - 4, Yemlur Home Owners Assn Yemlur Village Road, BANGALORE 560037	Equity	100	10
5	H.M Narasinga Rao	Mukundarao Narasingappa Haldodderi	8A Sneha, Brindavan Layout, Subramanya Road, Bangalore-560061	Equity	100	10
6	Baunwert Advisors Private Limited	NA	I 14, Diamond District, HAL Airport Road, Kodihallibangalore Bangalore 560008	Equity	1	10
7	Drive Hydraulic Products Private Limited	NA	No 5 (Old No 2/2), Cil Layout Main Road, 4th Cross Vishweshwaraiah Layout, R T Nagar Bangalore Bangalore 560032	Equity	1	10
Total					30,006,00	

For KOLBEN HYDRAULICS LIMITED

SURESH KANNAN VARADHAN

Whole Time Director

DIN: 03280922

Independent Auditor's Report

To the Members of Kolben Hydraulics Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Kolben Hydraulics Limited ("***the Company***") which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and Notes to the financial statements, including a summary of material accounting policies and other explanatory information. (hereinafter referred to as the "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2025, 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 of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these 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 Ind AS and accounting principles generally accepted in India, 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 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 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 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 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 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 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 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 Ind AS financial statements, including the disclosures, and whether the 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 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 except for the matters stated in the paragraph 143(3)(h)(vi) below on reporting under Rule 11(g).
 - 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 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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) With respect to the matters to be included in the Auditor's report in accordance with the requirement of section 197(16) Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the Company has

paid remuneration to its directors during the year in accordance with the provisions of section 197 of the Act.

- h) With respect to the maintenance of accounts and other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 except for the matters as stated in the paragraph 143(3)(b) and paragraph 143(3)(h)(vi), 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 (which are material either individually or in aggregate) 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 (which are material either individually or in the aggregate) 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year ended March 31, 2025.
- vi. Based on our examination, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and recording an audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made, except for cases where edit log feature is not enabled to retain the original entry which is edited or updated subsequently, the original entry is replaced with the updated one.

Except for the above-mentioned edit logs, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, except for the above scenario where edit logs are not enabled to retain the original entry, which is edited or updated subsequently, the original entry is replaced with the updated one. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 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

Vishwas Deshmukh

Partner

Membership No. 230806

UDIN:

Place: Bengaluru

Date: May 23, 2025

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, 2025 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 (the "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 Act.

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, prescribed under section 143(10) of the Act, 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 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 with reference to Financial Statement.

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, 2025, 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

Vishwas Deshmukh

Partner

Membership No. 230806

Place: Bengaluru

Date: May 23, 2025

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)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (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 property, plant and equipment 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 favor 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 not been sanctioned working capital limits excess of ₹ 5 crore, 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.
- (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) According to the records produced and information given to us, the provisions of Section 148(1) of the Companies Act, regarding maintenance of cost records is not applicable to the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company 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, 2025
- (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 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, 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, the Company has not raised any loans during the year on the pledge of securities held in its associate companies.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its associate companies.
- (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) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (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 incurred cash losses amounting to Rs. 28.33 Lakhs in the current financial year and had incurred Rs. 44.64 Lakhs in 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 realization of financial assets and payment of financial liabilities, other information accompanying the 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 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

Vishwas Deshmukh
Partner
Membership No. 230806

Place: Bengaluru
Date: May 23, 2025

Kolben Hydraulics Limited
CIN - U29119KA2007PLC043340

Balance Sheet as at 31st March, 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March 2025	As at 31 st March 2024
A ASSETS			
I Non-current assets			
Property, plant and equipment	3	54.92	57.79
Intangible assets	3	9.97	14.97
Deferred tax assets (net)	4	79.78	68.74
Financial assets			
(i) Other financial assets	5a	0.10	0.60
Non current tax assets	5b	9.69	7.61
Total non-current assets		154.46	149.71
II Current assets			
Inventories	6	933.97	494.05
Financial assets			
(i) Trade receivables	7	327.16	133.75
(ii) Cash and cash equivalents	8	16.00	11.99
Other current assets	9	114.96	33.26
Total current assets		1,392.09	673.05
TOTAL ASSETS		1,546.55	822.76
B EQUITY AND LIABILITIES			
I EQUITY			
Equity share capital	10	300.06	300.06
Other equity	11	(207.22)	(168.04)
TOTAL EQUITY		92.84	132.02
II LIABILITIES			
1 Non-current liabilities			
Provisions	12	14.99	22.64
		14.99	22.64
2 Current liabilities			
Financials liabilities			
(i) Borrowings	13	200.00	200.00
(ii) Trade payables	14		
(A) Total outstanding dues of creditors to micro enterprises and small enterprises		1.12	5.26
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		98.71	20.27
(iii) Other financial liabilities	15	8.76	0.31
Other current liabilities	16	1,112.19	436.52
Provisions	17	17.94	5.74
TOTAL LIABILITIES		1,438.72	668.10
TOTAL EQUITY AND LIABILITIES		1,546.55	822.76
The accompanying notes referred to above form an integral part of the IND AS financial statements.	1-42		

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 Board of Directors

Vishwas Deshmukh

Partner

Membership No: 230806

H M Narasinga Rao

Director

DIN: 00529717

V Suresh Kannan

Director

DIN: 03280922

Place: Bengaluru

Date: 23rd May 2025

Place: Bengaluru

Date: 23rd May 2025

Kolben Hydraulics Limited
CIN - U29119KA2007PLC043340

Statement of Profit and Loss for the year ended 31st March 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	Note No.	Year Ended	Year Ended
		31 st March 2025	31 st March 2024
		₹	₹
Income			
Revenue from operations	18	1,451.76	1,031.67
Other income	19	9.67	22.00
		1,461.43	1,053.67
Expenses			
Cost of materials consumed	20	1,717.29	993.39
Changes in stock of finished goods, work-in-progress and stock-in-trade	21	(421.19)	(51.61)
Employee benefits expenses	22	101.35	78.49
Finance costs	23	19.80	0.25
Depreciation and amortisation expense	3	16.92	15.77
Other expenses	22	77.48	81.11
Total Expenses		1,511.65	1,117.40
Profit/(loss) before tax		(50.22)	(63.72)
Tax expense/(benefit):	23		
Current tax		-	-
Deferred tax		(11.04)	1.55
Profit/(Loss) after tax		(39.18)	(65.27)
Total Comprehensive Income/(loss) for the year		(39.18)	(65.27)
Earnings per share (of Rs. 10/- each)			
Basic and diluted (in Rs.)	30	(1.31)	(2.18)
The accompanying notes referred to above form an integral part of the IND AS financial statements.	1-42		

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 Board of Directors

Vishwas Deshmukh

Partner

Membership No: 230806

H M Narasinga Rao

Director

DIN: 00529717

V Suresh Kannan

Director

DIN: 03280922

Place: Bengaluru

Date: 23rd May 2025

Place: Bengaluru

Date: 23rd May 2025

Kolben Hydraulics Limited
CIN - U29119KA2007PLC043340

Statement of Cash Flows for the year ended 31st March, 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	Year ended 31 st March 2025		Year ended 31 st March 2024	
	₹	₹	₹	₹
A. Cash flow from operating activities :				
Profit/(Loss) before Tax		(50.22)		(63.72)
Adjustments for :				
Depreciation and Amorisation	16.92	-	15.77	-
Finance Costs	19.80			
Gain on Sale of Assets	-		(0.01)	
Bad Debts Written off	0.25			
Inventory Written off	-	36.97	3.51	19.27
Operating profit / (loss) before working capital changes		(13.25)		(44.46)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(439.93)		64.35	
Trade Receivables	(193.41)		61.68	
Other non-current assets	(2.08)		30.27	
Other Current assets	(81.70)		-	
Other Financial Assets	0.50		0.05	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	74.30		(62.35)	
Other Current liabilities	675.67		(242.52)	
Long Term Provisions	(7.65)		3.13	
Other Financial Liabilities	8.45		0.31	
Short Term Provisions	12.20	46.35	0.27	(144.81)
Cash Generated from Operations		33.10		(189.27)
Direct tax paid			-	
Net cash flow from / (used in) operating activities (A)		33.10		(189.27)
B. Cash flow from investing Activities				
Purchase of fixed assets including Capital WIP	(9.28)		(10.58)	
Sale of fixed assets	-	(9.28)	0.03	(10.55)
Net cash flow from / (used in) investing activities (B)		(9.28)		(10.55)
C. Cash flow from financing activities				
Increase / (Decrease) in share capital			-	
Interest paid on Working Capital Loan	(19.80)			
Loan received From SMBC Bank		(19.80)	200.00	200.00
Net cash flow from / (used in) financing activities (C)		(19.80)		200.00
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		4.02		0.18
Cash and cash equivalent as at:				
Opening balance		11.99		11.81
Net increase / (decrease) in Cash and cash equivalents		4.02		0.18
Closing balance		16.00		11.99
The accompanying notes referred to above form an integral part of the IND AS financial statements.			1-42	

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 Board of Directors

Vishwas Deshmukh

Partner

Membership No: 230806

H M Narasinga Rao

Director

DIN: 00529717

V Suresh Kannan

Director

DIN: 03280922

Place: Bengaluru

Date: 23rd May 2025

Place: Bengaluru

Date: 23rd May 2025

Kolben Hydraulics Limited
CIN - U29119KA2007PLC043340

Statement of Changes in Equity for the year ended 31st March 2025

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

(₹ in Lakhs)

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹10 /- each (Previous year : ₹10/- each) with voting rights	50,00,000	500.00	50,00,000	500.00
(b) Issued, subscribed and fully paid up				
Equity shares of ₹10 /- each (Previous year : ₹10/- each) with voting rights	30,00,600	300.06	30,00,600	300.06
	30,00,600	300.06	30,00,600	300.06

Particulars	Reserve and surplus	
	Retained earnings	Other comprehensive income / (loss)
	₹	₹
Balance as at 01 April 2023	(102.77)	-
Additions during the year		
Loss during the year	(65.27)	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)		-
Total	(65.27)	-
Balance as at 31 March 2024	(168.04)	-
Balance as at 01 April 2024	(168.04)	-
Additions during the year		
Loss during the Year	(39.18)	-
Items of the OCI, net of tax-		
Re-measurement of net defined benefit liability/(asset)		-
Total	(39.18)	-
Reductions during the year:		
Transfer to general reserve	-	-
Total	-	-
Balance as at 31 March 2025	(207.22)	-
The accompanying notes referred to above form an integral part of the IND AS financial statements.	1-42	

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 Board of Directors

Vishwas Deshmukh

Partner

Membership No: 230806

H M Narasinga Rao

Director

DIN: 00529717

V Suresh Kannan

Director

DIN: 03280922

Place: Bengaluru

Date: 23rd May 2025

Place: Bengaluru

Date: 23rd May 2025

Kolben Hydraulics Limited
CIN - U29119KA2007PLC043340

Summary of Material accounting policies and other explanatory information for the year ended 31st March 2025

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. Material accounting policies:

2.1 Basis of preparation

These 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, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The material accounting policy information used in preparation of the audited financial statements have been discussed in the respective notes.

2.2 Summary of the other Material accounting policies

a) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make certain estimates, judgements and assumptions that affect the amounts reported in the financial statements and notes thereto. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

b) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the

expected residual value at the end of its life.

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 remaining useful lives of the assets as assessed by management of the Company. The management estimated the useful lives 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

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management

expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part-C of Schedule II of the Companies Act, 2013.

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

c) Leases

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.

d) 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.

e) 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

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.

f) Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

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 & rendering of services

Revenue is recognised when a performance obligation in a customer contract has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

Other operating revenues comprise of scrap sales incidental to operations of the company and are recognised when the right to receive the income is established as per the terms of the contract.

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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) Financial instruments

A) Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value on initial recognition except for trade receivables measured at transaction price. 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.

p) 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 (i.e., prices) or indirectly observable (i.e., derived from prices).

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

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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 st April 2024	Additions during the year	Deletions during the year	As on 31 st March 2025	Up to 01 st April 2024	For the year	Deletions during the year	Up to 31 st March 2025	As on 31 st March 2024
		₹	₹	₹	₹	₹	₹	₹	₹	₹
	Tangible assets (A)									
1	Plant & Machinery	91.73 (85.05)	2.56 (6.68)	-	94.29 (91.73)	49.91 (44.04)	6.19 (5.87)	-	56.10 (49.91)	41.82 (41.01)
2	Factory & Office Equipment	8.88 (9.02)	5.26 -	- (0.14)	14.14 (8.88)	4.04 (2.63)	1.95 (1.53)	- (0.12)	5.99 (4.04)	4.84 (6.39)
3	Computers	17.23 (17.23)	0.57 -	-	17.80 (17.23)	14.34 (12.56)	2.04 (1.78)	-	16.38 (14.34)	2.89 (4.67)
4	Electrical Installation	6.43 (6.43)	-	-	6.43 (6.43)	4.18 (3.63)	0.54 (0.54)	-	4.72 (4.18)	2.25 (2.80)
5	Furniture & Fixtures	15.88 (12.62)	0.69 (3.26)	-	16.57 (15.88)	9.91 (8.92)	1.20 (0.99)	-	11.11 (9.91)	5.97 (3.70)
	Total (A)	140.14	9.08	-	149.22	82.38	11.92	-	94.30	57.79
	PY Numbers	(130.34)	(9.94)	(0.14)	(140.14)	(71.78)	(10.72)	(0.12)	(82.38)	(58.56)
	Intangible assets (B)									
1	Software	8.60 (8.60)	-	-	8.60 (8.60)	8.60 (8.56)	- (0.04)	-	8.60 (8.60)	- (0.04)
2	Knowhow	25.00 (25.00)	-	-	25.00 (25.00)	10.03 (5.01)	5.00 (5.01)	-	15.03 (10.03)	14.97 (19.99)
	Total (B)	33.60	-	-	33.60	18.63	5.00	-	23.63	14.97
	PY Numbers	(33.60)	-	-	(33.60)	(13.58)	(5.05)	-	(18.63)	(20.02)
	Grand Total (A+B)	173.74	9.08	-	182.82	101.01	16.92	-	117.93	72.76
		(163.94)	(9.94)	(0.14)	(173.74)	(85.36)	(15.77)	(0.12)	(101.01)	(78.58)

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

4. Deferred tax Asset / (Liability)

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Tax effect on items constituting deferred tax liability / (asset):		
On difference between book balance and tax balance of fixed assets	(2.50)	(2.91)
Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	12.08	8.84
Unabsorbed depreciation carried forward / brought forward business losses	70.20	62.81
Deferred Tax Asset / (Liability) - Net	79.78	68.74

5a. Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Advance to employees	-	0.50
Security deposits	0.10	0.10
Total	0.10	0.60

5b. Non Current Tax Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Non Current Tax Assets	9.69	7.61
Total	9.69	7.61

6. Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Raw materials and Components	26.14	7.41
Work-in-progress	1.22	-
Finished goods	906.61	486.64
Total	933.97	494.05

Note

(i) Raw Materials and Components include write off of Inventories amounting to Rs. nil as at 31 March 25 where as the write off of Inventory is Rs, 3.51 lakhs as at 31 March 24

7. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Trade receivables		
Unsecured		
(a) Considered good	327.16	133.75
(b) Considered Doubtful	-	-
Less: Loss Allowance	-	-
Total	327.16	133.75

Kolben Hydraulics Limited
CIN - U29119KA2007PLC043340

**Summary of material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

Aging of receivables as at 31st March 2025

(₹ 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	
	₹	₹	₹	₹	₹	₹
Undisputed Trade receivables						
considered good	311.01	0.14	9.10	6.92	-	327.16
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed Trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total	311.01	0.14	9.10	6.92	-	327.16

Aging of receivables as at 31st March 2024

(₹ 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	
	₹	₹	₹	₹	₹	₹
Undisputed Trade receivables						
considered good	112.31	8.26	11.43	1.73	-	133.75
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed Trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total	112.31	8.26	11.43	1.73	-	133.75

8. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Cash on hand	0.61	0.61
Balance with banks:		
In current account	15.39	11.39
Total	16.00	11.99
Of the above, the balances that meet the definition of cash and cash equivalents as per IND AS 7 `Statement of Cash Flow is:	16.00	11.99

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**Summary of material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

9. Other current assets

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Unsecured, considered good		
Trade and other advances	-	0.34
Prepaid expenses	2.45	0.47
Balances with government authorities:	112.51	32.45
Total	114.96	33.26

10 (a). Share capital

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Authorised		
50,00,000 Equity shares of ₹10/- each with voting rights	500.00	500.00
Total	500.00	500.00
Issued, subscribed and fully paid-up		
30,00,600 Equity shares of ₹10/- each fully paid with voting rights	300.06	300.06
Total	300.06	300.06

10 (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 st March 2025		As at 31 st March 2024	
	No. of Shares	₹	No. of Shares	₹
Equity share of ₹10/- each				
Opening balance	3,00,600	30.06	3,00,600	30.06
Issued during the year	-	-		
Closing balance	3,00,600	30.06	3,00,600	30.06

**10 (c). Detail of the rights, preferences and restrictions attaching to each class of shares outstanding
Equity shares of ₹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.

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	No. of Shares	% of shares	No. of Shares	% of shares
Yuken India Ltd	28,59,698	95.30%	28,59,698	95.30%
Suresh Kannan	1,40,600	4.69%	1,40,600	4.69%
Total	30,00,298	100.00%	30,00,298	100.00%

10 (e). Shareholding of PromotorShares held by promotor as at 31st March 2025:

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	No. of Shares	% of shares	No. of Shares	% of shares
Yuken India Ltd	28,59,698	95.30%	28,59,698	95.30%
Suresh Kannan	1,40,600	4.69%	1,40,600	4.69%
Total	30,00,298	100.00%	30,00,298	100.00%

11. Other Equity

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Surplus in statement of profit and loss		
Profit/(loss)		
Opening balance	(168.04)	(102.77)
Additions during the period	(39.18)	(65.27)
Closing balance	(207.22)	(168.04)
Total	(207.22)	(168.04)

12. Provisions (Non-current)

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Provision for employee benefits:		
Gratuity	14.99	12.13
Compensated absence	-	10.51
Total	14.99	22.64

13. Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Loan from SMBC Bank	200.00	200.00
Total	200.00	200.00

Secured Working Capital loans from banks (Refer Note Below)

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Sumitomo Mitsui Banking Corporation	200.00	200.00
Amount outstanding Repayable on demand Interest rate - 8.90%	200.00	200.00

Notes:

(i) Security - Corporate Guarantee by Yuken India Limited

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

14. Trade payables

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
(a) Total outstanding dues of creditors to micro, small and medium enterprises	1.12	5.26
(b) Total outstanding dues of creditors other than micro, small and medium enterprises	98.71	20.27
Total	99.83	25.53

Ageing of Trade Payables as at 31 March 2025

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from the due date				Totals
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
Undisputed trade payables						
MSME	1.12	-	-	-	-	1.12
Others	18.73	79.93	0.05	-	-	98.71
Disputed trade payables						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	19.85	79.93	0.05	-	-	99.83

Ageing of Trade Payables as at 31 March 2024

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from the due date				Totals
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 Years	
Undisputed trade payables						
MSME	-	4.21	0.50	0.17	0.38	5.26
Others	-	18.39	1.16	0.54	0.18	20.27
Disputed trade payables						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	22.60	1.66	0.71	0.56	25.53

15. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Interest Accrued but not Due	0.20	0.25
Employee Payables	8.56	0.06
Total	8.76	0.31

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**Summary of material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

16. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Other payables:		
Statutory remittances (PT, ESI & TDS)	2.89	1.96
Advances from customers	-	1.10
Provision for tax [net of advance tax: Nil (31 March 2023: Nil)]	-	0.62
Advances received from Related Parties	1,109.30	432.84
Total	1,112.19	436.52

17. Provisions (Current)

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Provision for employee benefits:		
Bonus	6.05	5.74
Compensated absence	11.89	-
Total	17.94	5.74

18. Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Sale of products	1,387.07	995.57
Sale of services	64.69	36.10
Total	1,451.76	1,031.67

The company has no unsatisfied performance obligation resulting from sale of products and services. No adjustment made to the contract price on account of refunds, credits, price concession, incentive or performance bonus.

19. Other income

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Packing and Forwarding Charges Collected	4.10	21.99
Interest on income tax refund	0.19	
Liability no longer required written off	5.38	
Gain on sale of Assets	-	0.01
Total	9.67	22.00

20. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Opening Stock	7.41	126.87
Add: Purchases	1,736.02	873.93
	1,743.43	1,000.80
Less: Consumed	1,717.29	993.39
Closing Stock	26.14	7.41
Total	1,717.29	993.39

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

21. Changes in inventories of finished goods, work in progress and stock-in-trade (₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Inventories at the end of the year:		
Finished goods	906.61	486.64
Work-in-progress	1.22	-
	907.83	486.64
Inventories at the beginning of the year:		
Finished goods	486.64	418.91
Work-in-progress	-	16.12
	486.64	435.03
Net (increase) / decrease	(421.19)	(51.61)

22. Employee benefit expenses (₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Salaries and wages	88.79	69.33
Contributions to provident and other funds	10.23	7.28
Staff welfare Expenses	2.33	1.88
Total	101.35	78.49

23. Finance cost (₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Interest on working capital loan	19.80	0.25
Total	19.80	0.25

24. Depreciation and Amortisation (₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Depreciation on Tangible Assets	11.92	10.72
Amortisation on Intangible Assets	5.00	5.05
Total	16.92	15.77

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

25. Other expenses

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Sub-contracting charges	11.18	16.28
Communication Expenses	1.49	1.82
Power and fuel	5.76	4.81
Packing & forwarding	-	-
Rates and Taxes	2.43	1.21
Exchange Loss (Net)	4.72	3.31
Insurance	0.19	0.18
Rent	1.45	4.51
Repair and Maintenance	-	-
Machinery	0.64	1.58
Others	1.23	1.56
Printing & Stationery	1.20	0.89
Freight, Transport & Other Charges	4.70	7.09
Legal and Professional charges	11.57	11.10
Payment to auditors	2.79	2.22
Travelling & Conveyance	23.82	20.22
Sales Promotion Expenses	1.30	1.69
Bad Debts Written Off	0.25	-
Bank Charges	1.08	0.74
Miscellaneous Expenses	1.69	1.88
Total	77.48	81.11

26. Tax expense

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Current tax	-	-
Deferred tax	(11.04)	1.55
Total	(11.04)	1.55

27. Payment to Auditors

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Statutory Audit	1.61	1.61
Tax Audit	0.33	0.33
Others	0.85	0.29
Total	2.79	2.22

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

28. Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
28.1 Expenditure in foreign currency:		
Raw materials & Components	319.54	94.82
Foreign Travel	-	-
28.2. Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

29. Contingent liabilities (to the extent not provided for)

There are no capital commitments and contingent liabilities as on 31 March 2025 and 31 March 2024.

30. Foreign Currency Exposure

Foreign Currency Exposure as at 31 March 2025 that have not been hedged by a derivative instrument or other wise: (₹ in Lakhs)

Particulars	31 st March 2025		31 st March 2024	
	₹	Amount in Foreign Currency	₹	Amount in Foreign Currency
Receivables -USD	-	-	-	-
Receivables -EURO	59.39	0.64	7.91	0.09
Total	59.39	0.64	7.91	0.09
Payables- USD	-	-	-	-
Payables- EURO	89.14	0.96	7.11	0.08
Total	89.14	0.96	7.11	0.08

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

The management has identified certain enterprises which have provided goods and services to the Company and which qualify under the definition of 'Micro and Small Enterprises' as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Accordingly the disclosure in respect of the amounts payable to such enterprises as at 31st March 2025 and 31st March 2024 have been made in the financial statements based on information available with the Company and relied upon by the auditors.

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.12	4.63
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	0.63
(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	-	0.63
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.63

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**Summary of material accounting policies and other explanatory information
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(All amounts are in Rupees in Lakhs except for share data or other wise stated)

32. 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.

33. 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.

34. Earnings Per share

Particulars	31 st March 2025	31 st March 2024
Net profit/(loss) after Tax	(39.18)	(65.27)
Weighted average number of equity shares (No's)	30,00,600	30,00,600
Earnings per share from operations - Basic and diluted	(1.31)	(2.18)
Nominal Value of Equity Shares	10	10

35. Related Party Disclosures

Party where the Control Exists	Name of Related Party
Enterprises and their relatives exercise significant influence	M/s Yuken India Ltd
Fellow Associate	M/s Sai India Ltd
Fellow Subsidiary	M/s Coretec Engineering India Pvt Ltd
	M/s Grotek Enterprises India Pvt Ltd
	M/s Yuflow Engineering Private Limited
Relative of a Director	Mrs. S K Vijaya
Key Managerial Personnel	Mr. V Suresh Kannan

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

A. Transactions with related party during the period

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Enterprises and their relatives exercise significant influence		
M/s Yuken India Ltd		
Issue of Equity shares	-	-
Sales & Services	213.72	209.64
Purchase of Goods and Services	1,370.26	700.70
Rent paid	1.71	1.70
Expenses reimbursed	-	3.07
Sale of Fixed Assets	-	0.03
- Sales & Services effected during the year		
- Purchase made during the year		
Fellow Subsidiary		
M/s Grotek Enterprises India Pvt Ltd		
Purchase of Goods and Services	1.16	0.47
Sales & Services	0.39	-
Fixed Asset Purchase	-	5.31
Fellow Associate		
M/s Sai India Limited	-	
Purchase	19.75	2.48
Key Management Personnel		
Mr. Suresh Kannan		
Remuneration paid during the year	32.14	29.92
Mr. Suresh Kannan		
Vehicle Lease Rent	-	3.07
Vehicle Maintenance	0.22	0.02
Fuel Expense	3.73	3.46

B. Account balances with related at the end of the year

(₹ in Lakhs)

Particulars	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Balances at the end		
Other Current and Financial liabilities		
M/s Yuken India Ltd	1,109.30	432.89
Mr. Suresh Kannan	8.78	0.34
Corporate Guarantee		
M/s Yuken India Ltd	200.00	200.00

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**Summary of material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

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36. Financial Ratios

(₹ in Lakhs)

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for the variances
Current ratio (times)	Current assets	Current liabilities	0.97	1.01	-3.95%	
Debt-equity ratio (times)	Total Debt	Shareholder's Equity	2.15	1.51	42.20%	refer (a) below
Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	(0.01)	-		
Return on equity (%)	Net Profits after taxes	Average Shareholder's Equity	(0.42)	(0.49)	-14.64%	refer (a) below
Inventory turnover ratio (times)	COGS	Average inventory	1.73	1.88	-7.90%	refer (b) below
Trade receivables turnover ratio (times)	Revenue	Average Trade Receivable	6.30	6.27	0.50%	
Trade payable turnover ratio (times)	Purchases of services and other expenses	Average Trade Payables	28.93	16.84	71.77%	refer (c) below
Net capital turnover ratio (times)	Revenue	Working Capital	(31.13)	208.70	-114.92%	refer (d) below
Net profit ratio (%)	Net Profit	Revenue	(0.03)	(0.06)	-57.34%	refer (e) below
Return on capital employed (%)	Earning before interest and taxes	Capital Employed	(0.54)	(0.48)	12.07%	refer (f) below
Return on investment (%)	Income generated from investments	Time weighted average investments	No investments	No investments	NA	

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

Reason for the variances:

- (a) Due to losses incurred during the year when compared to previous year
- (b) Due to increase in COGS and Decrease in Inventory during the year when compared to last year
- (c) Due to increase in purchases and increase in average trade payables
- (d) Due to decrease in Working capital, Net capital Turnover Ratio has increased
- (e) Due to losses incurred during the year when compared to last year
- (f) Due to losses incurred during the year when compared to last year

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Summary of material accounting policies and other explanatory information for the year ended 31st March 2025 (cont'd)

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37. Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31st March 2025 were as follows: (₹ in Lakhs)

Particulars	Note No.	Amortised cost	FVTPL	FVTOCI
Assets :				
Cash and cash equivalents	8	16.00	-	-
Other financial assets				
(i) Security deposits	5a	0.10	-	-
Trade receivables	7	327.16	-	-
Total		343.26	-	-
Liabilities:				
Other financial liabilities				
(i) Trade payables	14	99.83	-	-
Total		99.83	-	-

The carrying value and fair value of financial instruments by categories as of 31st March 2024 were as follows: (₹ in Lakhs)

Particulars	Note No.	Amortised cost	FVTPL	FVTOCI
Assets :				
Cash and cash equivalents	8	11.99	-	-
Other financial assets				
(i) Security deposits	5a	0.10	-	-
Trade receivables	7	133.75	-	-
Total		145.84	-	-
Liabilities:				
Other financial liabilities				
(i) Trade payables	14	25.53	-	-
Total		25.53	-	-

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.

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**Summary of material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

38. 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.	31 st March 2025	31 st March 2024
		₹	₹
Financials measured at amortized costs:			
Financial assets			
Trade receivable *	7	327.16	133.75
Cash and cash equivalents and other bank balances			
Cash and cash equivalents #	8	16.00	11.99
Financial liabilities measured at amortized cost:			
Trade Payables *	14	99.83	25.53

*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.

39. 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:

(₹ in Lakhs)

Assets under Credit Risk	As at 31 st March 2025	As at 31 st March 2024
	₹	₹
Security deposits	0.10	0.10
Trade receivables	327.16	133.75
	343.26	145.84

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**Summary of material accounting policies and other explanatory information
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(All amounts are in Rupees in Lakhs except for share data or other wise stated)

A1 Trade and other receivables

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

A2 Cash and cash equivalents

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

Financial assets that are neither past due nor impaired

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

Financial assets that are past due but not impaired

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

(B) Liquidity risk

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

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

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

Maturities of financial liabilities

(₹ in Lakhs)

As at 31 st March 2025	Less than 1 year	1 year to 5 years	More than 5 years
Trade payables	99.83	-	-
	99.83	-	-
As at 31 st March 2024	Less than 1 year	1 year to 5 years	More than 5 years
Trade payables	25.53	-	-
	25.53	-	-

(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.

Kolben Hydraulics Limited

CIN - U29119KA2007PLC043340

**Summary of material accounting policies and other explanatory information
for the year ended 31st March 2025 (cont'd)**

(All amounts are in Rupees in Lakhs except for share data or other wise stated)

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

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	₹	₹
Accounting profit before tax and exceptional item	(50.22)	(63.72)
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	-	-
Reconciling items:		
Tax effect on permanent non-deductible expenses	-	-
Tax adjustments of Prior Years		-
Others	(11.04)	1.55
At the effective income tax rate of 27.82% (PY 27.82%)	(11.04)	1.55
Income tax expense reported in the Statement of Profit and Loss	(11.04)	1.55

41. Previous year figures

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

42. Additional Regulatory Information

- The Company has not revalued its property, plant and equipment (including the right of use assets) and intangible assets.
- No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or other lenders.
- Compliance with clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 with respect to layer of companies are not applicable to the company.
- The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period.
- The Company has not entered into any scheme of arrangement as per section 230 to 237 of the Companies Act, 2013.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

In terms of our report of even date attached

For V K A N & Associates

Chartered Accountants

Firm Regn. No: 014226S

Vishwas Deshmukh**Partner**

Membership No: 230806

Place: Bengaluru

Date: 23rd May 2025**For and on behalf of Board of Directors****H M Narasinga Rao**

Director

DIN: 00529717

Place: Bengaluru

Date: 23rd May 2025**V Suresh Kannan**

Director

DIN: 03280922

NOTES

A series of horizontal dotted lines for writing notes.