

Annual Report - 2024

DR AXION

SUBSIDIARY OF

Craftsman
— **AUTOMATION** —

Corporate Information

DR AXION INDIA PRIVATE LIMITED

CIN: U50300TN2006PTC061870

BOARD OF DIRECTORS

Mr. Srinivasan Ravi

Chairman and Managing Director (DIN: 01257716)

Mr. Kim Jong Seob

Joint Managing Director and Chief Executive Officer (DIN: 07382589)

Mr. Ravi Gauthamram

Director (DIN: 06789004)

Mr. Tamraparni Srinivasan Venkata Rajagopal

Independent Director (DIN: 07148250)

Mrs. Vijaya Sampath

Independent Director (DIN: 00641110)

Chief Financial Officer: Mr. C.B.Chandrasekar

Company Secretary: Mr. Shainshad Aduvanni

Statutory Auditors: PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai

Internal Auditors: Sukumar & Associates, Chartered Accountants, Chennai

Cost Auditors: Prasanna & Associates, Cost Accountants, Chennai

Secretarial Auditors: V. Sudarsan Babu & Associates, Practising Company Secretary, Chennai

COMMITTEES OF DIRECTORS

Audit Committee

Mr. Tamraparni Srinivasan Venkata Rajagopal, Chairman

Mrs. Vijaya Sampath, Member

Mr. Srinivasan Ravi, Member

Nomination and Remuneration Committee

Mrs. Vijaya Sampath, Chairperson

Mr. Tamraparni Srinivasan Venkata Rajagopal, Member

Mr. Ravi Gauthamram, Member

Corporate Social Responsibility Committee

Mr. Srinivasan Ravi, Chairman

Mrs. Vijaya Sampath, Member

Mr. Tamraparni Srinivasan Venkata Rajagopal, Member

BANKERS AND LENDERS

- HDFC Bank Limited
- Axis Bank Limited
- Yes Bank Limited

REGISTERED OFFICE

No.7 Othappai Village, Uthukkottai Taluk, Thiruvallur 602023, Tamil Nadu, India

Directors' Report

To
The Members,

The Directors are pleased to present the Eighteenth (18th) Annual Report of the Company together with the audited financial statements for the year ended 31st March, 2024.

In compliance with the applicable provisions of Companies Act, 2013, (including any amendments and statutory modification(s) thereof, for time being in force) ("Act"), this report covers the financial results and other developments during the financial year ended 31st March, 2024, in respect of DR Axion India Private Limited.

1. FINANCIAL HIGHLIGHTS & STATE OF AFFAIRS:

1.1 The financial performance of the Company for the financial year ended 31st March, 2024, is summarized below:

(₹ in Lakhs)

Particulars	Year ended	
	31.03.2024	31.03.2023
	Standalone	
Operating revenue	1,24,615	1,08,409
Other income	266	194
EBITDA	23,747	14,690
Less: Finance Cost	1,992	2,281
Less: Depreciation and Amortization	4,180	3,789
Profit before Tax (PBT)	17,575	8621
Less: Tax	3,886	2785
Profit after Tax for the year (PAT)	13,689	5,836

Standalone Financial Results:

During the Financial Year (FY) 2023-24, the Company has achieved income of ₹1,24,615 Lakhs as compared to ₹1,08,409 Lakhs in FY 2022-23. The profit before tax for FY 2023-24 stood at ₹17,575 Lakhs as compared to ₹8,621 Lakhs achieved in FY 2022-23. The profit after tax stood at ₹13,689 Lakhs for FY 2023-24 as compared to loss of the ₹5,836 Lakhs for the previous year.

2. DIVIDEND:

In order to conserve the resources for the future, the Board of Directors do not recommend any dividend for the FY 2023-24.

3. TRANSFER OF UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a Company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account

shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF").

In terms of the foregoing provisions of the Act, there is no dividend which remains outstanding or remain to be paid & require to be transferred to the IEPF by the Company during the year ended 31st March, 2024.

4. MAJOR EVENTS OCCURRED DURING THE FINANCIAL YEAR:

During the year under review, there were no major events occurred during the financial year.

5. SHARE CAPITAL:

During the year under review, the Company has not altered/modified the authorised share capital of the Company.

The Authorized Share capital of the Company is ₹1,37,50,00,000 consisting of ₹1,33,00,00,000 divided into 13,30,00,000 Equity Shares of ₹10 each and ₹4,50,00,000 divided into 45,00,000 preference shares of ₹10 each.

The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise and has not issued any sweat equity shares to its directors or employees of the Company.

Accordingly, the Paid-up Share Capital of the Company as on 31st March, 2024, is ₹1,12,84,95,150 divided into 11,28,49,515 Equity Shares of ₹10 each fully paid up.

6. RESERVES AND SURPLUS:

The Company has not transferred any amount to the Reserves for the FY ended 31st March, 2024.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In accordance with the requirements of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee and also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <https://www.draxionindia.com//>.

The Annual Report on CSR activities of the Company during the FY 2023-24 as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure – 1 to this Report.

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Material Changes and Commitments from the end of financial year under review:

There are no material changes and commitments in the nature of business affecting the financial position of the Company which occurred between the FY ended 31st March, 2024 to which the Financial Statements relates and till the date of signing of this report.

9. RISK MANAGEMENT POLICY:

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has formulated and adopted a Risk Management Policy. The Company has been consciously following a policy of risk mitigation by diversifying its products, services, markets and customers.

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES:

The Company has formulated a comprehensive Whistle Blower Policy in line with the provisions of Section 177(9) and Section 177(10) of the Companies Act, 2013 with a will to enable the stakeholders, including directors, individual employees to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company.

The mechanism provides adequate safeguards against victimization of directors or employees who avail of the mechanism. The Whistle Blower Policy has been placed in the website of the Company at <https://www.draxionindia.com//>.

11. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has in place a policy on prevention, prohibition and redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee has been constituted to redress the complaints received on the sexual harassment. All employees of the Company are covered under this policy.

The details of complaints received and disposed of during the financial year 2023-24 is as follows:

Sl. No.	Particulars	Remarks
(a)	Number of complaints of sexual harassment received in the year	Nil
(b)	Number of complaints disposed of during the year	Nil
(c)	Number of cases pending for more than ninety days	Nil
(d)	Number of workshops or awareness programme against sexual harassment carried out	2
(e)	Nature of action taken by the employer or District Officer	Nil

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has adopted a policy on Related Party Transactions. During FY 2023-24, all contracts/arrangements/transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Hence, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is not applicable.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

Pursuant to Section 186 of Companies Act, 2013, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements in notes of Financial Statements.

14. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR:

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2023-24.

15. 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 DURING THE FINANCIAL YEAR:

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There were no significant / material orders passed by the regulators or courts or tribunals during the FY 2023-24, impacting the going concern status and Company's operations in future.

17. ANNUAL RETURN:

Pursuant to Section 92(3) and 134(3)(a) of the Act the Annual Return of the Company prepared in accordance with Section 92(1) of the Act, read with Rule 11 of the Companies (Management and Administration) Rules, 2014 (as amended), is placed on the website of the Company and is accessible at the web-link <https://www.draxionindia.com//>.

18. PUBLIC DEPOSITS:

The Company has not accepted any deposits under Chapter V of the Act during the financial year under review and as such, no amount on account of principal or interest on deposits from public is outstanding as on 31st March, 2024.

19. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE:

As on 31st March, 2024, the company does not have any Subsidiary, Joint Venture company.

20. CHANGE IN NATURE OF BUSINESS:

During the year under review, there has been no change in the Company's nature of business.

21. DIRECTORS:

The Board of the Company is duly constituted and the Composition of the Board is as follows:

Sl. No.	Name of the Director	DIN	Designation
1.	Mr. Srinivasan Ravi	01257716	Chairman and Managing Director
2.	Mr. Kim Jong Seob	07382589	Joint Managing Director and Chief Executive Officer
3.	Mr. Ravi Gauthamram	06789004	Non Executive Director
4.	Tamraparni Srinivasan Venkata Rajagopal	07148250	Independent Director
5.	Vijaya Sampath	00641110	Independent Director

None of the directors of the Company is disqualified under the provisions of the Act.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ravi Gauthamram (DIN: 06789004), Mr. Kim Jong Seob (DIN:07382589), retires by rotation and being eligible, offers themselves for reappointment at the ensuing Annual General Meeting. Their re-appointment is placed for the approval of the members and forms part of the notice of the ensuing Annual General Meeting.

22. KEY MANAGERIAL PERSONNEL:

Pursuant to Section 203 of the Companies Act, 2013, the following persons have been designated as the Key Managerial Personnel (KMP) of the Company:

- Mr. Srinivasan Ravi, Chairman and Managing Director
- Mr. Kim Jong Seob, Joint Managing Director and Chief Executive Officer
- Mr. C.B.Chandrasekar, Chief Financial Officer
- Mr. Shainshad Aduvanni, Company Secretary

23. COMMITTEES:

As per the requirements of the Companies Act, 2013, the following committees were constituted and the composition, meeting of committees held during the year are as follows.

i. Audit Committee:

The Composition of the Audit Committee:

- Mr. Tamraparni Srinivasan Venkata Rajagopal, Independent Director (Chairman)
- Mrs. Vijaya Sampath, Independent Director (Member)
- Mr. Srinivasan Ravi, Chairman and Managing Director (Member)

During the FY 2023-24, the Audit Committee met four times on 22nd April, 2023, 17th July, 2023, 23rd October, 2023 and 22nd January, 2024.

ii. Nomination and Remuneration Committee:

The Composition of the Nomination and Remuneration Committee (NRC):

1. Mrs. Vijaya Sampath, Independent Director (Chairperson)
2. Mr. Tamraparni Srinivasan Venkata Rajagopal, Independent Director (Member)
3. Mr. Ravi Gauthamram, Non-Executive Director (Member)

iii. Corporate Social Responsibility Committee:

The Composition of the Corporate Social Responsibility Committee:

1. Mr. Srinivasan Ravi, Chairman & Managing Director (Chairman)
2. Mrs. Vijaya Sampath, Independent Director (Member)
3. Mr. Tamraparni Srinivasan Venkata Rajagopal, Independent Director (Member)

During the FY 2023-24, the CSR Committee met two times on 22nd April, 2023 and 22nd January, 2024.

24. INTERNAL FINANCIAL CONTROLS:

A. Internal Financial Controls and their Adequacy

In terms of Section 134(5)(e) of the Companies Act read with Rule 8(5)(viii) of Companies Accounts Rules 2014, the term Internal Financial Control means the policies and procedures adopted by a company for ensuring orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

Internal Control Over Financial Reporting (ICFR) remains an important component to foster confidence in a company's financial reporting, and ultimately, streamlining the process to adopt best practices. Your Company through Internal Audit Program is regularly conducting test of effectiveness of various controls. The ineffective and unsatisfactory controls are reviewed and remedial actions are taken immediately. The internal audit plan is also aligned to the business objectives of the Company. Further, the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework.

Adequate internal financial controls are in place which ensures the reliability of financial and operational information. The regulatory and statutory compliances are also ensured. The ERP solutions of Oracle enterprise wide resource platform is deployed in the Company. which enables the business processes and also ensures financial discipline and fosters accountability.

25. AUDITORS & AUDITORS REPORT:

A. Statutory Auditors

The Shareholders at their meeting held on 26th May, 2023, had appointed M/s.PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai (Firm Registration No:005610S) as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the 17th AGM (FY 2022-23) till the conclusion of 21th AGM (FY 2027-28).

B. Statutory Audit Report

There are no qualifications, reservations or adverse remarks made by M/s.PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai in their report for the financial year ended 31st March, 2024.

C. Internal Auditor

M/s.Sukumar & Associates, Chartered Accountants, Chennai, who were appointed as the internal auditors for the FY 2023-24 have carried out the internal audit for the FY 2023-24. Their internal audit reports for the FY2023-24 were reviewed by the Audit Committee.

D. Cost Auditor

During the Financial Year 2023-24, the Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company which were audited by Prasanna & Associates, Cost Accountants, Chennai, (Registration No. 102718).

In accordance with Section 148 of the Companies Act, 2013, the Board of Directors of the Company, re-appointed M/s.Prasanna & Associates, Cost Accountants, Chennai (Registration No. 102718) as the Cost Auditors of the Company to conduct the Audit of the Cost Accounting Records maintained by the Company for the Financial Year ending 31st March, 2024. M/s.Prasanna & Associates have confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3) read with Section 148(5) of the Companies Act, 2013.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s.Prasanna & Associates, Cost Auditor is included at item No.6 of the Notice convening the ensuing Annual General Meeting.

The Company is required to maintain the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are being maintained.

E. Secretarial Auditor and Secretarial Audit:

Pursuant to the Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s.V.Sudarsan Babu & Associates, Chennai as the Secretarial Auditors of the Company to undertake the Secretarial Audit of the Company for the FY 2023-24.

The Secretarial Audit Report, in form MR-3, forms part of the annexures to this Directors' Report as Annexure-2. The report does not contain any qualification, reservation, adverse remark or disclaimer.

F. Reporting of Frauds by Auditors:

During the year under review, the Statutory Auditors, Internal Auditors, Cost Auditors and the

Secretarial Auditors have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

26. MEETINGS OF THE BOARD:

During the FY 2023-24, the Board of Directors met Four times and the details of the meetings of the Board as below. The gap intervening between two meetings was within the time prescribed under the Companies Act, 2013.

Sl. No.	Type of Meeting	Date of Meeting
1.	Board Meeting	22.04.2023
2.	Board Meeting	17.07.2023
3.	Board Meeting	23.10.2023
4.	Board Meeting	22.01.2024

During the Calendar Year, the Board of Directors met 4 (Four) times and the details of the meetings of the Board as below:

Sl. No.	Type of Meeting	Date of Meeting
1.	Board Meeting	01.02.2023
2.	Board Meeting	22.04.2023
3.	Board Meeting	17.07.2023
4.	Board Meeting	23.10.2023

Details of attendance of meetings for the FY 2023-24 of the Board Meeting are as below:

Sl. No.	Name of Directors and Designation	Date of Appointment	Number of Board Meetings Entitled to Attend	Number of Board Meetings Attended
1.	Mr.Srinivasan Ravi, Chairman and Managing Director	01-02-2023	4	4
2.	Mr. Kim Jong Seob, Joint Managing Director and CEO	01-12-2015	4	4
3.	Mr. Ravi Gauthamram, Non-Executive Director	01-02-2023	4	4
4.	Mrs. Vijaya Sampath, Independent Director	01-02-2023	4	4
5.	Mr.Tamraparni Srinivasan Venkata Rajagopal, Independent Director	01-02-2023	4	4

27. MEETING OF INDEPENDENT DIRECTORS:

In terms of requirements under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on 25th March, 2024.

The Independent Directors at the meeting, inter alia, reviewed the following: -

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

28. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013, confirming compliance with the criteria of independence as stipulated thereunder.

All Independent Directors of the Company have affirmed compliance with the Schedule IV of the Act and Company's Code of Conduct for Directors and Employees for the FY 2023-24.

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ('IICA') towards the inclusion of their names in the data bank maintained with it and they meet the requirements of proficiency self-assessment test.

29. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non- Executive Directors have any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

30. PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEES

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Committees.

31. DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Company has on the recommendation of the Nomination & Remuneration Committee framed and adopted a Nomination and Remuneration Policy in terms of the Section 178 of the Act with effect from 1st February, 2023. The policy, inter alia lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel of the Company.

The Nomination & Remuneration Policy of the Company is available on the website of the Company at web-link <https://www.draxionindia.com//>.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies Accounts Rules, 2014 are as follows:

A) Conservation of energy:

I. Steps taken or impact on conservation of energy.

- Reduction of Power Consumption cost on green power:**

The company have invested in Group captive wind power generating companies. During the year under review, captive wind power consumption constitutes about 47.32% of the total power consumption (green power). This has resulted in a cost saving of ₹1.18 crores for the company.

- Compressor Energy Saving:**

By installing VFD Compressors, the Company has saved energy from 20 to 25%.

- Reduction in Melting Cost & Increase the Productivity.**

Four new melting machines, Burners, were installed with a capacity of 4.0 Tonnes per Hour. The melting capacity has simply doubled but with the same machine size. This has contributed to low cost due to reduced LPG consumption. Conversion of LPG to LNG for Melting Furnace. Installation of LNG system is under progress. Compared with LPG, LNG System savings will be 20% to 30% more.

The Company was utilizing the general 33 Kv EB line, which was approximately 23 kms away from the plant of DR axion. This led to more power interruptions. Hence the Company during the financial year 2023-24, converted the general 33 Kv EB line to a separate 33Kv EB line, which is now approximately 2 Kms away from the plant of DR Axion.

The following are the benefits due to above change in the EB line:

1. Reduced Diesel consumption
2. EB cost reduction
3. Increase in battery life of machines

II. Steps taken by the Company for utilizing alternate source of energy.

The Company during the year under review has utilized wind power & Thermal power from its group captive sources.

III. Capital investment on energy conservation equipment's

Mahindra & Mahindra supply Cylinder Head Casting Heat treatment furnace rotary type was purchased. LPG burner used had resulted in cost saving of 20% as compared to another Furnace. The space occupied by the machine is also less. LNG system installation is under process instead of LPG for Melting Furnace. Thus cost saving will be 20% to 30% more compared with LPG.

B) Technology Absorption:

In our plant (Die casting) latest technology is being deployed in all Machines This has contributed for the for the increased productivity & less rejection.

The expenditure incurred on Research and Development.

The Company has not incurred any expenditure on Research and Development.

C) Foreign Exchange earnings and Outgo:

Details of earnings accrued and expenditure incurred in foreign currency are as given below.

Foreign Exchange Earnings	Nil
Foreign Exchange Outgo	USD 321.03 Lakhs
	EURO 0.29 Lakhs

33. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to in Section 134 (3) (c) of the Companies Act, 2013, shall state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so

as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit 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 Companies Act, 2013 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 that such systems were adequate and operating effectively.

34. SECRETARIAL STANDARDS:

The Company is in compliance with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meeting.

35. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. It's an optimum mix of expertise (including financial expertise), leadership and professionalism.

36. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The details as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

37. CREDIT RATING:

During the year under review, CRISIL Limited, a credit rating agency registered with the Securities and Exchange Board of India has assigned Credit Ratings for the Long term and Short term bank facilities of DR Axion India Private Limited, Subsidiary of the Company as below:

Rating Action:

Sl. No.	Loan Facilities Rated	Ratings Assigned
1.	Long Term Rating	CRISIL AA-/Stable
2.	Short Term Rating	CRISIL A1+

38. CAUTIONARY STATEMENT:

The Directors' Report may contain certain statements on the Company's intent expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company bears no obligations to update any such forward looking statement. Some of the factors that could affect the Company's performance could be the demand and supply for Company's product and services, changes in Government regulations, tax laws, forex volatility etc.

Place: Coimbatore
Date: April 22, 2024

39. ACKNOWLEDGEMENTS:

The Directors take this opportunity to thank the private equity investors, bankers and the financial institutions for their cooperation and support to the operations and look forward for their continued support in future. The Directors also thank all the customers, vendor partners, and other business associates for their continued support during the year. The Directors place on record their appreciation for the hard work put in by all employees of the Company.

For and on behalf of the Board of Directors

Srinivasan Ravi

Chairman and Managing Director
DIN:01257716

Kim Jong Seob

Joint Managing Director & CEO
DIN: 07382589

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. BREIF OUTLINE OF CSR POLICY

DR Axion India Private Limited (DR Axion) as a corporate citizen and enterprise believes that businesses are built around strong social background and inclusive growth and it is bounden duty of the business to support the society, though voluntarily, in helping to improve the quality of living. DR Axion aims to do its business in a responsible manner and develop a sustainable business model. As a matter of minimum requirement, DR Axion would do its business in accordance with the laws that apply from time to time and adhere to applicable rules, regulations, policies and procedures.

DR Axion believes that creation of large societal capital is as important as wealth creation for its stakeholders. In order to achieve the same, every business entity must carry on its business in a responsible manner. There are certain guiding principles formulated in India originally as 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' notified by the Ministry of Corporate Affairs which could be followed. DR Axion believes that these principles actually constitute the fundamentals of Corporate Social Responsibility [CSR] of every enterprise engaged in business.

CSR Activities

DR Axion may undertake CSR activities of the following nature and may any other CSR activities as may be approved by the CSR Committee from time to time as are falling under schedule VII of the Companies Act, 2013.

i. Promotion of Health care

DR Axion may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections , families Below Poverty Line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, providing medical equipments, setting up of medical and diagnostic camps, free medicalAxion insurance for a group of people or families in the BPL category, projects or programs aimed at

eradicating poverty or malnutrition of women and children, pain and palliative care etc.

ii. Old Age homes /Day Care facilities for senior Citizens

DR Axion may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical Axion aid, food and accommodation.

iii. Promotion of Education

DR Axion may undertake projects or programs or activities aimed at the promotion of elementary to professional education and to support the students belonging to weaker sections of the society including SC/ST/OBCs by way of setting up schools, colleges, coaching centers, providing libraries, text books and other study materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognitions to successful candidates pursuing recognized examinations, scholarships or other forms of merit cum means assistance etc.

iv. Sanitation

DR Axion may undertake construction of public toilets, toilets in government run schools and other places and promote sanitation in public places, rural areas including garbage clearing and disposal.

Apart from the above thrust areas, DR Axion may undertake the following CSR Activities too depending upon needs:

- i. Improving the livelihood, employability and income generation of the communities around our units of DR Axion;
- ii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;

- iii. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- iv. Measures for the benefit of armed forces veterans, war widows and their dependents;
- v. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sport;
- vi. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- vii. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- viii. Rural development projects.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation in Committee	Designation / Nature of Directorship	Number of meetings of CSR Committee held during 2023-24	Number of meetings of CSR Committee attended during 2023-24
1	Srinivasan Ravi	Chairman	Chairman and Managing Director	2	2
2	Vijaya Sampath	Member	Independent Director	2	2
3	Tamraparni Srinivasan Venkata Rajagopal	Member	Independent Director	2	2
3	Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.			https://www.draxionindia.com/ .	
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).			Not Applicable	
5	(a) Average net profit of the company as per section 135(5)			₹39,59,15,256	
	(b) Two percent of average net profit of the company as per section 135(5)			₹79,19,000	
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years			NIL	
	(d) Amount required to be set off for the financial year, if any			NIL	
	(e) Total CSR obligation for the financial year (b + c - d).			₹79,19,000	
6	(a) Amount spent on CSR Projects:				
	(i) On going Project			NIL	
	(ii) Other than on going Project			As below	
	(b) Amount spent in Administrative Overheads.			NIL	
	(c) Amount spent on Impact Assessment, if applicable.			NIL	
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)].			₹80,29,212	

(a)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Construction of two class rooms, setting up four smart class rooms, providing bench & desk and setting up RO water facility at Panchayat Union Middle School, Attrambakkam.	Promotion of Education	Yes	Tamil Nadu	Thiruvallur	39,14,193	Yes	Nil	
2.	Construction of separate toilet for boys and girls, setting up two smart class rooms and RO water facility at Panchayat Union Middle School, Othappai.	Promotion of Education	Yes	Tamil Nadu	Thiruvallur	19,34,479	Yes	Nil	
3.	Setting up of two smart class rooms at Panchayat Union Primary School, Pennalurpet.	Promotion of Education	Yes	Tamil Nadu	Thiruvallur	3,32,276	Yes	Nil	
4.	Conducting Medical / Eye camp at Othappai and nearby village.	Health care	Yes	Tamil Nadu	Thiruvallur	5,73,429	Yes	Nil	
5.	Contribution for providing food to people of Othappai village during flood.	Disaster Management	Yes	Tamil Nadu	Thiruvallur	5,775	Yes	Nil	
6.	Setting up of one smart class room & providing bench and desk at Panchayat Union Primary School, Venkataapuram.	Promotion of Education	Yes	Tamil Nadu	Thiruvallur	2,71,512	Yes	Nil	
7.	Setting up of one smart class room at Panchayat Union Primary School, Neyveli.	Promotion of Education	Yes	Tamil Nadu	Thiruvallur	1,66,138	Yes	Nil	
8.	Setting up of three smart class rooms at Govt High School, Sathurangapettai.	Promotion of Education	Yes	Tamil Nadu	Thiruvallur	4,98,414	Yes	Nil	
9.	Setting up of two smart class rooms at Govt Higher Secondary School, Poondi.	Promotion of Education	Yes	Tamil Nadu	Thiruvallur	3,32,276	Yes	Nil	
Total						80,29,212			

(e) CSR amount spent or unspent for the financial year 2023-24:

Total Amount Spent for the Financial Year 2023-24 (₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹80,29,212	NIL	NA			

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹79,19,000
(ii)	Total amount spent for the Financial Year	₹80,29,212
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹1,10,212
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹1,10,212

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
					Nil		Nil

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - No

If Yes, enter the number of Capital assets created / acquired: Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
					Not Applicable		

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):
Not Applicable

The CSR Committee of the Board of Directors acknowledges the responsibility for the implementation and monitoring the CSR Policy and accordingly state that the same is in compliance with CSR objectives and Policy of the Company and the Company has complied with all the requirements in this regard.

Place: Coimbatore
Date: April 22, 2024

Srinivasan Ravi
Chairman of CSR Committee
DIN:01257716

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(For the Financial Year ended 31st March, 2024)

[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,

DR AXION INDIA PRIVATE LIMITED

CIN: U50300TN2006PTC061870

(Subsidiary of Craftsman Automation Limited)

No.7, Othappai Village, Uthukkottai Taluk,

Thiruvallur, Tamil Nadu -602023.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DR AXION INDIA PRIVATE LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted for the financial year ended on 31st March, 2024 in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 secretarial audit, I hereby report that in my opinion, during the audit period covering the Financial year ended on 31st March, 2024, the Company has 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:

I 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, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder **-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 thereunder to the extent of Foreign Direct Investment and External Commercial Borrowing;
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 **-Not applicable**
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;**-Not applicable**
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **-Not applicable**
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**-Not applicable**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-**Not applicable**

- g) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client-**Not applicable**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-**Not applicable**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998-**Not applicable**

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI");

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

I further also report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors.

Adequate notice was given to all Directors to schedule the Board Meetings, and other committee meetings along with the agenda and detailed notes on agenda were sent at least seven days in advance, though the detailed notes on agenda were provided at a shorter notice and certain matters tabled at the Board Meeting with the consent of all Directors present at the relevant meeting. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case maybe.

I 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.

Place: Chennai

Date: April 22, 2024

Name of Company Secretary in practice V. Sudarsan Babu
V. Sudarsan Babu & Associates

Membership No. 55465

COP. No. 20590

Peer Review Certificate No. 3757/2023

ICSI UDIN No. A055465F000205494

Independent Auditors' Report

To the Members of
DR Axion India Private Limited
Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of DR Axion India Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and 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 "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the 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, 2024, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors' report thereon.

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

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

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

RESPONSIBILITIES OF THE MANAGEMENT AND BOARD OF DIRECTORS FOR FINANCIAL STATEMENTS

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management and Board of Directors 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

OTHER MATTER

The audited financial statements of the Company for the corresponding year ended March 31, 2023 prepared in accordance with Ind AS included in these financial statements, have been audited by the predecessor auditors whose audit report dated April 22, 2023 expressed an unmodified opinion on those audited financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 and as stated in the paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above and paragraph (h (vi)) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company The Company does not have any pending litigations as at 31st March 2024 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 during the year ended March 31, 2024; and
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no

funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (c) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. The Company has not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.
- vi. Relying on representations/explanations from the company and software vendor and based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts, 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 respective software. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

UDIN : 24024105BKAOEE3609

Place : Chennai

Date : April 22, 2024

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of DR Axion India Private Limited ("the Company") on the financial statements as of and for the year ended March 31, 2024.

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company or in the name of M/s DR Enterprise Automotive Private Limited which name was changed vide MCA order dated 3rd March 2020 to the present name of the company. In respect of immovable property of land that have been taken on lease and disclosed as leasehold land under right of use assets in the financial statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year and hence this clause is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The inventory, except goods in transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records are not 10% or more in the aggregate for each class of inventory.
- b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the unaudited books of account of the Company for respective quarters.
- (iii) Based on our audit procedures, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, Accordingly, paragraph 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments, nor has it given loans or provided guarantee or security to which provisions of Sections 185 of the Companies Act, 2013 apply. In respect of investments, in our opinion, as the Company has not made any investments during the year, reporting on provisions of Section 186 of the Act do not apply.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. Accordingly, paragraph 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/services of the Company. We have broadly reviewed the books of account maintained by the Company as specified under sub section (1) of section 148 of the Act, for maintenance of cost records in respect of the products manufactured by the Company, 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 cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of statutory dues were in arrears, as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- (viii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.
- (ix) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained;
- (d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long term purposes.
- (e) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any subsidiary, associate or joint venture and hence the question of the Company taking loan from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies does not arise. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company
- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any subsidiary, associate or joint venture and hence the question of the Company raising any loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by secretarial auditor or by cost auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government of India for the period covered by our audit.
- (c) As represented to us by the management, there are no whistle blower complaints received during the year by the Company.

- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors of the Company issued till date for the period under audit.
- (xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) Based on our audit procedures and 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 Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and there has been no issues, concerns or objections raised by the outgoing auditors.
- (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 Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all 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 have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under Clause 3(xx) of the Order is not applicable to the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

S. Rajeshwari
Partner

Membership No. 024105
UDIN : 24024105BKAOEE3609

Place : Chennai
Date : April 22, 2024

Annexure B

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

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of DR Axion India Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 "Guidance Note"). 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 with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to financial

statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

UDIN : 24024105BKAOEE3609

Place : Chennai

Date : April 22, 2024

Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	1.1	28,987	30,602
Capital Work in progress	1.2	1,409	1,498
Intangible assets	1.3	2	2
Right-of-use Asset	1.4	97	121
Financial assets			
Investments	1.5	47	51
Security Deposits	1.6	430	257
Other Financial assets	1.7	10	10
Non Current tax assets (Net)	1.8	-	21
Other non-current assets	1.9	46	131
		31,028	32,693
Current assets			
Inventories	1.10	19,285	16,709
Financial assets			
Trade receivables	1.11	17,513	16,537
Cash and cash equivalents	1.12	2,948	394
Other bank balances	1.13	2	5
Security Deposits	1.14	-	-
Other Financial assets	1.15	4	10
Other Current assets	1.16	548	458
		40,300	34,113
Total Assets		71,328	66,806
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	1.17	11,285	11,285
Other Equity	1.18	27,642	14,029
		38,927	25,314
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	1.19	10,628	12,807
Lease Liabilities	1.20	91	104
Deferred tax liabilities (Net)	1.21	1,144	1,824
		11,863	14,735
Current liabilities			
Financial Liabilities			
Borrowings	1.22	3,712	3,250
Lease Liabilities	1.23	13	11
Trade payables	1.24		
(a) total outstanding dues of micro enterprises & small enterprises		659	97
(b) total outstanding dues of creditors other than micro enterprises & small enterprises		13,308	14,975
Other current Financial Liabilities	1.25	1,028	4,926
Other current liabilities	1.26	1,277	3,324
Provisions	1.27	310	174
Current tax liabilities (Net)	1.28	231	-
		20,538	26,757
Total Equity and Liabilities		71,328	66,806

The accompanying notes form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Firm Registration No. 003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

Place : Chennai

Date : April 22, 2024

For and on behalf of the Board

S Ravi

Chairman & Managing Director

DIN : 01257716

Place : Thiruvallur

Date : April 22, 2024

Shainshad Aduvanni

Company Secretary

M.No.A27895

Place : Coimbatore

Date : April 22, 2024

Kim Jong Seob

Joint Managing Director & CEO

DIN : 07382589

Place : Thiruvallur

Date : April 22, 2024

C. B.Chandrasekar

Chief Financial Officer

Place : Coimbatore

Date : April 22, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue From Operations	2.1	1,24,615	1,08,409
Other Income	2.2	266	194
Total Income		1,24,881	1,08,603
EXPENSES			
Cost of materials consumed	2.3	82,779	73,439
Changes in inventories of finished goods and work-in-progress	2.4	(4,275)	1,226
Employee benefits expense	2.5	3,750	2,945
Finance costs	2.6	1,992	2,281
Depreciation and amortization expense	2.7	4,180	3,789
Other expenses	2.8	18,880	16,302
Total expenses		1,07,306	99,982
Profit before exceptional items and tax		17,575	8,621
Exceptional items		-	-
Profit before tax		17,575	8,621
Tax expense:			
(1) Current tax for the year		4,541	2,693
(2) Current tax pertaining to earlier years		-	(2)
(3) Deferred tax		(655)	94
Profit for the year		13,689	5,836
Other Comprehensive Income ('OCI')			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(101)	8
(ii) Income tax relating to items that will not be reclassified to profit or loss		25	(3)
Other Comprehensive Income for the year, net of tax		(76)	5
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		13,613	5,841
Earnings per equity share Basic & Diluted (Face value of ₹10/-)		12.13	5.17

The accompanying notes form an integral part of the financial statements

This is the Statement of Profit & Loss referred to in our report of even date

For PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Firm Registration No. 003990S/S200018

For and on behalf of the Board

S. Rajeshwari

Partner

Membership No. 024105

Place : Chennai

Date : April 22, 2024

S Ravi

Chairman & Managing Director

DIN : 01257716

Place : Thiruvallur

Date : April 22, 2024

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Company Secretary

M.No.A27895

Place : Coimbatore

Date : April 22, 2024

Kim Jong Seob

Joint Managing Director & CEO

DIN : 07382589

Place : Thiruvallur

Date : April 22, 2024

C. B.Chandrasekar

Chief Financial Officer

Place : Coimbatore

Date : April 22, 2024

Cash Flow Statement

for the Year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation ('PBT')	17,575	8,621
Adjustments to reconcile PBT to net cash flows:		
Depreciation and amortization expense	4,180	3,789
Gain on sale of property, plant and equipment	(50)	
Exchange difference on transaction/translation (loss/(gain))	(210)	458
Provision for :		
Rejection & Provision	50	66
Slow moving inventory	-	65
Unamortised Processing Fee - Borrowings	8	-
Interest income (including fair value changes in financial instruments)	(5)	(189)
Interest expense (including fair value changes in financial instruments)	1,992	1,892
Operating cash flow before changes in working capital	23,540	14,702
Adjustments for:		
Increase/ (Decrease) in provisions	(15)	(15)
Increase/ (Decrease) in other financial liabilities	(895)	611
Increase/ (Decrease) in other current liabilities	(2,046)	2,281
Increase/ (Decrease) in Trade Payables and other Payables	(895)	7,753
(Increase)/ Decrease in other financial assets	(167)	3,374
(Increase)/ Decrease in other current assets	(87)	(327)
(Increase)/ Decrease in trade and other receivables	(976)	(5,705)
(Increase)/ Decrease in inventories	(2,576)	(7,079)
Cash generated from operations	15,883	15,595
Income taxes paid	(4,289)	(1,901)
Net cash from operating activities - A	11,594	13,694
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Purchase of property, plant and equipment	(5,523)	(3,217)
Purchase of Intangible	-	0
Proceeds from sale of equipment	202	-
(Purchase) / Sale of shares	4	(5)
Interest received	5	189
Net cash used in investing activities - B	(5,312)	(3,033)

Cash Flow Statement (Contd.)

for the Year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	1,524	2,705
Repayment of borrowings	(3,249)	(3,732)
Net proceeds from short-term borrowings	-	(8,582)
Principal payments towards lease liability	(11)	(23)
Interest paid (incl. interest on lease liability)	(1,992)	(1,901)
Net cash used in financing activities- C	(3,728)	(11,533)
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	2,554	(872)
Cash and cash equivalents at beginning of year	394	1,266
Cash and cash equivalents at end of year	2,948	394

Notes: 1. Reconciliation of Cash & Cash equivalents as per Cash Flow Statement

Refer note 1.19 Net Debt Reconciliation

Cash & cash equivalents consists of:	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents (Note 1.12)	2,948	394
Overdraft	-	-
Total	2,948	394

The accompanying notes form an integral part of the financial statements

This is the Statement of Cash Flows referred to in our report of even date

For PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Firm Registration No. 003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

Place : Chennai

Date : April 22, 2024

For and on behalf of the Board

S Ravi

Chairman & Managing Director

DIN : 01257716

Place : Thiruvallur

Date : April 22, 2024

Shainshad Aduvanni

Company Secretary

M.No.A27895

Place : Coimbatore

Date : April 22, 2024

Kim Jong Seob

Joint Managing Director & CEO

DIN : 07382589

Place : Thiruvallur

Date : April 22, 2024

C. B.Chandrasekar

Chief Financial Officer

Place : Coimbatore

Date : April 22, 2024

Statement of Changes in Equity

for the Year ended March 31, 2024

a. Equity Share Capital

(₹ in Lakhs)

Particulars	Balance at the beginning of April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the period	Balance As at March 31, 2024
	11,285	-	-	-	11,285

a. Equity Share Capital

Particulars	Balance at the beginning of April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the period	Balance As at March 31, 2023
	10,846	-	-	439	11,285

b. Other Equity

Particulars	Reserves and Surplus			Other Reserves		Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	
Balance as at April 1, 2022	5,087	-	3,101	-	-	8,188
Profit for the year	-	-	5,836	-	-	5,836
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-
- Defined Benefit Plan	-	-	5	-	-	5
Total Comprehensive Income for the year	-	-	5,841	-	-	5,841
Issues of shares	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Balance as at March 31, 2023	5,087	-	8,942	-	-	14,029
Profit for the year	-	-	13,689	-	-	13,689
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-
- Defined Benefit Plan	-	-	(76)	-	-	(76)
Total Comprehensive Income for the period	-	-	13,613	-	-	13,613
Issues of shares	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Balance as at March 31, 2024	5,087	-	22,555	-	-	27,642

The accompanying notes form an integral part of the financial statements

For PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Firm Registration No. 003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

Place : Chennai

Date : April 22, 2024

For and on behalf of the Board

S Ravi

Chairman & Managing Director

DIN : 01257716

Place : Thiruvallur

Date : April 22, 2024

Shainshad Aduvanni

Company Secretary

M.No.A27895

Place : Coimbatore

Date : April 22, 2024

Kim Jong Seob

Joint Managing Director & CEO

DIN : 07382589

Place : Thiruvallur

Date : April 22, 2024

C. B.Chandrasekar

Chief Financial Officer

Place : Coimbatore

Date : April 22, 2024

Material Accounting Policies Ans Notes To Financial Statements

A. CORPORATE INFORMATION

M/s. DR Axion India Private Limited ('the Company') (CIN: U50300TN2006PTC061870) was incorporated under the Companies Act 1956 on December 27, 2006, having its registered office at No.7, Othappai Village, Uthukottai Taluk, Thiruvallur, Tamil Nadu - 602023. The Company is a subsidiary of M/s. Craftsman Automation Limited, India which holds (76%) of the share capital of the Company. The company has been incorporated to engage in manufacture of cylinder head products, engines and caters primarily to automotive system and component manufacturing industries.

B. MATERIAL ACCOUNTING POLICIES STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of Companies Act, 2013.

Changes in Accounting Standards

There were certain amendments to the Accounting Standards which were applicable from this financial year, namely.

- i. Ind AS 101 – First time adoption of Ind AS – Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with ROU assets, lease liabilities, decommissioning/restoration / similar liabilities.
- ii. Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.
- iii. Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- iv. Ind AS 8 – Accounting policies, changes in accounting estimate and errors- – Clarification on what constitutes an accounting estimate provided.
- v. Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

None of these amendments had any significant effect on the company's financial statements, except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

Changes in Accounting Standards that may affect the Company after 31st March 2024

New Accounting Standards/Amendments notified but not yet effective:

During the year ended March 31st 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

B1. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared on accrual and going concern basis. All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments and defined benefit plans that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Functional currency is the currency of the primary economic environment in which the entity operates. Presentation currency is the currency in which the financial statements are presented. The financial statements are presented in Indian Rupees which is the functional currency and presentation currency of the Company and all values are rounded to the nearest lakhs, except where otherwise indicated.

B2. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting policies which have the most significant effect on the figures disclosed in the financial statements are mentioned below and these should be read in conjunction with the disclosure of the significant Ind AS accounting policies provided below:

i. Useful life of Property, Plant and Equipment and Intangibles

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and

expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located needs significant judgement by the management. In case of intangible assets the useful life is determined based on the period over which future economic benefit will flow to the Company.

ii. Income Taxes and Deferred Tax

The calculation of income taxes requires judgement in interpreting tax rules and regulations. Management judgement is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognised. The Company estimates the possible utilisation of unabsorbed losses while recognising deferred tax asset considering the future business plans and economic environment.

iii. Measurement of defined benefit obligations

Gratuity actuarial valuation considers various assumptions which are based on the past experience and general economic conditions.

iv. Measurement and likelihood of occurrence of provisions and contingencies

The provision for warranty and rejection have been done based on past experiences, product lifecycle maturity, reprocessing/ repair cost.

v. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate.

vi. Inventory Valuation

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price,

estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend.

Inventories are written down to NRV where such NRV is lower than their cost.

B3. PROPERTY, PLANT AND EQUIPMENT

Recognition and Measurement

All Property Plant & Equipment (PPE) are stated at cost of acquisition / installation as adjusted for import duty waivers and foreign exchange losses / gains less accumulated depreciation and impairment losses.

Cost of acquisition / installation includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable costs of bringing the asset to working condition for its intended use (inclusive of non-refundable purchase taxes and duties).

Subsequent expenditure relating to an item of PPE is capitalised if it meets the recognition criteria.

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Depreciation on Property, Plant and Equipment

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated on straight-line basis over its useful life.

Useful life of various tangible assets

Sl. No.	Major Head	Useful Life (Years)
1	Land	No Depreciation
2	Plant & Machinery	8
3	Mould	10
4	Furniture and Fittings	10
5	Office Equipment	5
6	Computer and Data processing Units	3
7	Pallet	5
8	Buildings (Factory)	30
9	Buildings-Others (temporary structures)	3
10	Vehicles	8
11	Electrical Installation and Equipment's	10

De-recognition:

An item of PPE is de-recognised at the time of its disposal or when it is assessed that no future economic benefit would accrue from it. The gain/ loss arising out of such disposal/retirement is taken to Statement of profit and loss

B4 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset with finite useful life that are acquired separately and where the useful life is 1 years or more is capitalised and carried at cost less accumulated amortization. Amortization is recognised on a straight-line basis over the useful life of the asset. The class of asset and the estimated useful life is as follows

Description of the asset	Useful life and basis of amortization
Software - Acquired	5 Years

B5. IMPAIRMENT OF ASSETS

At the end of each reporting period, the company determines whether there is any indication that its assets (tangible and intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

B6. LEASES

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.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Land. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through-out the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements

in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments are presented as follows in the Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

B7. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss.

Classification of financial assets

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

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

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

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

Subsequent Measurement:

- i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortized cost using the effective interest method.

Effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- ii) Financial assets (i.e., derivative instruments and investments in instruments other than equity of joint ventures) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in other comprehensive income.

In respect of investment in equity share capital of group captive power companies which are made to comply with the provisions of Electricity Rules 2003, these investments are carried at cost as these investments can be sold back only at par.

iii) Trade receivables

Trade receivables are initially recognised at transaction price.

Subsequently, these assets are held at amortized cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to lifetime expected losses i.e., expected cash shortfall.

Impairment of financial assets:

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

De-recognition of financial asset

Financial assets are de-recognized when the contractual right to cash flows from the financial asset expires or the financial asset is transferred, and the transfer qualifies for De-recognition. On De-recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of De-recognition) and the consideration received (including any new asset obtained less any new liability Assumed) shall be recognized in the statement of profit and loss (except for equity instruments designated as FVTOCI).

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortized cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as a part of cost of an asset is included in the "Finance Costs."

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

B8. INVENTORIES

The Company determines the cost for items that are not interchangeable or that have been segregated for specific contracts on an individual-item basis as per Ind AS 2, 'Inventories'. The cost of other inventory items used is assigned by using weighted average cost formula.

The Company uses the same cost formula for all inventories of similar nature and use. The cost formula used is applied on a consistent basis from period to period.

Inventories are initially recognised at the lower of cost and net realisable value (NRV). Cost of inventories includes import duties, nonrefundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items.

NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

- i) Raw materials, components, stores and spares of inventory are measured at weighted average cost. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- ii) Work in progress and finished goods are valued at cost or Net Realisable Value whichever is lower. Cost includes direct materials, labour and a portion of manufacturing overheads.
- iii) Saleable scrap is valued at lowest of the net realisable value in the last two months.
- iv) Provision is made for obsolete, non – moving and defective stocks wherever necessary.

B9. PROVISIONS

The Company recognises a provision when there is a present obligation to transfer economic benefits as a result of past events, it is probable (more likely than not) that such a transfer will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Provision for Rejection:

Provision for rejection on sales is recognised once the products are sold. Materials are rejected due to various reasons and are either re processed or replaced to the customers depending on the type of rejections. These rejections get fulfilled within a period of 3 months and the provisions represent the present value of management's best estimate of possible rejections within the next one quarter.

Provision for Warranty:

Provisions for expected cost of warranty obligations are recognised based on management's best estimate of the expenditure required to settle the obligation which

takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

A contingent liability is

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

B10. REVENUE RECOGNITION

Sale of Goods & Rendering of Services

Revenue is recognised when a promise in a customer contract (performance obligation) 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 sales 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. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Other Operating revenues

Other operating revenues comprise income from ancillary activities incidental to the operations of the Company and are recognised when the right to receive the income is established as per the terms of the contract.

B11. EMPLOYEE BENEFITS

Defined contribution plans

Provident fund (PF)

Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

The three labour codes, the Occupational Health, Safety and Working Conditions Code 2020, the Industrial Relations Code 2020 and the Code on Social Security 2020 have been passed by the parliament and have also received the assent of the President of India on 28 September 2020. However, the date on which these Codes will come into effect has not been notified. The Company will assess the impact of these Codes and will record any related impact in the period these Codes become effective.

Defined benefit plans (Gratuity)

Accounting for defined benefit plans is based on actuarial assumptions and different valuation methods to measure the balance sheet obligation and the expense.

Where defined benefit plans are funded, the plan assets are measured at fair value. At each balance sheet date, the plan assets and the defined benefit obligations are remeasured. The Statement of Profit and Loss reflects the change in the surplus or deficit, except for contributions made to the plan and benefits paid by the plan, along with business combinations and remeasurement gains and losses. Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognised in other comprehensive income.

The defined benefit costs are comprised of the following individual components:

- Service costs (including current and past service costs as well as gains/losses on curtailments and settlements)
- Net interest costs or income
- Re-measurement

The Company presents the first two components of defined benefit costs in profit and loss in the line item 'Employee benefits expense.' Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprises actuarial gains/ losses (i.e., changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short-term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Earned leave encashment

Earned leave payments are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy. All leave remaining to be encashed at period end are fully provided.

B12. INCOME TAXES

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefit, in the form of adjustment to future tax liability, is considered as an asset in the Balance Sheet. The carrying amount of MAT is reviewed at each reporting date and the asset would be written down to the extent the Company's right of adjustment would lapse.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities

in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

B13. STATEMENT OF CASH FLOWS

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

- (i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

Notes to Financial Statements

for the Period ended March 31, 2024

1.1 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Asset Category	Freehold land	Building	Plant & Machinery	Electrical Fittings	Office Equipment	Furniture & Fixtures	Computers	Vehicles	Property, Plant & Equipment Total
Gross Block									
At April 1, 2022	318	9,219	40,597	2,337	389	96	56	62	53,074
Additions	-	3	6,323	125	136	-	35	-	6,622
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2023	318	9,222	46,920	2,462	525	96	91	62	59,696
Additions	47	357	2,136	-	104	14	34	-	2,692
Disposals	-	-	168	-	-	-	-	-	168
At March 31, 2024	365	9,579	48,888	2,462	629	110	125	62	62,220
Depreciation									
At April 1, 2022	-	1,764	21,895	1,216	307	60	48	34	25,324
Additions	-	296	3,279	154	25	5	4	7	3,770
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2023	-	2,060	25,174	1,370	332	65	52	41	29,094
Additions	-	320	3,614	143	51	5	15	7	4,155
Disposals	-	-	16	-	-	-	-	-	16
At March 31, 2024	-	2,380	28,772	1,513	383	70	67	48	33,233
Carrying Value									
At March 31, 2023	318	7,162	21,746	1,092	193	31	39	21	30,602
At March 31, 2024	365	7,199	20,116	949	246	40	58	14	28,987

Notes to Financial Statements

for the Period ended March 31, 2024

1.2 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Asset Category	Tangible - CWIP	Intangible - CWIP	Total Capital Work in Progress
Gross Block			
At April 1, 2022	2,663	-	2,663
Additions	6,287	-	6,287
Disposals	7,452	-	7,452
At March 31, 2023	1,498	-	1,498
Additions	-	-	-
Disposals*	89	-	89
At March 31, 2024	1,409	-	1,409
Impairment of CWIP	-	-	-
At March 31, 2024	-	-	-
At March 31, 2023	1,498	-	1,498
At March 31, 2024	1,409	-	1,409

* includes 3.6 Lakhs expensed during the year

1.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Asset Category	Computer Software	Intangible Assets Total
Gross Block		
At April 1, 2022	6	6
Additions	-	-
Disposals	-	-
At March 31, 2023	6	6
Additions	1	1
Disposals	-	-
At March 31, 2024	7	7
Depreciation		
At April 1, 2022	4	4
Additions	-	-
At March 31, 2023	4	4
Additions	1	1
At March 31, 2024	5	5
Carrying Value		
At March 31, 2023	2	2
At March 31, 2024	2	2

Notes to Financial Statements

for the Period ended March 31, 2024

1.4 RIGHT-OF-USE ASSETS (Land)

(₹ in Lakhs)

Asset Category	Right-of-use Asset
Gross Block	
At April 1, 2022	55
Additions	118
Disposals	51
At March 31, 2023	122
Additions	
Disposals	
At March 31, 2024	122
Depreciation	
At April 1, 2022	18
Additions	13
Disposals	30
At March 31, 2023	1
Additions	24
Disposals	-
At March 31, 2024	25
Carrying Value	
At March 31, 2023	121
At March 31, 2024	97

FINANCIAL ASSETS

NOTE No. 1.5

NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unquoted investment		
(i) Kamachi Industries Ltd (298800 Equity Shares of ₹10 each fully paid-up)	30	30
(ii) NSL Wind Power Company(Phoolwadi) Pvt Ltd (1,68,905(2,06,905) Equity Shares of ₹10 each fully paid-up)	17	21
Total	47	51

NOTE No. 1.6

SECURITY DEPOSITS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good		
Rent Deposit	24	-
Other Deposits	406	257
Total	430	257

Notes to Financial Statements

for the Period ended March 31, 2024

NOTE No. 1.7

OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposit with Bank having Original Maturity more than 12 months*	10	10
Total	10	10

*Given as Gurantee to Total Energies Marketing India Pvt. Ltd.

NOTE No. 1.8

NON CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance payment of income tax less provisions	-	21

NOTE No. 1.9

OTHER NON CURRENT ASSETS

Unsecured, considered good unless otherwise stated

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	46	131
Less: Provision for doubtful advances to supplier	-	-
Total	46	131

NOTE No. 1.10

INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials, Components and Consumables	8,448	10,607
Work-in-progress	6,071	2,996
Finished goods	2,006	806
Consumable Stores*	419	324
Machinery Spares*	2,336	1,520
Packing Materials	5	3
Stock in transit	-	453
Total	19,285	16,709

*Slow moving inventories identified and made provision in the current year ₹46.48 lakhs which is grouped under cost of material consumed (previous year is ₹64.98 lakhs)

** Measured at Cost or NRV whichever is less.

Notes to Financial Statements

for the Period ended March 31, 2024

NOTE No. 1.11

TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivable		
Considered good - Secured	-	-
Considered good - Unsecured	17,513	16,537
Significant increase in Credit Risk	-	-
Credit impaired	-	-
Less: Allowances for credit impairment	-	-
Total	17,513	16,537

Receivables from Related parties refer note: 3.8

NOTE No. 1.12

CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Balances with banks	2,948	394
b. Cash on hand	-	-
Total	2,948	394

NOTE No. 1.13

OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Bank Deposits (Original maturity more than 3 months but less 12 months)	2	5
Total	2	5

NOTE No. 1.14

SECURITY DEPOSIT-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	-	-

NOTE No. 1.15

OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest receivable	-	10
Other receivable	4	-
Total	4	10

Notes to Financial Statements

for the Period ended March 31, 2024

NOTE No. 1.16

OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Balances with Government Authorities	422	83
Advance to Suppliers (Other than Capital Goods)	115	11
Prepaid Expenses	11	17
Others	-	347
Total	548	458

NOTE No. 1.17

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Authorised				
Equity Shares of ₹10 each	13,30,00,000	13,300	13,30,00,000	13,300
Compulsory Convertible Preference Shares of ₹10 each	45,00,000	450	45,00,000	450
Issued, called, subscribed & Paid Up				
Equity Shares of ₹10 each	11,28,49,515	11,285	11,28,49,515	11,285
Total	11,28,49,515	11,285	11,28,49,515	11,285

The movement of equity shares is as below

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	11,28,49,515	11,285	10,84,63,659	10,846
Additions due to issue of shares	-	-	43,85,856	439
Shares outstanding at the end of the year	11,28,49,515	11,285	11,28,49,515	11,285

Rights, Preferences and Restrictions to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the shareholders will be entitled to receive the remaining assets of the Company, in proportion to their shareholding.

(₹ in Lakhs)

Shareholders' holding more than 5 percent equity shares	As at March 31, 2024	
	No. of Shares held	% of Holding
Name of the equity shareholder		
Craftsman Automation Limited., India	8,57,65,571	76%
Daerim International Co. Ltd., South Korea	2,70,83,884	24%
Total	11,28,49,515	100%

Shareholders' holding more than 5 percent equity shares	As at March 31, 2023	
	No. of Shares held	% of Holding
Name of the equity shareholder		
Craftsman Automation Limited., India	8,57,65,571	76%
Daerim International Co. Ltd., South Korea	2,70,83,884	24%
Total	11,28,49,505	100%

Notes to Financial Statements

for the Period ended March 31, 2024

Details of Promoter's shareholding in the company

(₹ in Lakhs)

Name of the Promoter	As at March 31, 2024			As at March 31, 2023		
	No. of Shares held	% of Holding	% Change	No. of Shares held	% of Holding	% Change
Promoter						
Craftsman Automation Limited	8,57,65,571	76%	0%	8,57,65,571	76%	572%

For the period of five years immediately preceding the balance sheet date

The Company has not allotted any shares pursuant to contracts without payment being received in cash

The Company has not bought back any shares

The Company has not issued any bonus shares

NOTE No. 1.18

OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Reserves & Surplus			
Securities Premium	A	5,087	5,087
General Reserves	B	-	-
Retained Earnings	C	22,555	8,942
Total Reserves & Surplus (A+B+C)		27,642	14,029
Total		27,642	14,029

Additions and Deductions since the last balance sheet date:

(i) Securities Premium Account

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Opening balance		5,087	5,087
Closing balance		5,087	5,087

(ii) General Reserves

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Opening balance		-	-
Closing balance		-	-

(iii) Retained Earnings

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Opening balance		8,942	3,101
Profit for the year		13,689	5,836
Items of other comprehensive income recognised directly in retained earnings:			
- Remeasurements of defined benefit obligation (net of tax)		(76)	5
Closing balance		22,555	8,942

Notes to Financial Statements

for the Period ended March 31, 2024

- A) Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act 2013 for specified purposes.
- B) General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc.
- C) Retained Earnings are the profits that the company as earned till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

NOTE No. 1.19

LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current *	Non-Current	Current *
Secured				
From Banks				
Rupee Term Loans - Banks	10,628	3,712	12,807	3,250
Total	10,628	3,712	12,807	3,250

Net Debt Reconciliation

For the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Current Borrowing	Non - Current Borrowing plus current maturity of long term debt	Lease Liability	Total
Balance as at April 01, 2023	-	16,057	115	16,172
Proceeds	3,300	1,524		4,824
Repayments	(3,300)	(3,249)	(19)	(6,568)
Non Cash Transaction		8	7	16
Balance as at March 31, 2024	-	14,340	103	14,443

For the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Current Borrowing	Non - Current Borrowing plus current maturity of long term debt	Lease Liability	Total
Balance as at April 01, 2022	4,973	20,315	35	25,323
Proceeds	-	2,204		2,204
Repayments	(4,973)	(6,472)		(11,445)
Non Cash Transaction	-	9	80	89
Balance as at March 31, 2023	-	16,057	115	16,172

Notes:

- The above long term borrowings are carried at amortised cost.
Refer Note 3.10 for Borrowings Maturity Profile.

NOTE No. 1.20

LEASE LIABILITIES - NON-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	91	104
Total	91	104

Notes to Financial Statements

for the Period ended March 31, 2024

NOTE No. 1.21

DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities	1,206	1,833
Deferred Tax Assets	(62)	(9)
Total	1,144	1,824

NOTE No. 1.22

SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Loans repayable on demand from banks		
Rupee Loans	-	-
Sub-total (A)	-	-
Current maturities of long-term debt (B)	3,712	3,250
Total (A + B)	3,712	3,250

NOTE No. 1.23

LEASE LIABILITIES - CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	13	11
Total	13	11

Refer Note 3.11 for Lease Maturity Profile.

NOTE No. 1.24

TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises & small enterprises	659	97
Sub-total (A)	659	97
Total outstanding dues of creditors other than micro enterprises & small enterprises	12,893	14,975
Accrued Expenses and others	415	-
Sub-total (B)	13,308	14,975
Total (A + B)	13,967	15,072

Payable to related parties refer note: 3.8

Notes to Financial Statements

for the Period ended March 31, 2024

NOTE No. 1.25

OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	82	126
Creditors for capital goods and services	179	3,182
Employee related liabilities	391	283
Others	376	1,335
Total	1,028	4,926

Payable to related parties refer note: 3.8

NOTE No. 1.26

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	-	2,963
Statutory Dues	1,277	361
Total	1,277	3,324

NOTE No. 1.27

SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity	125	10
Other Provisions		
Provision for CSR	68	98
Provision for Rejection	69	66
Provision for Warranty Cost	48	-
Total	310	174

Movement in Provision for Warranty is as follows :

(₹ in Lakhs)

	Opening	Expired during the year	Warranty provided for current year	Closing
As at March 31, 2024	-	-	48	48
As at March 31, 2023	-	-	-	-

Movement in Provision for rejection is as follows :

(₹ in Lakhs)

	Opening	Expired during the year	Rejection provided for current year	Closing
As at March 31, 2024	66	66	69	69
As at March 31, 2023	60	60	66	66

NOTE No. 1.28

CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax provisions less advance payment	231	-

Notes to Financial Statements

for the Period ended March 31, 2024

TRADE RECEIVABLE AGEING SCHEDULE:

For the year ending March 31, 2024

(₹ in Lakhs)

Particulars	Non Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	11,931	5,081	487	14	-	-	17,513
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - Considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	11,931	5,081	487	14	-	-	17,513

For the year ending March 31, 2023

(₹ in Lakhs)

Particulars	Non Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	13,330	3,206	-	-	-	-	16,537
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - Considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	13,330	3,206	-	-	-	-	16,537

TRADE PAYABLE AGEING SCHEDULE:

For the year ending March 31, 2024

(₹ in Lakhs)

Particulars	Non Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSE	540	119	-	-	-	659
(ii) Others	6,259	7,009	40	-	-	13,308
(iii) Disputed dues -MSE	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	6,799	7,128	40	-	-	13,967

Notes to Financial Statements

for the Period ended March 31, 2024

For the year ending March 31, 2023

(₹ in Lakhs)

Particulars	Non Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSE	61	36	-	-	-	97
(ii) Others	13,411	1,534	-	30	-	14,975
(iii) Disputed dues -MSE	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	13,472	1,570	-	30	-	15,072

NOTE No. 2.1

REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Sale of products;		
Domestic Sales	1,20,143	1,03,843
Export Sales	-	-
A.	1,20,143	1,03,843
Other operating revenues;		
Sale of swarf & others	4,472	4,566
B.	4,472	4,566
Revenue from operations (A+B)	1,24,615	1,08,409

NOTE No. 2.2

OTHER INCOME

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Income from deposits measured at amortised cost	5	189
Net gain on sale of assets	50	1
Exchange rate Gain/(Loss) on Transaction & Translation	210	-
Others	1	4
Total	266	194

NOTE No. 2.3

COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cost of materials consumed		
Cost of goods sold	82,352	72,732
Carriage inward	377	199
Sub Contract Charges	50	508
Total	82,779	73,439

Notes to Financial Statements

for the Period ended March 31, 2024

NOTE No. 2.4

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Inventory at the end of the year		
Work in Progress	6,071	2,996
Finished Goods	2,006	806
Sub total	8,077	3,802
Inventory at the beginning of the year		
Work in Progress	2,996	3,136
Finished Goods	806	1,892
Sub total	3,802	5,028
(Increase) / decrease in inventory	(4,275)	1,226

NOTE No. 2.5

EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries and wages	2,365	2,086
Contributions to PF & ESI	162	135
Contribution to Gratuity fund	24	17
Managerial Remuneration	50	85
Staff welfare expenses	1,149	622
Total	3,750	2,945

NOTE No. 2.6

FINANCE COSTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest expenses		
On Short Term Borrowings	451	317
On Long Term Borrowings at Amortised Cost	1,453	1,528
Others	8	13
Other Borrowing costs		-
Unwinding of discounted Upfront fee on loans	10	9
Interest unwind - lease liability	7	3
Bank charges	63	20
Net (gain)/loss on foreign currency transactions and translation	-	389
Total	1,992	2,281

NOTE No. 2.7

DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation on Property, Plant & Equipment	4,155	3,771
Amortization of Intangible Assets (Software)	1	-
Amortization- Right-of-use Asset	24	18
Total	4,180	3,789

Notes to Financial Statements

for the Period ended March 31, 2024

NOTE No. 2.8

OTHER EXPENSES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Manufacturing Expenses		
Stores, Spares & tool consumed	2,222	31
Power & Fuel	8,540	7,589
Repairs & Maintenance		-
- Machinery	2,116	1,497
- Building	78	314
- Others	315	20
Payment to contractors	3,422	2,381
Other manufacturing expenses	168	137
A.	16,861	11,969
Administrative Expenses		
Professional and Consultancy charges	554	64
Insurance Charges	50	36
Rates & Taxes	-	112
Software Licenses	28	-
General Administrative Expenses	145	51
Printing & Stationery	15	10
Postage & Telegrams	-	2
Rent	22	6
Security Charges	40	43
Telephone Expenses	16	6
Travelling Expenses	50	309
Exchange rate Gain/Loss on Transaction & Translation	-	69
Directors' Sitting Fees	6	1
Remuneration to auditors		
Statutory Audit	18	6
Taxation and Certification	5	1
Total Remuneration	23	7
CSR Expenses	80	30
Royalty Charges	-	2,757
Provisions for the year		
Provision - Others	48	-
Rejections	2	66
B.	1,079	3,571
Selling expenses		
Packing material consumed	530	353
Carriage Outward	404	399
Sales Promotion Expenses	6	10
C.	940	762
Total (A+B+C)	18,880	16,302

Notes annexed to and forming part of Financial Statements

3.1 INCOME TAXES

Income tax expense for the year reconciled to accounting profit

(₹ in Lakhs)

Particulars		Year Ended March 31, 2024	Year Ended March 31, 2023
Profit before tax	a	17,575	8,621
Income tax rate	b	25.168%	34.944%
Income tax expenses	a*b	4,423	3,013
Permanent tax difference due to:			
i) Effect of Inadmissible expense		20	47
ii) Effect of change in rate		(510)	-
iii) Others		(73)	(270)
Income tax expense recognised in statement of profit & loss*		3,861	2,790
*income tax expenses excluding tax related to prior years			
Current tax for the year		4,541	2,693
Deferred Tax		(655)	94
Income tax relating to items that will not be classified to Profit & loss		(25)	3

The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961. Accordingly, the company has recognised income tax expense for the financial year ended March 31, 2024 and remeasure its deferred tax liabilities (net) at the tax prescribed in the said section. The impact of the change is the statement of Profit and Loss for the year ended March 31, 2024 are:

- a. one-time gain of ₹510 lakhs arising from reversal of deferred tax liability as at April 1, 2023

3.2 MOVEMENT OF DEFERRED TAX ASSETS/ LIABILITIES

(₹ in Lakhs)

Movement during the year ended March 31, 2024	As at March 31, 2023	Recognised in P&L	Recognised in OCI	As at March 31, 2024
Property, Plant & Equipment	(1,823)	646	-	(1,177)
Other employee benefits - Gratuity	0	(0)	-	-
Other Temporary Differences	(1)	9	25	33
Total	(1,824)	655	25	(1,144)

(₹ in Lakhs)

Movement during the year ended March 31, 2023	As at March 31, 2022	Recognised in P&L	Recognised in OCI	As at March 31, 2023
Property, Plant & Equipment	(1,720)	(103)	-	(1,823)
Provision for post employment benefits & other employee benefits - Gratuity	-	0	-	0
Other Temporary Differences	(7)	9	(3)	(1)
Total	(1,727)	(94)	(3)	(1,824)

3.3 EMPLOYEE BENEFITS

Defined Contribution Plan

The employee provident fund is in the nature of Defined contribution plan. The contribution made to the scheme is considered as expense in the statement of Profit and loss when the employee renders the related service. There is no other obligation other than the contribution payable to employee provident fund.

The total expenses recognised in statement of profit and loss of ₹153.41 lakhs (2022-23: ₹131.93 lakhs) represents contribution payable to these plans by the company at rates specified in the rules of the plan.

Notes annexed to and forming part of Financial Statements

Defined benefit plans

The company extends defined benefit plan in the form of gratuity to employees. The company makes annual contribution to gratuity fund administered by trustees and managed by Aditya Birla Sun Life Insurance Company Ltd. The Company's liability is determined based on actuarial valuation done at the year end as per projected unit credit method. The plan provides for a lump-sum payment to be vested with employees at retirement, death, while in employment or on termination of employment at amount equivalent to 15 days salary payable for each completed year of service subject to the maximum of ₹20 lakhs. Vesting occurs upon completion of five years of service.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity Risk : Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

Market Risk : Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative Risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

The principal assumptions used for the purposes of the actuarial valuations were as follows: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.24%	7.59%
Expected rate of salary increase	10.00% (Upto 5 Yrs) & 4% Thereafter	10.00% (Upto 5 Yrs) & 4% Thereafter
Attrition rate	5.00%	5.00%
Mortality – Indian assure lives mortality (2012-14) ultimate.		

The estimate of future salary increase (which has been set in consultation with the company), take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended Mar 31, 2023
Current Service Cost	24.01	16.42
Net interest expense/ (income)	0.36	0.78
Component of defined benefit cost recognised in P&L	24.37	17.20
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain)/loss arising from changes in financial assumptions	15.91	(1.94)
Actuarial (Gain)/ Losses due to Experience on DBO	84.34	(6.50)

Notes annexed to and forming part of Financial Statements

Particulars	Year ended March 31, 2024	Year ended Mar 31, 2023
Actuarial (Gain)/Loss arising from changes in financial assumptions due to demographic assumption changes in DBO	0.97	0.75
Return on Plan Assets (Greater) / Less than Discount rate		-
Components of defined benefit costs recognised in other comprehensive income	101.22	(7.69)
Total Defined Benefit Cost	125.59	9.52

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	345.81	224.34
Fair value of plan assets	220.22	214.82
Net liability arising from defined benefit obligation (funded)	125.59	9.52

Movements in the present value of the defined benefit obligation in the current year were as follows: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	224.34	202.85
Current Service Cost	24.00	16.42
Interest Cost	16.30	15.07
Benefits paid	(19.08)	(1.57)
Actuarial (gain)/loss	100.25	(8.44)
Closing defined benefit obligation	345.81	224.34

Movements in fair value of plan assets in the current year were as follows: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	214.82	181.6
Interest income of the assets	15.94	14.29
Employer contribution	9.52	20.99
Benefits payout	(19.08)	(1.57)
Actuarial gain/(loss)	(0.97)	(0.75)
Closing fair value of plan assets	220.23	214.82

The Company funds the cost of the gratuity expected to be earned on a yearly basis to Aditya Birla Sun Life Insurance Company Limited, which manages the plan assets.

The actual return on plan assets was ₹14.97 lakhs (2022-23: ₹13.53 lakhs)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting year.

Notes annexed to and forming part of Financial Statements

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would		
• Decrease by (Mar 24: (9.83%); Mar 23: (9.77%))	(33.98)	(21.92)
• Increase by (Mar 24: 11.55%; Mar 23: 11.51%)	39.96	25.83
If the expected salary is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 24: 11.08%; Mar 23: 11.06%)	38.33	24.81
• Decrease by (Mar 24: (9.56%); Mar 23: (9.52%))	(33.07)	(21.36)
If the attrition rate is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 24: 2.18%; Mar 23: 2.67%)	7.56	6.00
• Decrease by (Mar 24: (2.53%); Mar 23: (3.09%))	(8.73)	(6.93)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of each reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

Funding arrangements

The company has been fully funding the liability through a trust administered by an insurance company. Regular assessment of the increase in liability is made by the insurance company and contributions are being made to maintain the fund. Subject to credit risk of the insurance company & the asset liability mismatch risk of the investments, the Company will be able to meet the past service liability on the valuation date that falls due in the future.

The Company expects to make a contribution of ₹31.85 lakhs (as at March 31, 2023: ₹17.11 lakhs) to the defined benefit plans for the next financial year.

Information on the maturity profile of the liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average duration of the DBO	12.82	12.78
Projected Benefit Obligation	345.81	224.34
Accumulated Benefits Obligation	190.76	124.45

Maturity Profile (Para 147 C of Ind AS 19):

(₹ in Lakhs)

FUTURE PAYOUTS	Present Value
Year (i)	19.44
Year (ii)	18.95
Year (iii)	18.48
Year (iv)	18.02
Year (v)	17.58
Next 5 year pay-outs(6-10yrs)	81.42
Pay-outs above ten years	171.93

Notes annexed to and forming part of Financial Statements

3.4 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Earnings per share ('EPS')		
Basic earnings per share	12.13	5.17
Diluted earnings per share	12.13	5.17
Face value per share for EPS	10	10
Basic and diluted earnings per share		
Profit for the year attributable to equity shareholders	13,689	5,836
	Nos.	Nos.
Total number of equity shares outstanding at the end of the year	11,28,49,515	11,28,49,515
Weighted average number of equity shares		
used in the calculation of basic earnings per share	11,28,49,515	11,28,49,515
after adjustment for effect of dilution	11,28,49,515	11,28,49,515

3.5 FINANCIAL INSTRUMENTS:

• Capital Management:

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the Company. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, buy back shares and cancel them, or issue new shares. The Company finances its operations by a combination of retained profit, bank borrowings, disposals of property assets and leases.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Debt (long-term and short-term borrowings including current maturities & Lease Liabilities)	14,444	16,172
Equity	38,927	25,314
Debt Equity Ratio	0.37	0.64

• Interest rate sensitivity analysis

The sensitivity analyses for floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

However, change in interest rates would not have any impact as there are no liabilities with floating rate as at March 31, 2024

• Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through treasury division and uses derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows.

Notes annexed to and forming part of Financial Statements

(₹ in Lakhs)

Liabilities	Currency	As at March 31, 2024			As at March 31, 2023	
		Exchange Rate	Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)
Payable (trade & other)	USD	83.37	21	1,748	60	4,917
Total Payables (A)			-	1,748		4,917
Hedges by derivative contracts (B)	USD					
Unhedged payables (C=A-B)				1,748		4,917

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 1%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following table details the Company's sensitivity movement in the unhedged foreign currency exposure:

(₹ in Lakhs)

Currency	1% Strengthening of FC	
	As at March 31, 2024	As at March 31, 2023
USD	(17)	(49)
	(17)	(49)

A depreciation of foreign currencies would have the opposite effect to the impact in the table above.

• Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has only dealing with creditworthy counterparties. The company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

There are three customers who each account for more than 10% of receivables in FY 2023 – 24 totaling to ₹16,995.78 lakhs (FY 2022-23 ₹16,516.19) leading to concentration of risk.

Liquidity Analysis:

The table below summarizes the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the discounted cash flows.

(₹ in Lakhs)

As at March 31, 2024	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	3,712	10,211	417	14,340
Lease liability	13	73	18	104
Trade Payables	13,967	-	-	13,967
Other current Financial Liabilities	1028	-	-	1,028

Notes annexed to and forming part of Financial Statements

As at March 31, 2023	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	3,250	10,991	1,817	16,057
Lease liability	11	64	40	115
Trade Payables	15,072	-	-	15,072
Other current Financial Liabilities	3324	-	-	3,324

• Categories of Financial assets and liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets		
a. Measured at amortized cost:		
Investments (net)	47	51
Cash and cash equivalents	2,948	394
Other bank balances & Interest receivable	2	15
Trade Receivables	17,513	16,537
Security Deposit	430	257
Other Financial assets	14	20
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)	-	-
c. Mandatorily maintained at fair value through profit or loss (FVTPL)	-	-
	20,954	17,274

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Liabilities		
a. Measured at amortized cost:		
Borrowings	14,340	16,057
Lease Liability	104	115
Trade Payables	13,967	15,072
Other Financial Liabilities	1,028	4,926
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)	-	-
c. Mandatorily maintained at fair value through profit or loss (FVTPL)	-	-
	29,439	36,170

• Interest Income/(expense), gain/(losses) recognised Financial asset and Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Financial Asset at amortised cost		
Interest Income on bank deposits	6	189
b) Financial asset at FVTOCI	-	-
c) Financial liabilities at amortised cost		
Interest Expense on Borrowings	1,992	2,281
Exchange (Gain)/Loss on Transactions	(210)	-

Notes annexed to and forming part of Financial Statements

3.6 FAIR VALUE MEASUREMENTS

i) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting year:

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1 : Quoted Price for identical instruments in an active market
- Level 2 : Directly or indirectly observable market inputs, Other than level 1 inputs and
- Level 3 : Inputs which are not based on observable market data

Calculation of Fair Values:

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used.

3.7 MATURITY PROFILE OF FINANCIAL ASSET

(₹ in Lakhs)

As at March 31, 2024	Less than 1 year	Between 2 and 5 years	beyond 5 years	Total Amount
Investments (net)	-	47	-	47
Cash and cash equivalents	2,948	-	-	2,948
Other bank balances & Interest receivable	2	-	-	2
Trade Receivables	17,513	-	-	17,513
Security Deposit	430	-	-	430
Other Financial assets	4	10	-	14

(₹ in Lakhs)

As at March 31, 2023	Less than 1 year	Between 2 and 5 years	beyond 5 years	Total Amount
Investments (net)	0	51	-	51
Cash and cash equivalents	394	-	-	394
Other bank balances & Interest receivable	15	-	-	15
Trade Receivables	16,537	-	-	16,537
Security Deposit	257	-	-	257
Other Financial assets	10	10	-	20

3.8 RELATED PARTY DISCLOSURE

a) List of parties where control exists

Parent Company

Craftsman Automation Limited

b) Entities with Significant Influence

Daerim International Co. Ltd.

DR Axion Co. Ltd.

Craftsman Europe B.V

Notes annexed to and forming part of Financial Statements

Key Management Personnel

Mr. SRINIVASAN RAVI, Chairman and Managing Director
 Mr. RAVI GAUTHAMRAM, Non-Executive Director
 Mr.KIM JONG SEOB, Joint Managing Director & CEO
 Mrs. VIJAYA SAMPATH, Independent Director
 Mr. T S V RAJAGOPAL, Independent Director
 Mr. C.B.CHANDRASEKAR, Chief Financial Officer
 Mr. SHAINSHAD ADUVANNI, Company Secretary
 Mr. HEEJIN CHO (Director Upto 31st January 2023)
 Ms. ARTI NARASIMHAN (Company secretary upto July 2022)
 Ms. SANDHIYA RAGHAVAN (Company Secretary from Aug 2022 to Jan 2023)

C) Related Party Transactions – Summary:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Purchase of Goods & Services		
Craftsman Automation Limited	966	236
DR Axion Co. Ltd.	467	2,794
Sale of Goods & Services		
Craftsman Automation Limited	40	-
Reimbursement of Expenditure from		
Craftsman Automation Limited	-	6
Remuneration to key management personnel		
Mr. Kim Jong Seob	50	50
Mr.Heejin Cho	-	31
Ms. Arthi Narasimman	-	2
Ms.Sandhiya Raghavan	-	3
Sitting Fee		
Non-Executive Directors	6	1

d) Balances of Related Parties

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivable		
Craftsman Automation Limited	47	-
Trade Payable		
Craftsman Automation Limited	411	278
DR Axion Co. Ltd.	330	925
Remuneration payable		
Mr. Kim Jong Seob	2	3

3.9 CONTINGENCIES & COMMITMENT

a) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Notes annexed to and forming part of Financial Statements

(₹ in Lakhs)

Contingent Liabilities	As at March 31, 2024	As at March 31, 2023
Claims against the company not acknowledged as debt		
Income tax	-	87

b) Commitment on Capital Account not provided as on 31.03.2024: ₹1455.37 lakhs; 31.03.2023: ₹305.59 lakhs.

3.10 NON-CURRENT BORROWINGS:

(₹ in Lakhs)

Particulars	As at March 31, 2024			Particulars of Repayment		As at March 31, 2023		
	Non-Current	Current Maturity	Total	Instalments	Amount/Inst nos.	Non-Current	Current Maturity	Total
HDFC Term Loan	1870	1248	3,118	Quarterly	312.50/10	3,118	1,250	4,368
HDFC Term Loan-1	-	594	594	Quarterly	208.33/3	594	833	1,427
HDFC Term Loan-2	3184	212	3,396	Quarterly	116.83/16	1,869	-	1,869
HDFC Term Loan-3	248	17	264	Quarterly	16.53/16	264	-	264
Axis Term Loan-3	3742	829	4,572	Quarterly	208.33/22	4,566	417	4,983
HDFC TL GECL	188	250	438	Monthly	20.83/21	438	250	688
HDFC TL 1 GECL	458	500	958	Monthly	41.67/22	958	500	1,458
HDFC TL 2 GECL	938	62	1,000	Monthly	20.83/48	1,000	-	1,000
Total	10,628	3,712	14,340			10,412	2,500	12,912

The balances mentioned above are at amortized cost.

Secured Term Loan of ₹75 crores from HDFC Bank is repayable in 84 months (residual take over) initial tenor was 96 months, Start date will be 17 september 2020 and end date will be 17th september 2026 with 24 equal quarterly repayment and in the respect of security; Second pari passu charge on the current assets of the company with the Axis bank, Movable fixed assets & Plant and machinery- Secured by first charge on pari passu basis on entire fixed assets of the company (present and future) along with the Axis bank and Immovable fixed asset of company.

Secured Term Loan of ₹42 crores sanctioned (Utilised ₹41.77 crores) from HDFC Bank (taken over of loan of Federal Bank) and which is repayable in 20 equal quarterly repayment, Start date will be 17 september 2021 and end date will be 17th september 2025 (in Mar 23 pre repayment of ₹15 crores was done) and in the respect of security; Second pari passu charge on the current assets of the company with the Axis bank, Movable fixed assets & Plant and machinery- Secured by first charge on pari passu basis on entire fixed assets of the company (present and future) along with the Axis bank and Immovable fixed asset of company.

Secured Term Loan of 18.69 crores from HDFC Bank and which is repayable in 16 equal quarterly repayment, Start date will be 25 Jan 2025 and end date will be 23rd October 2028 and in the respect of security; Second pari passu charge on the current assets of the company with the Axis bank, Movable fixed assets & Plant and machinery- Secured by first charge on pari passu basis on entire fixed assets of the company (present and future) along with the Axis bank and Immovable fixed asset of company.

Secured Term Loan of 2.65 crores from HDFC Bank and which is repayable in 16 equal quarterly repayment, Start date will be 25 Jan 2025 and end date will be 23rd October 2028 and in the respect of security; Second pari passu charge on the current assets of the company with the Axis bank, Movable fixed assets & Plant and machinery- Secured by first charge on pari passu basis on entire fixed assets of the company (present and future) along with the Axis bank and Immovable fixed asset of company.

Secured Term Loan of ₹50 Crores (₹44.29 Cores availed during FY 2021-22 and balnce of ₹5.71 crores availed on 05-May-2022) availed from AXIS Bank and which is repayable with 24 equal quarterly repayment starting from 30th Nov 2024 and end date will be 31st Aug 2029 and in the respect of security; First pari passu charge on entire Movable fixed assets and immovable fixed assets (Existing and future) and second pari passu on the the current assets of the company with the HDFC bank.

Notes annexed to and forming part of Financial Statements

Secured Term Loan of ₹50 crores from Federal Bank and which is repayable in 24 equal quarterly instalments of ₹2.08 crore starting from Dec-2020 (on 02-Dec-2021 this was taken over by HDFC Bank) and in the respect of security First paripassu charge on entire movable and immovable fixed assets (existing and future) of the company and second paripassu charge on the current asset of the company with HDFC Bank.

Secured GECL (Guranteed Emergency Credit Line) Loan from Federal Bank is repayable in 46 equal quarterly instalments of ₹10 crore starting from Mar-2022 (The company has made Prepayment of Loan on 02-Dec-2021.) and the guarantee is give by National Credit Gurantee company limited, India.

Secured GECL (Guranteed Emergency Credit Line) Loan from HDFC Bank is repayable in 48 equal quarterly instalments of ₹20 crore starting from Mar-2022 and the guarantee is give by National Credit Gurantee company limited, India.

Secured GECL (Guranteed Emergency Credit Line) Loan from HDFC Bank is repayable in 48 equal quarterly instalments of ₹10 crore starting from Jan-2022 and the guarantee is give by National Credit Gurantee company limited, India.

Interest rate for the term loans are floating, range between 8.25 % and 10.09 %

3.11 THE INFORMATION REQUIRED TO BE DISCLOSED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The information has been given in respect of Vendors to the extent they could be identified as "Micro and Small Enterprises" on the basis of information available with the company.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount due to Micro and Small Suppliers under this Act	659	97
Interest accrued and due to suppliers on the above amount	Nil	Nil
Interest paid to suppliers under this Act (Section 16)	Nil	Nil
Interest due and payable for the delay (for payment during the year beyond due date)	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed date, during the year	Nil	Nil
Interest accrued and remaining unpaid at the end of year to suppliers under this Act	Nil	Nil
Interest due and payable to suppliers under this Act for payment already made	Nil	Nil

3.12 SEGMENT REPORTING

The Company is engaged in the activities related to manufacture of Automotive Component. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole. For purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely Automotive Component. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

3.13 CSR EXPENDITURE

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Gross amount required to be spent by the company during the year	80	30
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	80	30
(c) The amount of shortfall / (excess Spent) at the end of the year out of the amount required to be spent by the Company during the year;	-	-
(d) total of previous years shortfall	68	68

Notes annexed to and forming part of Financial Statements

Particulars	As at March 31, 2024	As at March 31, 2023
(e) reason for shortfall*	-	-
(f) nature of CSR activities	Welfare Activities	Transferred to PM Relief Fund
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	-	-
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

*The reason for short fall & Subsequent Spending:

The unspent CSR, in the books of accounts, a sum of ₹68.29 Lakhs related to the financial year 2019-20, for which the company is yet to identify suitable projects.

Transferring unspent CSR amount to a separate CSR Account was not notified in that financial year.

3.14 DISCLOSURE UNDER IND AS 116 – AS LESSEE

Future cash flows

(₹ in Lakhs)

Maturity profile of lease liability	As at March 31, 2024	As at March 31, 2023
Not later than 1 year	13	11
Later than 1 year but not later than 5 years	73	64
Later than 5 years	18	40
Total	104	115

Amounts recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1. Depreciation Charge for Right-of-Use Asset - Building	24	18
2. Interest Expense on Lease Liability	7	3
3. Expense relating to Short Term Leases	22	6
4. Expense relating to Low Value Leases	-	-
5. Expense relating to Variable Lease Payments	-	-
6. Income from Subleasing of Right-of-Use Assets	-	-
7. Cash Outflow for Leases	41	11
8. Additions to Right-of-Use Assets	-	-
9. Gain/Loss arising from Sale and Leaseback transactions	-	-
10. Carrying amount of Right-of-Use Assets	97	121

Notes annexed to and forming part of Financial Statements

3.15 RATIO ANALYSIS

(₹ in Lakhs)

Analytical Ratio analysis for the FY-2023-24						
Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% of Variance	Reasons for Variance
(a) Current Ratio	Current Assets	Current liabilities	1.96	1.27	54%	Due to decrease in trade payables.
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.45	0.63	-30%	Due to increase in profit.
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	1.65	1.02	62%	Due to increase in profit.
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	42.38%	26.09%	62%	Due to increase in profit.
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	4.36	5.66	-23%	
(f) Trade Receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	7.32	7.92	-8%	
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5.41	6.69	-19%	
(h) Net working capital turnover ratio	Net Sales	Working Capital	6.31	14.74	-57%	Due to Increase in sales & decrease in trade payables.
(i) Net profit ratio	Net Profit	Net Sales	10.92%	5.39%	103%	Due to increase in profit.
(j) Return on Capital employed	EBIT	Capital Employed	23.42%	12.85%	82%	Due to Increase in sales.

3.16 QUARTERLY RETURNS FILED WITH BANKS AND FINANCIAL INSTITUTIONS:

(₹ in Lakhs)

Quarter Ended	Name of Bank	Particulars of securities provided	Reported in the Quarterly Statement	Amount as per books (Gross)	Amount of Difference
June,2023			33,852	33,852	-
Sep,2023	HDFC Bank	Stock and Book Debts	35,641	35,641	-
Dec, 2023	Axis Bank		35,769	35,769	-
Mar, 2024	YES Bank		36,931	36,931	-

3.17 Reconciliation of contracted price and net sales (Ind AS 115)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Contracted price of sale of products	1,20,726	1,03,843
Less : Discounts	(583)	-
Revenue recognized for the year	1,20,143	1,03,843

3.18 OTHER STATUTORY INFORMATION

Disclosure Requirements as notified by MCA pursuant to amended Schedule III

- a) Loan, Advances & Investments made or received-Rule 11(e)

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly

Notes annexed to and forming part of Financial Statements

lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds from any person or entity, including foreign entity ("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;

- b) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c) The Company has not been declared as willful defaulter by any bank or financial Institution or other lender.
- d) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- e) There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- f) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- g) The Company has nothing to report on the effect of Scheme of Arrangement.
- h) The Company has nothing to report on Layers of Investment.
- i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- j) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- k) In the opinion of the Board of Directors and to the best of their knowledge and belief the value on realisation of current assets, loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

3.19 Previous year figures have been regrouped to conform to the current year's classification to the extent feasible.

3.20 Figures in brackets indicate deductions.

3.21 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on April 22, 2024.

For PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Firm Registration No. 003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

Place : Chennai

Date : April 22, 2024

For and on behalf of the Board

S.Ravi

Chairman and Managing Director

DIN : 01257716

Place : Coimbatore

Date : April 22, 2024

Kim Jong Seob

Joint Managing Director & CEO

DIN:07382589

Place : Thiruvallur

Date : April 22, 2024

Shainshad Aduvanni

Company Secretary

M.No. A27895

Place : Coimbatore

Date : April 22, 2024

C. B. Chandrasekar

Chief Financial Officer

Place : Coimbatore

Date : April 22, 2024

DR AXION

Dr Axion India Private Limited

Registered Office

No.7 Othappai Village

Uthukkottai Taluk

Thiruvallur 602 023

Tamil Nadu, India