

DR Axion India Private Limited

Financial Statements 2022-23

Balance Sheet

as at March 31 2023

(Amount in Lakhs)

Particulars	Notes	31-Mar-2023	31-Mar-2022	01-Apr-2021
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	1A	30,602.37	27,750.29	27,510.61
(b) Right of Use Assets	1B	121.04	36.54	-
(c) Other Intangible assets	1C	1.52	1.97	2.42
(d) Capital Work-in-Progress	1D	1,497.80	2,663.42	28.75
(e) Financial Assets				
(i) Investments	2	50.57	46.07	44.05
(ii) Security Deposits	3	266.80	267.07	137.61
(f) Other Non-Current Assets	4	130.97	31.62	-
(g) Non-Current Tax Assets (Net)	5	20.85	808.15	576.72
		32,691.93	31,605.13	28,300.17
2 Current assets				
(a) Inventories	6	16,709.71	9,695.83	4,928.49
(b) Financial Assets				
(i) Trade receivables	7	16,536.66	10,831.87	8,065.12
(ii) Cash and cash equivalents	8	394.47	1,265.68	1,559.65
(iii) Other Bank Balances	9	5.00	3,386.00	8,537.00
(iv) Other Financial Assets	10	9.81	2.59	15.59
(c) Other Current Assets	11	457.81	130.44	85.59
		34,113.46	25,312.42	23,191.44
TOTAL ASSETS		66,805.39	56,917.55	51,491.60
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	11,284.95	11,284.95	11,284.95
(b) Other Equity	13	14,028.29	8,187.09	8,826.76
		25,313.24	19,472.04	20,111.71
1 Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Lease Liabilities	14	104.03	18.23	-
(b) Long Term Borrowings	15	12,807.38	13,843.30	12,288.98
(c) Deferred Tax Liabilities (Net)	16	1,823.66	1,727.36	937.57
		14,735.07	15,588.89	13,226.55
2 Current liabilities				
(a) Financial Liabilities				
(i) Short Term Borrowings	17	3,250.00	11,444.60	11,862.34
(ii) Trade payables	18			
Total outstanding dues of MSME		97.47	57.39	77.20
Total outstanding dues other than MSME		14,974.70	7,192.33	4,227.87
(iii) Lease Liabilities	19	11.39	17.05	-
(iv) Other Financial Liabilities	20	4,855.88	1,905.05	904.84
(b) Other current liabilities	21	3,323.91	1,042.77	823.05
(c) Provisions	22	243.74	197.42	258.03
		26,757.09	21,856.62	18,153.34
TOTAL EQUITY & LIABILITIES		66,805.39	56,917.55	51,491.60

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Sukumar & Associates

Chartered Accountants

Firm Regn No: 005610 S

N.Sukumar, B.Sc., F.C.A.

Partner

MSP No.22444

Place:Chennai

Date : 22nd April, 2023

For and on behalf of the Board of Directors

DR Axion India Private Limited

S Ravi

Chariman & Managing Director

DIN : 01257716

Place:Coimbatore

Date : 22nd April, 2023

Shainshad Aduvanni

Company Secretary

M.No.A27895

Place:Coimbatore

Date : 22nd April, 2023

Kim Jong Seob

Joint Managing Director & CEO

DIN : 07382589

Place:Thiruvallur

Date : 22nd April, 2023

C. B. Chandrasekar

Chief Financial Officer

Place:Coimbatore

Date : 22nd April, 2023

Statement of Profit & Loss

for the period of 1st April 2022 to 31st March 2023

(Amount in Lakhs)

Particulars	Notes	31-Mar-2023	31-Mar-2022
I INCOME			
(i) Revenue from Operations	23	1,08,409.29	71,594.21
(ii) Other Income	24	193.64	292.15
Sub-Total - (A)		1,08,602.92	71,886.36
II EXPENDITURE			
(i) Cost of Material Consumed	25	73,439.52	52,701.07
(ii) Change in Inventories of Finished Goods & WIP	26	1,226.16	(3,231.16)
(iii) Employee Benefits Expense	27	2,945.08	2,719.38
(iv) Finance Cost	28	2,280.57	1,922.84
(v) Depreciation and Amortisation Expenses	29	3,788.94	3,438.29
(vi) Other Expenses	30	16,301.83	14,232.99
Sub-Total (B)		99,982.10	71,783.40
III Profit before tax [I-II]		8,620.82	102.95
IV Tax Expense			
(i) Current Tax Expense		2,692.64	34.60
(ii) Less: Mat Credit Entitlement		-	(20.70)
(iii) Prior Year Income Tax		(1.62)	-
(iv) Deferred Tax Expenses / (Income)		93.61	768.45
Sub-Total		2,784.63	782.35
V Profit (Loss) for the period (III - IV)		5,836.20	-679.40
VI Other Comprehensive Income			
- Remeasurement of the net defined benefit liability / asset		7.69	61.06
- Income tax effect of the net defined benefit liability / asset		(2.69)	(21.34)
Total Other Comprehensive Income		5.00	39.73
VII Total Comprehensive Income for the period (V+VI)		5,841.20	(639.67)
VIII Earnings Per Equity Share:			
Basic & Diluted		5.18	(0.59)

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Chief Financial Officer

Place:Coimbatore

Date : 22nd April, 2023

Place:Chennai

Date : 22nd April, 2023

Cash Flow Statement

for the period of 1st April 2022 to 31st March 2023

(Amount in Lakhs)

PARTICULARS	31-Mar-2023	31-Mar-2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	8,625.82	142.68
Adjustment For :		
Income tax expense	(2,784.63)	(782.35)
Depreciation and Amortisation expense	3,788.94	3,438.29
(Profit) / Loss on sale of assets (net)	-	268.59
Unrealised foreign exchange (gain) / loss	(48.70)	87.66
Finance cost	2,280.57	1,922.84
Interest income	(188.72)	(213.71)
Operating profit before working capital changes	11,673.29	4,864.00
Adjustment for changes in:		
(Increase) / Decrease in trade receivables	(5,704.79)	(2,766.75)
(Increase) / Decrease in inventories	(7,013.88)	(4,767.35)
(Increase) / Decrease in non current and current loans and advances	353.63	(398.36)
Increase / (Decrease) in trade payables and other non current and current liabilities	13,279.54	5,018.34
Increase / (Decrease) in non current and current provisions	46.31	(60.61)
	960.82	(2,974.72)
Cash generated from operation	12,634.11	1,889.28
Less : Direct taxes paid (net of refunds)	-	-
Net cash from operating activities (A)	12,634.11	1,889.28
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of PPE and intangible assets	(5,559.46)	(6,617.32)
Proceeds on Sale of PPE and intangible assets	-	-
Purchases of Investments (shares)	(4.50)	(2.02)
Interest received	188.72	213.71
Net cash from / (used in) investing activities (B)	(5,375.24)	(6,405.63)

Cash Flow Statement (Contd.)

for the period of 1st April 2022 to 31st March 2023

(Amount in Lakhs)

PARTICULARS	31-Mar-2023	31-Mar-2022
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	(9,230.51)	994.22
Finance cost	(2,280.57)	(1,922.84)
Net cash flow from / (used in) financing activities (C)	(11,511.08)	(928.62)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(4,252.21)	(5,444.97)
Cash and cash equivalents at the beginning of the year	4,651.68	10,096.65
Cash and cash equivalents at the end of the year	399.47	4,651.68
CASH & CASH EQUIVALENTS		
(a) Cash on hand	0.00	0.08
(b) Balances with banks	394.47	1,265.60
(c) Other Bank Balances	5.00	3,386.00
	399.47	4,651.68

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Sukumar & Associates

Chartered Accountants

Firm Regn No: 005610 S

N.Sukumar, B.Sc., F.C.A.

Partner

MSP No.22444

Place:Chennai

Date : 22nd April, 2023

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DIN : 07382589

Place:Thiruvallur

Date : 22nd April, 2023

C. B. Chandrasekar

Chief Financial Officer

Place:Coimbatore

Date : 22nd April, 2023

Statement of CHANGES IN EQUITY

for the period ended 31st March 2023

(Amount in Lakhs)

A. Equity Share capital

Particulars	
Balance as at 01 April 2021	10,846.37
Changes in equity share capital during the year	-
Balance as at 31 March 2022	10,846.37
Changes in equity share capital during the year	438.59
Balance as at 31 March 2023	11,284.95

B. Instruments entirely equity in nature

Particulars	
Balance as at 01 April 2021	438.59
Changes in compulsorily convertible preference shares during the year	-
Balance as at 31 March 2022	438.59
Changes in compulsorily convertible preference shares during the year	(438.59)
Balance as at 31 March 2023	-

C. Other Equity

Particulars	Reserves and surplus			Total
	Securities premium	Retained earnings	Items of OCI	
Balance as at 01 April 2021	5,086.56	3,765.80	(25.59)	8,826.76
Profit for the year	-	(679.40)	-	(679.40)
Other comprehensive income for the year	-	-	39.73	39.73
Balance as at 31 March 2022	5,086.56	3,086.40	14.13	8,187.09
Profit for the year	-	5,836.20	-	5,836.20
Other comprehensive income for the year	-	-	5.00	5.00
Balance as at 31 March 2023	5,086.56	8,922.59	19.13	14,028.29

As per our report of even date

For Sukumar & Associates

Chartered Accountants

Firm Regn No: 005610 S

N.Sukumar, B.Sc., F.C.A.

Partner

MSP No.22444

Place:Chennai

Date : 22nd April, 2023

For and on behalf of the Board of Directors

DR Axion India Private Limited

S Ravi

Chariman & Managing Director

DIN : 01257716

Place:Coimbatore

Date : 22nd April, 2023

Shainshad Aduvanni

Company Secretary

M.No.A27895

Place:Coimbatore

Date : 22nd April, 2023

Kim Jong Seob

Joint Managing Director & CEO

DIN : 07382589

Place:Thiruvallur

Date : 22nd April, 2023

C. B. Chandrasekar

Chief Financial Officer

Place:Coimbatore

Date : 22nd April, 2023

Notes Forming Part of Balance Sheet

DEPRECIATION AS PER SCH II OF COMPANIES ACT, 2013 FOR THE PERIOD ENDED 31st MARCH 2023 METHOD ADOPTED : SLM METHOD

PARTICULARS	TANGIBLE ASSETS										RIGHT OF USE ASSETS	INTANGIBLE ASSET	CWIP	GRAND TOTAL				
	TANGIBLE ASSETS														RIGHT OF USE ASSETS	INTANGIBLE ASSET	CWIP	GRAND TOTAL
	Freehold Land	Buildings	Plant & Equipments	Electrical Fittings	Computers	Office Equipments	Furniture & Fixtures	Vehicles	Total	Buildings								
Note No	1A	1B	1C	1D	Amount in Lacs													
As at April 1, 2021	317.51	8,816.82	38,093.33	1,965.95	51.99	344.08	90.63	61.78	49,742.10	-	5.61	28.75	49,776.46					
Additions	-	402.62	3,639.36	370.81	4.10	44.88	5.51	-	4,467.28	54.77	-	2,663.42	7,185.48					
Disposals	-	-	(1,135.35)	-	-	-	-	-	(1,135.35)	-	-	(28.75)	(1,164.10)					
Other adjustments*	-	-	-	-	-	-	-	-	-	-	-	-	-					
As at March 31, 2022	317.51	9,219.44	40,597.34	2,336.76	56.10	388.96	96.14	61.78	53,074.03	54.77	5.61	2,663.42	55,797.84					
Additions	-	3.19	6,323.31	124.80	35.27	135.83	-	-	6,622.40	125.48	-	6,286.64	13,034.52					
Disposals	-	-	-	-	-	-	-	-	-	(54.77)	-	(7,452.27)	(7,507.04)					
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-					
As at Mar 31, 2023	317.51	9,222.62	46,920.65	2,461.56	91.37	524.80	96.14	61.78	59,696.43	125.48	5.61	1,497.80	61,325.32					
As at April 1, 2021	-	1,471.22	19,280.74	1,064.30	45.64	289.73	53.06	26.80	22,231.49	-	3.19	-	22,234.68					
Charge for the Period	-	292.76	2,941.34	152.12	2.57	16.91	6.56	7.34	3,419.61	18.24	0.45	-	3,438.29					
Disposals	-	-	(327.35)	-	-	-	-	-	(327.35)	-	-	-	(327.35)					
Other Adjustment *	-	-	-	-	-	-	-	-	-	-	-	-	-					
As at March 31, 2022	-	1,763.98	21,894.74	1,216.42	48.21	306.64	59.62	34.14	25,323.74	18.24	3.64	-	25,345.62					
Charge for the Period	-	295.53	3,279.09	154.41	3.53	24.93	5.49	7.34	3,770.31	18.18	0.45	-	3,788.94					
Disposals	-	-	-	-	-	-	-	-	-	(31.98)	-	-	(31.98)					
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-					
As at Mar 31, 2023	-	2,059.51	25,173.82	1,370.83	51.73	331.56	65.12	41.48	29,094.05	4.44	4.09	-	29,102.58					
As at April 1, 2021	317.51	7,345.60	18,812.59	901.66	6.35	54.35	37.57	34.98	27,510.61	-	2.42	28.75	27,541.78					
As at March 31, 2022	317.51	7,455.46	18,702.60	1,120.34	7.89	82.32	36.52	27.64	27,750.29	36.54	1.97	2,663.42	30,452.22					
As at Mar 31, 2023	317.51	7,163.11	21,746.82	1,090.74	39.63	193.23	31.02	20.31	30,602.37	121.04	1.52	1,497.80	32,222.74					

DEPRECIATION & AMORTISATION & IMPAIRMENT

NET CARRYING VALUE

Notes Forming Part of Balance Sheet

for the year ended 31st March 2023

(Amount in Lakhs)

PARTICULARS	Notes	31-Mar-2023	31-Mar-2022	01-Apr-2021
INVESTMENTS	2			
Investment in Equity Instruments				
(i) Kamachi Industries Ltd (298800 Equity Shares of Rs.10 each fully paid-up)		29.88	29.88	29.88
(ii) NSL Wind Power Company(Phoolwadi)Pvt Ltd (2,06,905 (1,61,905) Equity Shares of ₹10 each fully paid-up)		20.69	16.19	14.17
		50.57	46.07	44.05
These investments are Equity shares acquires for limited purpose captive power consumption. These are to be sold back to the issuing company and at same value of investment. Hence not subject to Fair value, reported at cost of acquisition				
SECURITY DEPOSITS	3			
Security Deposits		266.80	267.07	137.61
		266.80	267.07	137.61
OTHER NON-CURRENT ASSETS	4			
Capital advances		130.97	31.62	-
Total		130.97	31.62	-
NON-CURRENT TAX ASSETS (NET)	5			
(a) Advance income-tax (net of provision for tax)		20.85	808.15	576.72
Total		20.85	808.15	576.72
INVENTORIES	6			
(a) Inventories can be classified as:-				
(i) Raw materials and components		7,410.87	1,875.00	1,273.43
(ii) Work-in-progress		2,995.93	3,136.38	1,293.99
(iii) Finished goods		805.95	1,891.65	502.89
(iv) Stock-in-trade		3,146.48	285.54	274.31
(v) Consumables		1,897.11	2,007.17	1,532.68
(b) Goods in Transit		453.37	500.08	51.20
Total		16,709.71	9,695.83	4,928.49
TRADE RECEIVABLES	7			
(i) Undisputed Trade receivables - Considered good		16,536.66	10,831.87	8,065.12
(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		16,536.66	10,831.87	8,065.12

Notes Forming Part of Balance Sheet

for the year ended 31st March 2023

(Amount in Lakhs)

PARTICULARS	Notes	31-Mar-2023	31-Mar-2022	01-Apr-2021
CASH & CASH EQUIVALENTS	8			
(a) Balance with Banks				
(i) In current accounts		394.47	1,265.60	1,559.64
(b) Cash on hand		0.00	0.08	0.01
Total		394.47	1,265.68	1,559.65
OTHER BANK BALANCES	9			
In deposit accounts		5.00	3,386.00	8,537.00
		5.00	3,386.00	8,537.00
OTHER FINANCIAL ASSETS	10			
(a) Interest accrued on deposits		9.81	2.59	15.59
Total		9.81	2.59	15.59
OTHER CURRENT ASSETS	11			
(a) Advance to Suppliers (Other than Capital Goods)		10.55	0.41	34.72
(b) Balance with government authorities				
(i) Custom Duty Advance		83.12	91.32	15.28
(ii) GST Receivable		-	-	-
(c) Advance income-tax (net of provision for tax)		347.07	-	-
(d) Other Assets				
(i) Prepaid Expense		17.07	23.11	19.52
(ii) Loan to employees		-	15.61	16.06
Total		457.81	130.44	85.59
EQUITY SHARE CAPITAL	12			
Authorised, Issued, subscribed and paid up capital				
(a) Authorised Capital		13,300.00	13,300.00	13,300.00
13,30,00,000 equity share of INR 10 each		-	-	-
		-	-	-
(b) Issued, Subscribed and Fully paid up capital		11,284.95	10,846.37	10,846.37
11,28,49,515 equity shares of INR 10 each fully paid up				
(A) Reconciliation of the number of shares outstanding				
(a) Opening balance		10,84,63,659	10,84,63,659	10,84,63,659
(b) Issued during the period		43,85,856	-	-
(c) Cancelled during the period			-	-
(d) Closing balance		11,28,49,515	10,84,63,659	10,84,63,659
There is change in the Shareholding Pattern during the reporting period.				
(B) Details of shares held by the holding company				
M/s. Craftsman Automation Limited., India		8,57,65,631	-	-
M/s. Daerim International Co. Ltd., South Korea		-	10,84,63,649	10,84,63,649
(C) Shareholders' holding more than 5 percent equity shares				
M/s. Craftsman Automation Limited., India		8,57,65,631	-	-
M/s. Daerim International Co. Ltd., South Korea		2,70,83,884	10,84,63,649	10,84,63,649
(D) Details of shares held by the Promoters				

Notes Forming Part of Balance Sheet

for the year ended 31st March 2023

(Amount in Lakhs)

PARTICULARS	Notes	31-Mar-2023	31-Mar-2022	01-Apr-2021
M/s. Craftsman Automation Limited., India		8,57,65,631	-	-
M/s. Daerim International Co. Ltd., South Korea		-	10,84,63,649	10,84,63,649
Instruments entirely equity in nature				
Convertible preference share capital classified as equity				
Authorised, Issued, subscribed and paid up capital				
(a) Authorised Capital		450.00	450.00	450.00
4,50,000 Preference shares of INR 10 each fully paid up				
(b) Issued, Subscribed and Fully paid up capital		-	438.59	438.59
43,85,856 Preference shares of INR 10 each fully paid up				
Shareholders' holding more than 5 percent equity shares				
(a) The Export - Import Bank of Korea		-	43,85,856	43,85,856
The preference shares are duly converted into equity shares in during the year				
OTHER EQUITY	13			
A. SUMMARY OF OTHER EQUITY BALANCE				
(A) Other than retained earnings				
(a) Share Premium		5,086.56	5,086.56	5,086.56
(b) Other Comprehensive Income		19.13	14.13	-25.59
(c) Closing balance		5,105.69	5,100.69	5,060.97
(B) Retained Earnings				
(a) Opening balance		3,086.40	3,765.80	3,765.80
(b) Additions during the period		5,836.20	(679.40)	-
(c) Utilisation during the period				
(i) Equity dividend		-	-	-
(ii) Tax on Equity dividend		-	-	-
(d) Closing balance		8,922.59	3,086.40	3,765.80
Total		14,028	8,187	8,827
LEASE LIABILITIES	14			
(a) Lease Liabilities		104.03	18.23	-
Total		104.03	18.23	-
LONG TERM BORROWINGS	15			
(A) Secured Loan				
(a) Term loans				
(i) From HDFC Bank		5,845.42	7,290.51	5,608.02
(ii) From Axis Bank		4,566.13	4,406.95	-
(iii) From Federal Bank		-	-	3,742.07
(B) Unsecured Loan				
(a) Term loans				
(i) GECL Loan From Federal Bank		-	-	980.56
(ii) GECL Loan From HDFC Bank		2,395.83	2,145.83	1,958.33
Total		12,807.38	13,843.30	12,288.98

Notes Forming Part of Balance Sheet

for the year ended 31st March 2023

(Amount in Lakhs)

Secured Term Loan of Rs 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 Rs 42 crores sanctioned (Utilised Rs 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 Rs 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 Rs.50 Crores (Rs.44.29 Cores availed during FY 2021-22 and balance of Rs.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.

Secured Term Loan of Rs 50 crores from Federal Bank and which is repayable in 24 equal quarterly instalments of Rs.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 pari passu charge on entire movable and immovable fixed assets (existing and future) of the company and second pari passu charge on the current asset of the company with HDFC Bank.

Unsecured GECL (Guaranteed Emergency Credit Line) Loan from Federal Bank is repayable in 46 equal quarterly instalments of Rs.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 Guarantee company limited, India carrying interest rate of 7.25% Per annum.

Unsecured GECL (Guaranteed Emergency Credit Line) Loan from HDFC Bank is repayable in 48 equal quarterly instalments of Rs.20 crore starting from Mar-2022 and the guarantee is give by National Credit Guarantee company limited, India carrying interest rate of 6.70% Per annum.

Unsecured GECL (Guaranteed Emergency Credit Line) Loan from HDFC Bank is repayable in 48 equal quarterly instalments of Rs.10 crore starting from Jan-2022 and the guarantee is give by National Credit Guarantee company limited, India carrying interest rate of 6.70% Per annum.

Notes Forming Part of Balance Sheet

for the year ended 31st March 2023

(Amount in Lakhs)

PARTICULARS	Notes	31-Mar-2023	31-Mar-2022	01-Apr-2021
DEFERRED TAX ASSETS/LIABILITIES (NET)	16			
Tax effect of items constituting deferred tax liability				
(a) On difference between book balance and tax balance of fixed assets		1,823.19	1,720.40	981.41
(b) Other Items		9.51	17.64	-
Sub-Total (A)		1,832.71	1,738.05	981.41
Tax effect of items constituting deferred tax assets				
(a) Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis				
(i) On Provision for Gratuity		3.33	-	23.92
(ii) On Provision for Leave Encashment		3.32	3.21	16.20
(b) Other Items		2.40	7.48	3.71
Sub-Total (B)		9.05	10.68	43.83
Total (A)-(B)		1,823.66	1,727.36	937.57
SHORT TERM BORROWINGS	17			
(A) Secured				
(a) Loans Repayable on demand				
(i) WCDL From HDFC Bank		-	3,127.66	3,226.45
Sub-Total		-	3,127.66	3,226.45
(B) Unsecured				
(a) Loans Repayable on demand				
(i) WCDL From Woori Bank		-	420.00	420.00
(ii) Buyers Credit Loan From Woori Bank		-	545.78	585.20
(iii) Buyers Credit Loan From KEB Hana Bank		-	879.31	1,975.05
Sub-Total		-	1,845.09	2,980.25
(C) Current maturities of Long-term Debt				
(A) Secured				
(a) Term loans				
(i) From HDFC Bank		2,083.33	2,083.33	1,250.00
(ii) From Federal Bank		-	-	833.33
(iii) From Axis Bank		416.67	-	-
Sub-Total		2,500.00	2,083.33	2,083.33
(B) Unsecured				
(a) Term loans				
(i) GECL Loan From HDFC Bank		750.00	750.00	41.67
(ii) GECL Loan From Federal Bank		-	-	19.44
(iii) ECB Loan From Korea Development Bank		-	3,638.52	3,511.20
Sub-Total		750.00	4,388.52	3,572.31
Total		3,250	11,445	11,862

Secured Loan Consist of Working capital Demand loan of Rs.35 crores taken from HDFC bank, carrying interest at 9.25% ,the loan tenor is 120days .The Loan is Secured by Paripassu Charge over the current asset , Plant and Machinery & Land and Building of the company.

Unsecured Loan Consist of working capital demand loan of Rs.53.10 Million from Woori Bank ,Chennai is repayable on 24th July 2021 and Guarantee is given by M/s. Daerim International Co. Ltd., South Korea, for \$ 0.9 million as Unconditional and Irrevocable Standby letter of Credit, Carrying interest Rate of 1.3%p.a over Woori Banks MCLR, Current Year MCLR rate is 8.84%p.a.

Notes Forming Part of Balance Sheet

for the year ended 31st March 2023

(Amount in Lakhs)

PARTICULARS	Notes	31-Mar-2023	31-Mar-2022	01-Apr-2021
Unsecured loan consists of buyers credit loan from Woori Bank, London Branch having limit of USD 0.8 Million is repayable within 1 year from the date of utilisation. Interest rate is LIBOR+1.5% per annum.				
Unsecured loan consists of buyers credit loan from KEB Hana Bank, Bahrain Branch having limit of 2.7 Million is repayable within 1 year from the date of utilisation. Interest rate is 6M LIBOR+1.70% per annum.				
Unsecured Loan from Korea Development Bank is repayable at the end of 10 th year (Dec 2022) from the date of Drawdown and the guarantee is give by M/s. DR Axion Co., Ltd., carrying interest rate of Libor + 3.45% Per annum.				
TRADE PAYABLES	18			
(i) Outstanding Dues for Trade Payables				
a) From MSME		97.47	57.39	77.20
b) From Others		14,974.70	7,192.33	4,227.87
(c) Disputed dues -MSME		-	-	-
(d) Disputed dues -Others		-	-	-
Total		14,974.70	7,192.33	4,227.87
LEASE LIABILITIES	19			
(a) Lease Liabilities		11.39	17.05	-
Total		11.39	17.05	-
OTHER FINANCIAL LIABILITY	20			
(a) Interest Accured on Loan		125.77	125.72	122.16
(b) Creditors for capital goods and services		3,182.07	842.34	11.48
(c) Due to directors		3.07	5.95	4.02
(d) Employee related liabilities		210.46	129.77	112.15
(e) Others		1,334.51	801.26	655.03
Total		4,855.88	1,905.05	904.84
OTHER CURRENT LIABILITIES	21			
(a) Statutory payables				
(i) TDS Payable		63.04	108.98	85.85
(ii) TCS Payable		-	-	14.36
(iii) PF Payable		21.78	22.55	19.60
(iv) ESI Payable		1.14	-	-
(v) GST Payable		271.08	31.74	699.73
(vi) Professional Tax Payable		4.34	4.14	3.52
(b) Advance from customers		2,962.55	875.35	-
Total		3,323.91	1,042.77	823.05
PROVISIONS	22			
(a) Provision for employee benefits				
(i) Provision for bonus		59.88	56.96	44.51
(ii) Provision for leave encashment		9.50	9.18	11.14
(iii) Provision for gratuity		9.52	20.99	82.15
(b) Others				
(ii) Provision for CSR Expenditure		98.46	110.30	120.24
(iii) Provision for Rejection		66.38	-	-
Total		243.74	197.42	258.03

Notes Forming Part of Profit & Loss

for the year ended 31st March 2023

(Amount in Lakhs)

Particulars	Notes	31-Mar-2023	31-Mar-2022
REVENUE FROM OPERATIONS	23		
Sale of products;			
Domestic Sales		1,03,843.12	68,052.82
		1,03,843.12	68,052.82
Other operating revenues;			
Sale of swarf & others		4,566.17	3,541.39
		4,566.17	3,541.39
Revenue from operations		1,08,409.29	71,594.21
OTHER INCOME	24		
Interest Income from deposits measured at amortised cost		188.72	213.71
Exchange rate Gain/(Loss) on Transaction & Translation		-	77.63
Others		3.55	0.81
	Total	193.64	292.15
COST OF MATERIALS CONSUMED	25		
Inventory at the beginning of the year		4,667.80	3,080.42
Add:			
Cost of goods sold		80,972.28	53,788.75
Carriage inward		199.19	150.99
Sub Contract Charges		508.09	348.71
Sub total		81,679.56	54,288.45
Less: Inventory at the end of the year		12,907.84	4,667.80
	Total	73,439.52	52,701.07
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS	26		
Inventory at the end of the year			
Work in Progress		2,995.93	3,136.38
Finished Goods		805.95	1,891.65
Sub total		3,801.88	5,028.03
Inventory at the beginning of the year		-	-
Work in Progress		3,136.38	1,293.99
Finished Goods		1,891.65	502.89
Sub total		5,028.03	1,796.87
(Increase) / decrease in inventory		1,226.16	(3,231.16)
EMPLOYEE BENEFITS EXPENSE	27		
Salaries and wages		2,086.19	1,983.06
Contributions to PF & ESI		134.60	130.97
Contribution to Gratuity fund		17.20	21.44
Managerial Remuneration		84.87	86.92
Staff welfare expenses		622.21	496.98
	Total	2,945.08	2,719.38

Notes Forming Part of Profit & Loss

for the year ended 31st March 2023

(Amount in Lakhs)

Particulars	Notes	31-Mar-2023	31-Mar-2022
FINANCE COSTS	28		
Interest expenses			
On Short Term Borrowings		317.23	354.63
On Long Term Borrowings at Amortised Cost		1,528.14	1,253.14
Others		13.35	14.63
Other Borrowing costs			
Unwinding of discounted Upfront fee on loans		9.24	15.47
Interest unwind - lease liability		3.46	2.95
Bank charges		20.25	82.29
Net (gain)/loss on foreign currency transactions and translation		388.89	199.74
Total		2,280.57	1,922.84
DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE	29		
Depreciation on Property, Plant & Equipment		3,770.76	3,420.05
Amortization- Right-of-use Asset		18.18	18.24
Total		3,788.94	3,438.29
OTHER EXPENSES	30		
Manufacturing Expenses			
Stores, Spares & tool consumed		31.32	29.97
Power & Fuel		7,589.19	6,513.89
Repairs & Maintenance			
- Machinery		1,496.53	1,607.95
- Building		314.14	248.88
- Others		20.09	11.01
Payment to contractors		2,380.57	2,066.01
Other manufacturing expenses		136.90	102.06
A.		11,968.74	10,579.78
Administrative Expenses			
Professional and Consultancy charges		64.05	59.08
Insurance Charges		35.73	33.57
Rates & Taxes		111.89	111.59
General Administrative Expenses		50.97	70.99
Printing & Stationary		10.31	4.20
Postage & Telegrams		1.69	0.68
Rent		6.00	6.24
Security Charges		43.12	36.87
Telephone Expenses		6.24	5.19
Travelling Expenses		308.95	270.02
Royalty Charges		2,756.96	2,117.97
Directors' Sitting Fees		1.40	-
Remuneration to auditors			

Notes Forming Part of Profit & Loss

for the year ended 31st March 2023

(Amount in Lakhs)

Particulars	Notes	31-Mar-2023	31-Mar-2022
Statutory Audit		6.00	4.05
Taxation and Certification		1.47	1.90
CSR Expenses		30.16	47.56
Exchange rate Gain/(Loss) on Transaction & Translation		69.40	-
Net loss on sale of assets		-	268.59
Provisions for Rejections		66.38	-
	B.	3,570.71	3,038.51
Selling expenses			
Packing material consumed		353.08	185.29
Carriage Outward		399.16	416.96
Sales Promotion Expenses		10.14	12.45
	C.	762.38	614.70
Total (A+B+C)		16,301.83	14,232.99

Trade Payable Ageing Schedule: Note 18

for the year ended 31st March 2023

(Amount 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) MSME	61.00	36.47	-	-	-	97.47
(ii) Others	13,411.15	1,533.67	-	29.88	-	14,974.70
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	13,472.15	1,570.14	-	29.88	-	15,072.17

For the Period Ending 31-Mar-2022

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) MSME	38.54	18.85	-	-	-	57.39
(ii) Others	6,373.26	789.19	29.88	-	-	7,192.33
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	6,411.80	808.04	29.88	-	-	7,249.72

For the Period Ending 31-Mar-2021

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) MSME	54.54	22.66	-	-	-	77.20
(ii) Others	4,025.52	202.35	-	-	-	4,227.87
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	4,080.05	225.01	-	-	-	4,305.06

Trade Receivable Ageing Schedule: Note 7

for the year ended 31st March 2023

(Amount 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	13,330.37	3,206.28	-	-	-	-	16,536.66
(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	13,330.37	3,206.28	-	-	-	-	16,536.66

For the Period Ending 31-Mar-2022

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	8,965.03	1,866.50	-	0.34	-	-	10,831.87
(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	8,965.03	1,866.50	-	0.34	-	-	10,831.87

For the Period Ending 31-Mar-2021

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	6,936.44	1,123.18	2.62	1.36	1.52	-	8,065.12
(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	6,936.44	1,123.18	2.62	1.36	1.52	-	8,065.12

First- time adoption of Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from transition of Previous GAAP to Ind AS in accordance with Ind AS 101:

-Balance Sheet as at 31 March 2022 and 01 April 2021

-total comprehensive income for the year ended 31 March 2022

-equity as at 31 March 2022 and 01 April 2021

(Amount in Lakhs)

(i) Reconciliation of Balance Sheet as at 01 April 2021 and 31 March 2022

Particulars	31 March 2022 (Last period presented under previous GAAP)			01 April 2021 (Date of transition to Ind AS)				
	Previous GAAP	Effect of transition to Ind AS		Ind AS	Previous GAAP	Effect of transition to Ind AS		Ind AS
		Reclassifi- cation	Remeas- urement			Reclassifi- cation	Remeas- urement	
ASSETS								
1 Non-current assets								
Property, plant and equipment	27,750.29	-	-	27,750.29	27,510.61	-	-	27,510.61
Right-of-use assets	-	-	36.54	36.54	-	-	-	-
Capital work-in-progress	2,663.42	-	-	2,663.42	28.75	-	-	28.75
Intangible assets	1.97	-	-	1.97	2.42	-	-	2.42
Financial assets				-	-			-
(i) Investments	-	46.07	-	46.07	-	44.05	-	44.05
(ii) Security Deposits	-	267.07	-	267.07	-	137.61	-	137.61
(iii) Other financial assets	-	-	-	-	-	-	-	-
Non-Current Investment	46.07	(46.07)	-	-	44.05	(44.05)	-	-
(f) Other Non-Current Assets		31.62	-	31.62	-	-	-	-
(g) Non-Current Tax Assets (Net)		808.15	-	808.15		576.72	-	576.72
Long-term Loans and Advances	256.62	(256.62)	-	-	125.17	(125.17)	-	-
Total non-current assets	30,718.37	850.22	36.54	31,605.13	27,711.01	589.16	-	28,300.16
2 Current assets								
Inventories	9,736.70	-	(40.87)	9,695.83	4,932.43	-	(3.94)	4,928.49
Financial assets								
(ii) Trade receivables	10,832.36	(0.49)	-	10,831.87	8,065.12	-	-	8,065.12
(iii) Cash and cash equivalents	5,022.02	(3,756.34)	-	1,265.68	10,368.20	(8,808.55)	-	1,559.65
(iv) Loans	-	-	-	-	-	-	-	-
(iv) Other financial asset	-	-	-	-	-	-	-	-
Other Bank Balances		3,386.00	-	3,386.00		8,537.00	-	8,537.00
Short-term Loans and Advances	1,566.15	(1,566.15)	-	(0.00)	1,277.56	(1,277.56)	-	-
Other Financial Assets		2.59	-	2.59		15.59	-	15.59
Current tax assets (net)	-	-	-	-	-	-	-	-
Other current assets	3.29	127.15	-	130.44	29.74	55.85	-	85.59
Total current assets	27,160.52	(1,807.24)	(40.87)	25,312.42	24,673.05	(1,477.67)	(3.94)	23,191.44
TOTAL ASSETS	57,878.90	(957.01)	(4.33)	56,917.55	52,384.05	(888.51)	(3.94)	51,491.60

(i) Reconciliation of Balance Sheet as at 01 April 2021 and 31 March 2022 (Contd..)

(Amount in Lakhs)

Particulars	31 March 2022 (Last period presented under previous GAAP)			01 April 2021 (Date of transition to Ind AS)				
	Previous GAAP	Effect of transition to Ind AS		Ind AS	Previous GAAP	Effect of transition to Ind AS		Ind AS
		Reclassifi- cation	Remeas- urement			Reclassifi- cation	Remeas- urement	
EQUITY AND LIABILITIES								
Equity								
Equity share capital	11,284.95	-	-	11,284.95	11,284.95	-	-	11,284.95
Instruments entirely equity in nature	-	-	-	-	-	-	-	-
Other equity	8,849.41	-	(662.32)	8,187.09	8,805.79	-	20.97	8,826.76
TOTAL EQUITY	20,134.36	-	(662.32)	19,472.04	20,090.74	-	20.97	20,111.71
1 Non-current liabilities								
Financial liabilities								
(i) Borrowings	13,876.74	-	(33.44)	13,843.30	12,313.89	-	(24.91)	12,288.98
(ii) Lease Liabilities	-	-	18.23	18.23	-	-	-	-
Provision	2.89	(5.33)	2.44	-	60.61	(60.61)	-	-
Deferred Tax Liabilities (Net)	1,073.66	-	653.70	1,727.36	937.57	-	-	937.57
Total non-current liabilities	14,953.29	(5.33)	640.93	15,588.89	13,312.08	(60.61)	(24.91)	13,226.55
2 Current liabilities								
Financial liabilities								
(i) Borrowings	11,816.94	(372.34)	-	11,444.60	12,135.89	(273.55)	-	11,862.34
(ii) Lease Liabilities	-	-	17.05	17.05	-	-	-	-
(iii) Trade payables	7,042.37	207.35	-	7,249.72	4,221.72	83.35	-	4,305.06
(ii) Other financial liabilities	-	1,905.05	-	1,905.05	-	904.84	-	904.84
Other current liabilities	3,759.76	(2,716.99)	-	1,042.77	2,008.67	(1,185.62)	-	823.05
Provisions	172.17	25.25	-	197.42	614.95	(356.92)	-	258.03
Total current liabilities	22,791.24	(951.68)	17.05	21,856.62	18,981.23	(827.89)	-	18,153.34
TOTAL EQUITY AND LIABILITIES	57,878.90	(957.01)	(4.33)	56,917.55	52,384.05	(888.51)	(3.94)	51,491.60

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2022

Particulars	31 March 2022 (Last period presented under previous GAAP)		
	IGAAP	Effect of transition to Ind AS	Ind AS
INCOME			
Revenue from operations	71,594.21	-	71,594.21
Other income	330.56	1.10	331.66
TOTAL INCOME	71,924.77	1.10	71,925.87
EXPENSES			
Cost of Materials Consumed	53,775.27	36.93	53,812.19
Changes in Inventories of Finished Goods, Work-in-Progress, Traded Goods and Scrap	(3,231.16)	-	(3,231.16)
Employee benefits expense	2,115.53	61.06	2,176.60
Finance costs	1,926.63	(5.58)	1,921.05
Depreciation & Amortisation	3,420.05	18.24	3,438.29
Other expenses	13,724.85	(18.90)	13,705.95
TOTAL EXPENSES	71,731.17	91.75	71,822.92
Profit before tax	193.60	(90.65)	102.95
Tax expense:			
- Current tax	13.90	-	13.90
- Deferred tax	136.09	632.37	768.45
Sub Total	149.99	632.37	782.35
Profit for the year	43.62	(723.01)	(679.40)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan	-	61.06	61.06
- Income tax effect on remeasurement of defined employee benefit plans	-	(21.34)	(21.34)
Total other comprehensive income	-	39.73	39.73
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	43.62	(683.29)	(639.67)

(iii) Reconciliation of total equity as at 31 March 2022 and 01 April 2021

Particulars	31 March 2022	01 April 2021
	(Last period presented under previous GAAP)	(Date of Transition)
Total equity (shareholders' fund) under previous GAAP	20,134.36	20,090.74
Ind AS Adjustments:		
Adjustment in Loan Processing Fees	55.25	31.25
Leases		
Lease related adjustments	18.90	-
Interest on lease liability	(2.95)	-
Amortization of RoU	(18.24)	-
Fair valuation of security deposits		
Unwinding of discount - rental deposits	-	-
Amortization of RoU/prepaid asset	-	-
Recognition of interest Income on security deposit	1.10	-
Amortization of upfront fees	(21.81)	(6.34)
Gratuity Expenses	(61.06)	-
Stock Adjustment	(40.87)	(3.94)
Deferred taxes on Ind AS adjustment	39.73	-
OCI	(632.37)	-
Total adjustment to equity	(662.32)	20.97
Total equity under Ind AS	19,472.04	20,111.71

Significant Accounting Policies & 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, Tamilnadu - 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 SIGNIFICANT 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. The presentation of the Financial Statements is based on Schedule III of the Companies Act, 2013.

B1 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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.

These financial statements have been prepared on a historical cost basis, except for the following material items in the balance sheet:

- a) Certain financial assets and liability measured at fair value
- b) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be

received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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.

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.

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 intangibles the useful life is determined based on the period over which future economic benefit will flow to the Company.

ii. Income Taxes

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.

iii. Fair Value

Certain financial instruments, such as derivative financial instruments and certain elements of borrowings, are carried in the financial statements at fair value, with changes in fair value reflected in the Statement of Profit and Loss. Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows analysis.

iv. Measurement of defined benefit obligations

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

v. Measurement and likelihood of occurrence of provisions and contingencies

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

vi. Recognition of deferred tax asset

The Company estimates the possible utilisation of unabsorbed losses while recognising deferred tax asset considering the future business plans and economic environment.

vii. 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.

B3 PROPERTY PLANT AND EQUIPMENT

Recognition and Measurement

All Property Plant & Equipment (PPE) barring land as at transition date 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).

The Company capitalises the import duty waived in respect of capital equipment imported under the Export Promotion Capital Goods Scheme

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. If Company makes similar assets for sale in the normal course of business, the cost of the asset is usually the same as the cost of constructing an asset for sale. Any internal profits are eliminated in arriving at such costs. Similarly, the cost of abnormal amounts of wasted material, labour, or other resources incurred in self-constructing an asset is not included in the cost of the asset.

Borrowing Costs is covered by Ind AS 23 criteria for the recognition of interest as a component of the carrying amount of a self-constructed item of property, plant and equipment.

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

The Company in respect of all PPE elected to continue with the carrying value of the relevant PPE as recognised in the financial statements as at transition date to Ind-AS measured as per the previous GAAP duly used that as the deemed cost as at transition date pursuant to exemption under Ind –AS 101.

Depreciation on Plant Property 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 which those prescribed in Schedule II to the Act.

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

Useful life of various tangible assets

S 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	Intangible Asset	5
9	Buildings (Factory)	30
10	Buildings-Others (temporary structures)	3
11	Vehicles	8
12	Electrical Installation and Equipment's	10

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

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use or sell it, the ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit and loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

As on date there is no internally generated intangible assets that has been recognised in Fixed Assets.

B5 IMPAIRMENT OF ASSETS

At the end of each reporting period, the company determines whether there is any indication that its assets (tangible, 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 have been classified as financing cash flows.

Short-term leases and leases of low-value assets
The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

After initial recognition:

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.

Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant

risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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 life time 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 applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

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 applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

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, non-refundable 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.

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. Work in progress and finished goods are valued at cost or Net Realisable Value whichever is lower. Cost includes direct materials, labor and a portion of manufacturing overheads. Saleable scrap is valued at lowest of the net realisable value in the last two months.

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.

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.

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.

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.

Dividend and Interest Income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

B11 BORROWING COST

Since the Company does not have any qualifying assets, capitalisation of borrowing cost is not applicable to the Company. All borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

B12 GOVERNMENT GRANT

Government grants (including export incentives) are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

B13 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

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.

B14 FOREIGN CURRENCY TRANSACTIONS:

The Company's foreign operations are an integral part of the Company's activities. In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for:

- Exchange differences on translation or settlement of long term foreign currency monetary items in respect of loans borrowed, which are not hedged, at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets, are adjusted to the cost of the assets and depreciated over remaining useful life of such assets.

B15 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 carryforward 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

B16 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.

B17 SEGMENT REPORTING

The Company's primary reporting segment is business segment, under which it has only one segment to report Aluminium Products as its products primarily relate to automotive aluminium product manufacturing (Cylinder Head Products, engine blocks and casters).

Notes to the Financial Statements

(Amount in Lakhs)

NOTES TO THE FINANCIAL STATEMENTS

Income taxes

Income tax expense for the year reconciled to accounting profit

Particulars	Year Ended	
	31-Mar-23	31-Mar-22
Profit before tax (Including OCI)	8,628.51	193.60
Income tax rate b	34.944%	26.000%
Income tax expenses a*b	3,015.15	50.34
Effect of		
i) EPCG Benefit Capitalisation not considered for Income Tax purpose		
i) Effect of Depreciation	(459.00)	(152.05)
ii) Effect of expenses inadmissible for tax	147.88	132.12
iii) Effect of expenses admissible for tax	(11.39)	(16.51)
Income tax expense recognised in Statement of Profit & loss*	2,692.64	13.90

*Income tax expenses excluding tax related to prior years

Movement of deferred tax assets/ (liabilities)

Movement during the year ended March 2023	As at Mar 2022	Recognised in P&L	Recognised in OCI	MAT Utilisation	As At Mar 2023
Depreciation & Amortization	(1,720.40)	(102.79)	-	-	(1,823.19)
Provision for doubtful debts	-	-	-	-	-
Provision for Loans & Advances and Others	-	-	-	-	-
Other Temporary Differences	(6.96)	9.18	(2.69)	-	(0.46)
MAT Credit Entitlement- Unused tax credit					
Total	(1,727)	(94)	(3)	-	(1,824)
Movement during the year ended March 2022	As at Mar 2021	Recognised in P&L	Recognised in OCI	MAT Utilisation	As At Mar 2022
Depreciation & Amortization	(981.41)	(739.00)	-	-	(1,720.40)
Provision for doubtful debts	-	-	-	-	-
Provision for Loans & Advances and Others	-	-	-	-	-
Other Temporary Differences	43.83	(29.46)	(21.34)	-	(6.96)
MAT Credit Entitlement- Unused tax credit					
Total	(938)	(768)	(21)	-	(1,727)

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 Rs.131.93 lakhs (2021-22: Rs.130.97 lakhs) represents contribution payable to these plans by the company at rates specified in the rules of the plan.

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

Notes to the Financial Statements

(Amount in Lakhs)

Limited. 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 vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service subject to the maximum of Rs.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

Particulars	As at	
	31-Mar-23	31-Mar-22
Discount rate	7.59%	7.46%
Expected rate of salary increase		
(a) upto 5 Years	10.00%	10.00%
(b) After 5 Years	4.00%	4.00%
Attrition rate	5.00%	5.00%

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:

Current Service Cost	As at	
	31-Mar-23	31-Mar-22
Current Service Cost	16.42	16.35
Net interest expense/ (income)	0.78	5.10
Component of defined benefit cost recognised in P&L	17.20	21.44
Remeasurement on the net defined benefit liability comprising:	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	-

Notes to the Financial Statements

(Amount in Lakhs)

Current Service Cost	As at	
	31-Mar-23	31-Mar-22
Actuarial (Gain)/ Losses due to Experience on DBO	(8.44)	(61.71)
Actuarial (Gain)/Loss arising from changes in financial assumptions due to demographic assumption changes in DBO	0.75	0.64
-	-	-
Return on Plan Assets (Greater) / Less than Discount rate	-	-
Components of defined benefit costs recognised in Other comprehensive income	(7.69)	(61.06)
Total Benefit Cost	9.52	(39.62)

	As at	
	31-Mar-23	31-Mar-22
Present value of defined benefit obligation	224.34	202.85
Fair value of plan assets	214.82	181.86
Net liability arising from defined benefit obligation (funded)	9.52	20.99

Movements in the present value of the defined benefit obligation in the current year were as follows:

	Year ended	
	31-Mar-23	31-Mar-22
Opening defined benefit obligation	202.85	202.85
Current Service Cost	16.42	16.42
Interest Cost	15.07	15.07
Benefits paid	(1.57)	(2.93)
Actuarial (gain)/loss	(8.44)	(61.71)
Closing defined benefit obligation	224.34	169.71

Movements in fair value of plan assets in the current year were as follows:

	Year ended	
	31-Mar-23	31-Mar-22
Opening fair value of plan assets	181.86	152.35
Interest income of the assets	14.29	11.54
Employer contribution	20.99	21.53
Benefits payout	(1.57)	(2.93)
Actuarial gain/(loss)	(0.75)	(0.64)
Closing fair value of plan assets	214.82	181.86

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 Rs.14.29 lakhs (2021-22: ₹11.54 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 to the Financial Statements

(Amount in Lakhs)

	Year ended	
	31-Mar-23	31-Mar-22
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would		
• Decrease by (Mar 23: (9.77%); Mar 22: (9.86%))	(21.92)	(20.00)
• Increase by (Mar 23: 11.51%; Mar 22: 11.65%)	25.83	23.63
If the expected salary is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 23: 11.06%; Mar 22: 11.18%)	24.81	22.68
• Decrease by (Mar 23: (9.52%); Mar 22: (9.60%))	(21.36)	(19.47)
If the attrition rate is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 23: 2.67%; Mar 22: 2.62%)	6.00	5.32
• Decrease by (Mar 23: (1.92%); Mar 22: (3.04%))	(6.93)	(6.17)

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.

Information on the maturity profile of the liabilities:

Particulars	As at	
	31-Mar-23	31-Mar-22
Weighted average duration of the DBO	12.78	13.05
Projected Benefit Obligation	224.34	202.85
Accumulated Benefits Obligation	112.20	124.45

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

FUTURE PAYOUTS	Present Value
Year 1	13.17
Year 2	12.79
Year 3	12.43
Year 4	12.08
Year 5	11.75
Next 5 year pay-outs (6-10yrs)	51.33
Pay-outs above ten years	110.78

Notes to the Financial Statements

(Amount in Lakhs)

Earnings per share

	Year ended	
	31-Mar-23	31-Mar-22
Earnings per share ('EPS')		
Basic earnings per share	5.18	(0.59)
Diluted earnings per share	5.18	(0.59)
Face value per share for EPS	10.00	10.00
Basic and diluted earnings per share		
Profit for the year attributable to equity shareholders	5,841.20	(639.67)
Weighted average number of equity shares used in the calculation of basic earnings per share	1,128.50	1,084.64
after adjustment for effect of dilution	1,128.50	1,084.64

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 Group. To maintain or adjust the capital structure, the Group 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 and any borrowings.

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

Details	As at	
	31-Mar-23	31-Mar-22
Debt(Long and Short Term borrowings including current maturities)	16,057.38	25,287.89
Equity	25,313.24	19,472.04
Debt Equity Ratio	0.63	1.30

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.

Asset	Currency	As at March 2023		As at March 2022	
		Amount In Foreign Currency (Lakhs)	Amount In ₹(Lakhs)	Amount In Foreign Currency (Lakhs)	Amount In ₹(Lakhs)
Receivables	USD	-	-	-	-
	EUR	-	-	-	-
	GBP	-	-	-	-
		-	-	-	-
Loans given in FC	EUR	-	-	-	-
Total Receivables (A)		-	-	-	-
Hedges by derivative contracts (B)		-	-	-	-
Unhedged Receivables(C=A-B)		-	-	-	-

Notes to the Financial Statements

(Amount in Lakhs)

Liability	Currency	As at March 2023		As at March 2022	
		Amount In Foreign Currency	Amount In Rs	Amount In Foreign Currency	Amount In Rs
Payables	USD	59.83	4,917.08	108.57	8,230.40
	EUR	-	-	-	-
	GBP	-	-	-	-
Borrowings (ECB and Others)	EUR				
Total Payables (A)		59.83	4,917	108.57	8,230
Hedges by derivative contracts (B)		-	-	-	-
Unhedged Payables(C=A-B)		59.83	4,917	108.57	8,230

Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from various banks. The Company invests its surplus funds in bank fixed deposit, which carry minimal mark to market risks.

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.

As At March 2023	Due Within 1 Year	Due Between 2 and 5 Year	Due Beyond 5 Year	Total Amount
Bank and other borrowings	3,250.00	10,990.63	1,816.76	16,057.38
Interest payments on borrowings	1,339.90	2,255.88	104.99	3,700.77
Lease liability	11.39	104.03	39.76	155.18
Trade Payables	15,072.17	-	-	15,072.17

As At March 2022	Due Within 1 Year	Due Between 2 and 5 Year	Due Beyond 5 Year	Total Amount
Bank and other borrowings	11,444.60	10,409.76	3,433.54	25,287.89
Interest payments on borrowings	1,845.37	3,363.22	337.55	5,546.15
Lease liability	17.05	18.23	-	35.28
Trade Payables	7,249.72	-	-	7,249.72

The table below summarizes the maturity profile for its derivative financial liabilities based on the undiscounted contractual net cash inflows and outflows on derivative liabilities that settle on a net basis or gross basis. The table includes both hedge effective & ineffective derivative instruments. Hedge effective instruments are fair valued through Other Comprehensive Income (OCI) & hedge ineffective derivative instruments are fair valued through statement of profit and loss.

Notes to the Financial Statements

(Amount in Lakhs)

For assets and liabilities that are measured at fair value as at balance sheet date., the classification of fair value calculation by category is summarized below

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Asset at fair value Investments measured at				
i) fair value through OCI	-	-	-	-
ii) fair value through P&L	-	-	-	-
As at March 31, 2022	Level 1	Level 2	Level 3	Total
Asset at fair value Investments measured at				
i) fair value through OCI	-	-	-	-
ii) fair value through P&L	-	-	-	-

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.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
2. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

Related party disclosure

a.List of parties where control exists

1.Holding

M/s.Craftsman Automation Limited

M/s. Daerim International Co. Ltd., South Korea (Holding Company Upto 31 st Jan 2023)

M/s. DR Axion Co. Ltd.(Ultimate Holding Company Upto 31st Jan 2023)

b.Other related parties

Name of the Party	Nature of Relationship
Craftsman Europe B.V	Associate
Carl Stahl Craftsman Enterprises Pvt Limited	Associate

Key Management Personnel

Key Management personnel	Designation
Mr Srinivasan Ravi	Chairman & Managing Director (From 01.02.2023)
Mr. Kim Jong Seob	Joint Managing Director &CEO (Managing Director upto 31.01.2023)
Mr.Heejin Cho	Director (Upto Jan 2023)
Mr.C B Chandrasekar	Chief Financial Officer
Mrs.Arthi Narasimman	Company Secretary(Upto July 2022)
Mrs.Sandhiya Raghavan	Company Secretary(Upto Aug 22 to Jan 23)
Mr Shainshad Aduvanni	Company Secretary(from 01.02.2023)

Notes to the Financial Statements

(Amount in Lakhs)

c) Related Party Transactions – Summary:

Transaction during the year ended	Holding Company		Key Management Personnel	
	Mar-23	Mar-22	Mar-23	Mar-22
Purchase of Goods & Services	3,029.44	2,117.97	-	-
Reimbursement of Expenditure from	5.63	-	-	-
Remuneration to key management personnel	-	-	86.37	93.50
Sitting Fee	1.40	-	-	-
Balances at the End of	Holding Company		Key Management Personnel	
	Mar-23	Mar-22	Mar-23	Mar-22
Trade Payables	1,203.82	612.58	-	-
Remuneration payable	-	-	3.07	5.95

d) Significant Related party transactions:

Transaction during the year ended	Year Ended March 31,2023	Year Ended March 31,2022
Purchase of Goods & Services		
DR Axion Co. Ltd.-Royalty	2,756.96	2,117.97
DR Axion Co. Ltd.-CG Purchase	36.64	-
Craftsman Automation Limited-CG Purchase	1.55	-
Craftsman Automation Limited-Consumable Purchase	0.18	-
Craftsman Automation Limited-Raw Material Purchase	234.12	-
Craftsman Automation Limited-Reimbursement of Expenditure	5.63	-
Remuneration to key management personnel		
Mr. Kim Jong Seob	50.41	49.82
Mr.Heejin Cho	31.33	37.00
Ms. Arthi Narasimman	2.03	6.68
Ms.Sandhiya Raghavan	2.60	-
Sitting Fee		
T.S.V.Rajagopal	0.70	-
Vijaya Sampath	0.70	-

e) Balances of Related Parties

Balances at the End of	Year Ended March 31,2023	Year Ended March 31,2022
Craftsman Automation Limited	278.35	-
DR Axion Co. Ltd.	925.48	612.58
Remuneration payable	3.07	5.95

Contingent Liabilities and Contingent assets

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 to the Financial Statements

(Amount in Lakhs)

Contingent Liabilities

Claims against the company not acknowledged as debt

	As at March 2023	As at March 2022
a. Income tax (Amount of Disallowance)		
AY 2018-19	51.50	-
AY 2018-19	22.68	-
AY 2019-20	12.36	-
b. Sales Bills discounted	-	-

Commitments

Commitment on Capital Account not provided as on 31.03.2023: ₹305.59 lakhs; 31.03.2022: ₹348,lakhs.

Non-Current Borrowings:

	As at March 31 2023			Particulars of Repayment		As at March 31 2022		
	Non-Current	Current Maturity	Total	Installments	Amount/Inst nos.	Non-Current	Current Maturity	Total
HDFC Term Loan	3,118.00	1,250.00	4,368	Quarterly	312.50/24	4,363.55	1,250.00	5,614
HDFC Term Loan-1	593.63	833.33	1,427	Quarterly	208.33/20	2,926.96	833.33	3,760
HDFC Term Loan-2	1,869.33	-	1,869	Quarterly	116.83/16	-	-	-
HDFC Term Loan-3	264.45	-	264	Quarterly	16.53/16	-	-	-
Axis Term Loan	4,566.13	416.67	4,983	Quarterly	208.33/24	4,406.95	-	4,407
HDFC TL GECL	437.50	250.00	688	Monthly	20.83/48	687.50	250.00	938
HDFC TL 1 GECL	958.33	500.00	1,458	Monthly	41.67/48	1,458.33	500.00	1,958
HDFC TL 2 GECL	1,000.00	-	1,000	Monthly	20.83/48	-	-	-
Total	12,807.38	3,250.00	16,057.38			13,843.30	2,833.33	16,676.63

The balances mentioned above are at amortized cost.

All term loans, both Rupee and Foreign Currency are secured by first pari passu charge on fixed assets of the company. Also, a second pari passu charge on current assets of the company are created for all term loans except for loan from Kotak Mahindra Bank, In addition to the above, the loans are guaranteed by personal guarantees of the Chairman and Managing Director.

Lease arrangements

Company as lessee

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Land	Total
Balance as at 1 April 2022	36.54	36.54
Additions	125.48	125.48
Amortization/ expense	18.18	18.18
Deletion	22.79	22.79
Balance as of 31 March 2023	121.04	121.04

Particulars	Land	Total
Balance as at 1 April 2021	54.77	55
Additions	-	-
Amortization/ expense	18.24	18

Notes to the Financial Statements

(Amount in Lakhs)

Particulars	Land	Total
Deletion	-	-
Balance as of 31 March 2022	36.54	37

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities:

Particulars	Mar 31,2023	Mar 31,2022
Current lease liabilities	11.39	17.05
Non-current lease liabilities	104.03	18.23
Total	115.42	35.28

The following is the movement in lease liabilities during the year:

Particulars	
Balance as at 1 April 2022	35.28
Additions	118.18
Finance cost accrued during the year	3.46
Deletion	(22.60)
Payment of lease liabilities	(18.90)
Balance as of 31 March 2023	115.42
Particulars	
Balance as at 1 April 2021	51.24
Additions	-
Finance cost accrued during the year	2.95
Deletion	-
Payment of lease liabilities	(18.90)
Balance as of 31 March 2022	35.28

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31-Mar-23	31-Mar-22
Less than one year	11.39	17.05
One to five years	64.26	18.23
More than five years	39.76	-
Total	115.42	35.28

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was 8.58 lakhs for the year ended March 31, 2022. (March 31, 2022: ₹6.24 lakhs)

Total cash outflow for leases including short-term was ₹27.48 lakhs for the year ended March 31, 2023. (March 31, 2022: ₹25.14 lakhs).

Notes to the Financial Statements

(Amount in Lakhs)

Ratio Analysis

Particulars	FY 2022-23	FY 2021-22	% Variance	Remarks for 25% change
(a) Current Ratio	1.27	1.16	10%	
(b) Debt-Equity Ratio	0.63	1.30	(51)%	Loan was repaid during the year
(c) Debt Service Coverage Ratio	1.02	0.19	439%	Due to increase in profit
(d) Return on Equity Ratio	26%	(0.03)	(907)%	Due to increase in profit
(e) Inventory turnover ratio	5.66	6.77	(16)%	
(f) Trade Receivables turnover ratio	7.92	7.58	5%	
(g) Trade payables turnover ratio	7.25	9.31	(22)%	
(h) Net capital turnover ratio	14.74	20.72	(29)%	Due to increase in Turnover
(i) Net profit ratio	5%	(1)%	(703)%	Due to increase in profit
(j) Return on Capital employed	13%	2%	440%	Due to increase in profit
(k) Return on investment #	NA	NA	NA	

Investments are made only for production and product related. Hence ROI is not applicable

Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises, Development Act, 2006:

Particulars	March 31, 2023	March 31, 2022
i) Principal Amount due to MSME Supplier at the end of financial year	97.47	3,958.98
ii) Principal overdue at the end of financial year	-	46.70
iii) Interest due on the Principal overdue at the end of financials year	-	0.94
iv) Amount of interest paid during financial year	-	0.50
v) Interest due and payable during the year but not paid	-	-
vi) Interest accrued and remaining unpaid at the end of Financial year	-	0.94
vii) The amount of further interest due and payable even in the succeeding year	-	-

(a) Total payable to MSME supplier include

- i) Trade Payable of Rs.97.47 lakhs-, Non trade payable is NIL and CG Payable is NIL for Year end 31st March 2023.
- ii) Trade Payable of Rs.3,812.93 Lakhs, Non trade payable of Rs.117.75Lakhs and CG Payable of Rs.28.29 Lakhs for Year end 31st March 2022.

(b) This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

C.I.F. Value of Imports

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Import of Raw Materials	10,250.02	12,630.52
Import of Trading Goods	4,978.15	1,537.32
Import of Capital Goods	3,535.55	5,138.92
Import of Spares & Maintenance Materials	1,119.11	1,283.60
TOTAL	19,883	20,590

Notes to the Financial Statements

(Amount in Lakhs)

Expenditure in foreign currency

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Interest Expenditure	103.40	122.80
Royalty	2,756.96	2,117.97

CSR Expenditure:

	Year Ended 31 st March 2023	Year Ended 31 st March 2022
(a) Gross amount required to be spent by the company during the year as per section 135 of the Companies Act, 2013 read with Schedule VII	30.16	475.60
(b) Amount spent during the year	-	-
(c) Amount transferred to CSR on-going projects subsequently	-	-

Particulars	In Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any asset			
(ii) On purposes other than (i) above	30.16	-	30.16

Particulars	31-Mar-23	31-Mar-22
(a) Gross amount required to be spent by the company during the year	30.16	47.56
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	30.16	47.56
(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;	-	-
(iv) total of previous years shortfall	68.30	68.34
(v) reason for shortfall*	-	-
(vi) nature of CSR activities	Transferred to PM Care Fund	Transferred to PM Care Fund & Clean Ganga Fund
(vii) 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,	Nil	Nil
viii) 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.	Nil	Nil

*The reason for short fall & Subseqent 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 and it is decided by the management to retain the liability in the books till such time it is spent for activities specified in Schedule VII to the Companies Act, 2013.

Segment Reporting

The Company's primary reporting segment is business segment, under which it has only one segment to report as its products primarily relate to automotive component manufacturing (Cylinder Head Products, engines and caters).

Notes to the Financial Statements

(Amount in Lakhs)

CWIP Ageing Schedule

PARTICULARS	Amount in CWIP for a period of					Total
	Less than 1Year	1-2 Years	1-2 Years	2-3 Years	Morthan 3 Years	
Project in Progress	1,497.80	-	-	-	-	1,498
Projects temporarily suspended	-	-	-	-	-	-
TOTAL	1,498	-	-	-	-	1,498

Borrowings secured against current assets

Quarter Ended	Name of Bank	Particulars of securities provided	Reported in the Quarterly Statement	Amount as per books	Amount of Difference
June,2022	HDFC Bank	Stock and Book Debts	23,044.13	23,044.13	-
	Axis Bank		23,044.13	23,044.13	-
Sep,2022	HDFC Bank	Stock and Book Debts	22,590.02	22,590.02	-
	Axis Bank		22,590.02	22,590.02	-
Dec, 2022	HDFC Bank	Stock and Book Debts	22,551.13	22,551.13	-
	Axis Bank		22,551.13	22,551.13	-
Mar, 2023	HDFC Bank	Stock and Book Debts*	29,895.44	29,895.44	-
	Axis Bank		29,895.44	29,895.44	-

* Stock excluding Goods in Transit and Provision for Slow moving of Rs 64.98 Lakhs

Claims Not Acknowledged as Debts

There are no claims against the Company which are not acknowledged as debts as certified by the management.

Provision for Doubtful Debt

During the financial year company has not created provision for bad and doubt debt.

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 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;

Additional Regulatory Information pursuant to changes in Schedule III

- 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.
- The Company has not been declared as willful defaulter by any bank or financial Institution or other lender.
- 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
- 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.

Notes to the Financial Statements

(Amount in Lakhs)

- v) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- vi) There are no funds which 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 persons or entities, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Company or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vii) There are no funds which have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Party or
 - b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- ix) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Others

- a) 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.
- b) Previous year figures have been regrouped wherever necessary to conform to the current year's classification.
- c) Figures in brackets indicate deductions.

As per our report of even date

For Sukumar & Associates
Chartered Accountants

Firm Regn No: 005610 S

N.Sukumar, B.Sc., F.C.A.

Partner
MSP No.022444

Place : Chennai
Date : Date : 22nd April, 2023

For and on behalf of the Board of Directors

DR Axion India Private Limited

S.Ravi

Chairman and Managing Director
DIN : 01257716

Place :Coimbatore
Date : 22nd April, 2023

Shainshad Aduvanni

Company Secretary
M.No.A27895

Place : Coimbatore
Date : 22nd April, 2023

Kim Jong Seob

Joint Managing Director & CEO
DIN : 07382589

Place :Thiruvallur
Date : 22nd April, 2023

C. B. Chandrasekar

Chief Financial Officer

Place : Coimbatore
Date : 22nd April, 2023