Bonfiglioli Transmissions Pvt. Ltd.
Plot No. AC7-AC11, SIDCO Industrial Estate
Thirumudivakkam, Chennai,
Kancheepuram - 600 132, Tamilnadu, India.
Tel. +91 84484 48649
Email : salesindia.mws@bonfiglioli.com
www.bonfiglioli.com
CIN NO. U29309TN1998PTC040717

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of BONFIGLIOLI TRANSMISSIONS PRIVATE LIMITED will be held at Plot No AC 7 – AC 11, SIDCO Industrial Estate, Thirumudivakkam, Kanchipuram – 600132 on Friday the 3rd May, 2024 at 10.00 AM to transact the following business:

Ordinary Business:

1. To consider and if thought fit, to pass with/without modifications, following resolution as an **Ordinary Resolution**:

   Adoption of Annual Financial Statements, Directors' & Auditor's Report for the financial year ended 31st December, 2023

   -Draft resolution-

   "**RESOLVED THAT** the Audited Accounts for the year ended 31st December 2023 and the reports of the Directors and Auditors thereon as placed before the Meeting be and are hereby received, considered, adopted and approved."

2. To consider and if thought fit, to pass with/without modifications, following resolution as an **Ordinary Resolution**:

   Appointment of Statutory Auditors of the Company and fixing their remuneration:

   -Draft resolution-

   "**RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (FRN: 101049W), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in 2029, at a remuneration to be fixed by the Board of Directors of the Company, in addition to the re-imbursement of applicable taxes and actual out of pocket expenses incurred in connection with the audit."

   "**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company, be and are hereby severally authorized to do all acts and take all such steps as may be necessary and proper to give effect to this resolution, including filing of necessary forms with the statutory authorities."

Special Business:

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

   CONFIRMATION OF REMUNERATION OF COST AUDITOR:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. KDMG & Associates, Cost Accountants (Firm Registration No.000508) appointed by the Board of Directors

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of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st December 2024, be paid the remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) plus applicable Tax and re-imbursement of out-of-pocket expenses."

"RESOLVED FURTHER THAT any Director or the Company Secretary of the Company, be and are hereby severally authorized to do all acts and take all such steps as may be necessary and proper to give effect to this resolution."

By Order of the Board
For Bonfiglioli Transmissions Private Limited

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

G. Balaji

G A Balaji
Director
DIN: 06630726

Date: 03.04.2024
Place: Chennai

NOTE:

ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY BEFORE THE COMMENCEMENT OF THE MEETING.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.

ITEM NO. 3

The Board has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31st December 2024 as per the following details:

Name of the Cost Auditor	Cost Audit Fees
M/s. KDMG & Associates, Cost Accountants (Firm Registration No.000508)	Rs. 2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and re-imbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 2 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st December 2024.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the shareholders.

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ROUTE MAP FOR THE VENUE OF ANNUAL GENERAL MEETING

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DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting to you the performance of the Company, for the period from 01st January, 2023 to 31st December 2023.

1. FINANCIAL RESULTS:

(INR in Lakhs)

Particulars	Jan - Dec 2023	Jan - Dec 2022
Revenue from Operations	1,71,696	1,58,177
Profit Before Interest and Depreciation	26,284	27,113
Finance Charges	1,315	728
Provision for Depreciation	3,801	3,513
Net Profit Before Tax	21,168	22,872
Provision for Tax	6,215	5,727
Net Profit After Tax	14,953	17,145
Total Comprehensive Income	14,552	17,308

2. COMPANY'S PERFORMANCE:

During the financial year ending December 2023, the Company achieved revenue from operations INR 1,71,696 lakhs as against INR 1,58,177 lakhs in the previous reporting period.

The Profit After Tax for the current year is INR 14,953 lakhs as against INR 17,145 lakhs in the previous reporting period.

3. OPERATIONS, PERFORMANCE AND FUTURE OUTLOOK:

Industry's & Company's Overview:

i) Mobility and Wind Industries (M&W)

a) Mobility:

2023 witnessed a healthy growth for the mobility business after seeing consolidation in the previous year. After witnessing a sharp uptrend to reach all time high figures in 2021 on back of pent-up demand following demand contraction during COVID lockdown in 2020, and consolidation in 2022, mobility business saw record sales with growth of 17% over the previous year. The first quarter of 2023 saw a growth of over 9% in the first quarter over the corresponding period in previous year. Sales grew in each subsequent quarter, peaking in the fourth quarter, which saw it grow at over 22% compared to corresponding period of previous year.

Key driver for the growth in mobility segment was the unprecedented increase in the budgeted Capex for infrastructure projects by the Central Government. The overall budgeted Capex increased

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

from 7.27 Trillion INR in FY23 to 10 Trillion INR in FY24, an overall growth of over 37%. The infrastructure projects in road and railways were significant beneficiaries of this increase in governments budgeted Capex. The road Capex grew from 2.17 Trillion INR in FY23 to 2.70 Trillion INR in FY24, an increase of over 24%. In the same period, Capex on railways increased from 1.4 Trillion INR to 2.4 Trillion INR, an increase of over 71%.

We witnessed a 17% growth in revenues, the market for mobile equipment's increased by around 14%. The overall mobile equipment volumes that had decreased in 2022 to 95,978 units from the peak of 99,878 units in 2021, increased to all time high of 109,345. The growth in equipment sales was not secular, with various segments of the market growing at different rates. Tower cranes led the way in growth with volumes doubling in the year, pointing out to revival in the real estate sector after a decade of underperformance. All the equipment reached their record levels except machines like Backhoe Loaders & Self-loading Mixers, that are still lower than the previous highs they witnessed in 2021. These exceptions are more related to change in engine norms in particular years contributing to spikes in volumes of these machines. Equipments like soil compactors and crushing screen machines also witnessed health growths owing to substantial increase in export of these machines.

We expect the mobility business to grow on back of enhanced infrastructure spending, however in the near term impending general elections in 2024 and the subdued export market remain an overhang on the business.

b) Wind Industry:

2023 was again a year of growth for Wind business. Wind revenue grew by 4.5%. Domestic wind turbine installations witnessed an all-time high growth of 52% of new installations in 2023 i.e., 2,806 Mw in calendar year 2023 against 1,847 Mw in the year 2022. Wind installations has recovered 19% more than pre-COVID levels.

The global OEM's using India as a base to export wind turbines, witnessed a dip due to global market scenarios. In calendar year 2023, we saw exports of wind turbines decrease by 25% over 2022, to reach 1,537 Mw. However, the domestic market grew well to compensate the dip in global Wind OEMs manufacturing in India and exporting to other regions. We also did retain the direct market exports in 2023 with revenue growth of 7%, which is testimony for our quality, timely delivery, and continued cooperation with our customers.

We continued to witness introduction of ever larger turbine by wind turbine generator manufacturers, resulting in development of new size and models of drives for both domestic and global customers. The new higher size machines developed by wind OEMs is futuristic ready to tap the growing market requirements. There is strong aspiration and push from government with 50% of energy needs from green renewable sector by 2030 and net zero carbon emission by 2070.

We expect new domestic installations to create record installations each year with a target installation of 8 Gw per year. The increase in new domestic installations, coupled with the increasing trend in exports out of India, remain the key drivers for the industry. The industry also witnessed the entry of Chinese OEM's & suppliers setting up manufacturing bases in India to cater to both domestic and overseas market requirements. These players have started getting business from Indian power producers and their installations are increasing. Lack of localization in wind turbines by China based wind turbine manufacturers remains a concern.

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ii) Discrete Manufacturing & Process Industries (D&P):

2023 was a year of mixed market dynamics where pent-up demand stabilized and some sectors growth softening due to global market situations. Indian OEMs who were catering to the growing, emerging markets saw slight decline in Order Bookings and Manufacturing Capacity exceeding the domestic demands led to cautious investment in Green Field Projects.

BTPL D&P Business was impacted slightly due to Technical Textile, Chemical & Pharmaceutical excess capacity built up and softening demands. Despite the softening demand, BTPL delivered 12% Sales Growth and 8% Order Booking where Channel Sales Grew at 18%.

BTPL holds strong market share in Chemical-Pharma in OEMs market and witnessed 14% sales growth in OEM business. BTPL gained strong position in Paint sector winning key projects with Asian Paints. Competition targets our strongholds with strategic product positioning where HDP business is challenged in 2023.

Rice is a stronghold in F&B Sector where we had 16% Sales Growth and BTPL has strong position in Sugar-Ethanol OEMs and grew at +75%. Our market leadership position in Rice is challenged aggressively by competition with strategic product, price positioning with large OEMs and new factory transition delays led some OEMs to share our SOW.

BTPL co-developed Crane specific portfolio with a large OEM where we had gained strong inroad in Crane Business. Material Handling is another sector where we had executed large projects with key OEMs and grew at 18%.

Our focus in emerging products and HDP portfolio helped gain sizable growth and win new market, new OEMs growing at strong double-digit growth at 20%.

Our Focus and Growth Initiatives in 2023:

Enhancing Reach in White Space: To tap the full market potential we have added more sales partners in Tier 2 market and relocated sales engineers to Tier 2 cities to operate as Resident Engineers.

OEM Focus: We had increased focus in sustaining and growing our SOW in Mining, Material Handling, Chemical, F&B, Aggregate and Construction, Metal Processing OEMs.

Marketing: We continue to enhance our market visibility demonstrating our product/solutions in various Road Shows, Exhibitions, Seminar, Customer training programs.

New Campus Inauguration: We have invested in Greenfield campus facility in Pune to be closer to market and be able to address the market needs faster.

Our Must win Battle and Strategic Growth Initiatives in 2024:

Must Win Battle Sectors: Crane, Intra Logistics and Warehouse Automation, F&B, Water and Waste Water, Recycling, Plastics and Rubber sectors will see strong growth in coming year/s and we will strengthen our position with increased focus in Sales and Marketing initiatives.

Focus Sectors: Mining, Material Handling, Steel, Power & Cement: Gaining key corporate account and consultant approvals is essential for our sustainable growth and with dedicated Business Development activities, we will accelerate the approval process.

Defend Strong holds with Key Account Management: Increase engagement and build stronger relationship with stakeholders to understand their needs, build stronger value proposition for sustainable growth and long term business association through dedicated Key Account Management program and Sales Coordinators (Internal Sales) managing the customers from Demand Order to Cash and free up Sales time.

Solution Selling and CP series Focus: With integration of D&P and M&R into Industrial and Automation Solution we can offer stronger value proposition to market needs by bundling our portfolio. With a sharpened I&A strategy, we will build competency of team in Solution Selling, Value Selling competency, Application expertise to differentiate in the market and gain market share.

Partner Excellence: Channel Partner business is key for our enhanced market reach and we will build them as "Mini Bonfiglioli" with dedicated Partner Excellence Program to deliver the same value and experience to our customers what Bonfiglioli offers and sustain the profitable growth while we kick-off Digitalize our Install base and develop program to defend our strong install base.

Digital Marketing: We will position Bonfiglioli as Preferred Strategic Solution Partner in Industry and Automation Industry and differentiate over next best alternative peers. We have planned various Direct and Joint Marketing Programs across India to execute our Go to Market Strategy.

iii) Exports:

Exports remain a significant portion of our business as we cater to global market from our world class manufacturing facilities in India.

Global market demand softening had impact with slight decline of Order booking. However, we had strong sales with strong double digit growth of +26%.

4. TRANSFER TO RESERVES:

The Company has transferred the profit of INR 14,953 lakhs earned during the year to Reserves & Surplus account.

5. DIVIDEND:

There is no dividend declared for the year since the management has decided to plough back the profits into business for expansion purposes.

6. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

7. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of Business of the Company during the financial year.

8. SHARE CAPITAL

The Paid up Equity Share Capital of the Company as on December 31, 2023 was INR 131,12,29,940/-. There was no change in the Equity Share Capital of the Company during the year under review. The Company has no other type of securities except equity shares forming part of paid up capital.

9. DIRECTORS AND KEY MANANGERIAL PERSONNEL (KMP):

There were no changes taken place during the year, in the composition of the Directors:

The following are the current composition of Directors:

1. Ms. Sonia Bonfiglioli
2. Mr. Fausto Carboni
3. Mr. Ravindra Pisharody
4. Mr. Kennady V Kaippally

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5. Mr. G A Balaji

Also, the Company Secretary of the Company Ms. Merla Bindhu Madhavi had resigned from the Company w.e.f. 21st April 2023. Ms. Arthi N was appointed as the Company Secretary of the Company w.e.f. 22nd April 2023. Mr. Arthi N has resigned from the Company w.e.f. 16th November 2023.

10. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

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

11. AUDITORS:

Statutory Auditors:
M/s. S.R. Batliboi & Associates LLP with firm regn no. 101049W/E300004 were appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) held on 29th June, 2020 for 4 (four) years, to hold office till the conclusion of the Annual General Meeting to be held in 2024. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

Cost Auditors:
The Board of Directors has appointed KDMG & Associates, Cost Accountants, (Firm Registration No. 000508) as the Cost Auditor of the Company to conduct the audit of cost records for the financial year 2023 (January 2023 to December 2023).

Internal Auditors:
As per the Provisions of Section 138 of the Companies Act, 2013 and Rule 13 of Companies (Accounts) Rules, 2014, it is mandatory for your company to appoint and Internal Auditor. The Board of Directors has appointed M/s. Profaids Consulting, Auditors, as the Internal Auditor of the Company for the financial year 2023 (January 2023 to December 2023).

12. OBSERVATION IN AUDIT REPORT:

Your Company's Directors have examined the Statutory Auditors' Report issued by M/s S.R. Batliboi & Associates LLP, Chartered Accountants on the Annual Accounts of the Company for the financial year ended 31st December, 2023.

There is no Qualification in the Audit Report. Auditors have given Clean Report.
Further they had made an observation as under:

In point 2(b) of Independent Auditor's Report of the Company, it was observed by Auditors as follows:

"Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode as explained in note 45 to the financial statements."

The Ministry of Corporate Affairs have amended Companies (Accounts) Rules, 2014-Rule 3 (Manner of Books of accounts to be kept in electronic mode) on August 05, 2022, whereby the books of account and other relevant books and papers maintained in electronic mode shall remain accessible in India at all times and the Company shall take back-up of books of account and other books and papers of the company maintained in electronic mode, be kept in servers physically located in India on a daily basis.

The Company maintains books of accounts and also takes back up on daily basis on servers located outside India. The Company will discuss with the parent company to establish a mechanism to ensure that backup is taken on a daily basis on servers located in India.

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

(A) Conservation of energy:

Steps taken / impact on conservation of energy, with special reference to the following:

(i) Steps taken by the Company for energy conservation: **Nil**
(ii) Capital investment on energy conservation equipment - **Nil**

(B) Technology absorption:

1. Efforts, in brief, made towards technology absorption. **- Nil**
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. **– Not applicable**
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: **Nil**
   (a) Details of technology imported.
   (b) Year of import.
   (c) Whether the technology been fully absorbed.
   (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.
4. Expenditure incurred on Research and Development **-Nil**

(C) Foreign exchange earnings and outgo:

Foreign Exchange Earnings – INR 43,817.87 lakhs
Foreign Exchange Outgo – INR 49,234.18 lakhs

14. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

There was no significant and material order passed by any regulators or courts or tribunals impacting the going concern status and Company's operations.

15. VIGIL MECHANISM (WHISTLE BLOWER POLICY):

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 of the Companies Act, 2013. Vigil Mechanism at BTPL, provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation or in conflict with the Business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees.

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16. INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING:

The Company has put in place adequate internal financial controls over financial reporting. These are reviewed periodically and made part of work instructions or processes in the Company. The Company continuously tries to automate these controls to increase its reliability. The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not provided any Loans, Guarantees or made any Investments in pursuance of provision of Section 186 of the Companies Act, 2013 during the financial year.

18. INFORMATION ABOUT THE FINANCIAL PERFORMANCE/ FINANCIAL POSITION OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES:

There are no Subsidiaries, Associates and Joint Venture Companies.

19. RISK MANAGEMENT POLICY OF THE COMPANY:

Your Company has a risk management process wherein all applicable material risks are monitored and systematically addressed through mitigating actions on a continuous basis. The Directors believe that there is no material risk which threatens the existence of your Company.

20. DEPOSITS:

The Company has not accepted any deposits during the financial year.

21. CORPORATE SOCIAL RESPONSIBILTY POLICY:

We endeavor to serve the society and achieve excellence. We continue to remain focused on improving the quality of life, promoting healthcare, promoting education and many more activities.

Your Company has a CSR Committee of the Board of Directors which is responsible for formulating and monitoring the CSR policy of the Company.

The following are the composition of CSR Committee:

1. Ms. Sonia Bonfiglioli – Chairman
2. Mr. Fausto Carboni – Member
3. Mr. Kennady V Kaippally – Member
4. Mr. G A Balaji – Member
5. Mr. Ravi Pisharody – Member

In accordance with Section 135 of the Companies Act, 2013 and rules made thereunder and pursuant to the recommendation of CSR Committee, your Company has spent INR 369.83 lakhs towards our CSR activities in purview of Schedule VII to the Companies Act, 2013. A detailed report on the CSR initiatives undertaken by the Company for the financial year ended on December 31, 2023 is enclosed and marked as '**Annexure A**' and forms a part of this report.

22. RELATED PARTY TRANSACTIONS:

The particulars of contracts or arrangements with related parties pursuant to in Section 188(1) of the Companies Act, 2013 read with rule 8(2) of Companies (Accounts) Rules, 2014, as prescribed in Form AOC-2 is disclosed in '**Annexure B**' forming part of this report. All Related Party

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Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis.

23. PERSONNEL:

The details of the Employees of the Company who drew remuneration which in the aggregate exceeded the limits fixed under Section 134(3)(q) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **'Annexure C'** forming part of this report.

24. HUMAN RESOURCES:

BTPL firmly reiterates its trust that our employees are the key assets of the organization and follows a well-established approach to hiring and on boarding. Our talent sourcing strategies include employee referrals, campus placements and channel partners.

Protection of employees from injury or occupational disease is a major continuing objective. We continue to enhance safety & security at the workplace by prescribing policies & procedures, creating awareness and imparting trainings. In addition to the above, we have mechanism in place to foster a positive workforce environment, free from harassment of any nature.

Human Resource Department continuously focuses on employee engagement and motivation which further helps in achieving strategic objective of the organization. We continuously strive to provide our employees with competitive compensation packages. During the year, we maintained a very cordial relationship with all the employees. There was no loss of production on account of any industrial unrest.

25. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

There were no such frauds which were reported by Auditors during the year, under Section 143(12) of the Companies Act, 2013 other than those which were reportable to the Central Government.

26. COST RECORDS:

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

27. PREVENTION OF SEXUAL HARASSMENT:

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

No application or proceeding has been made against the Company under the Insolvency and Bankruptcy Code, 2016 during the year.

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

Not applicable for the Company.

30. ACKNOWLEDGEMENTS AND APPRECIATION

The Board of Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, co-operation and dedication during the year.

Further, the Board sincerely conveys its appreciation for its customers, shareholders, suppliers, bankers, regulatory and government authorities for their continued support.

For and on behalf of the Board of
Bonfiglioli Transmissions Private Limited

Kennady V kaippally	**G A Balaji**
Director	Director
DIN: 08110794	DIN: 06630726

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

Annexure – A

Detailed Report on Corporate Social Responsibility (CSR)

1. **Brief Outline on the CSR Policy of the Company:**

Corporate Social Responsibilty is an integral part of our Business. The Policy outlines the Company's strategy to bring about a positive impact on society through programs relating to poverty, education, healthcare, hunger etc.,

The Board of Directors of the Company adopted the CSR policy at their meeting held on 20th April, 2021. CSR committee is responsible for formulating and monitoring the CSR policy of the Company.

2. **Composition of the CSR Committee**

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Sonia Bonfiglioli	Chairman	1	1
2.	Mr. Fausto Carboni	Member	1	1
3.	Mr. Ravi Pisharody	Member	1	1
4.	Mr. Kennady V Kaippally	Member	1	1
5.	Mr. G A Balaji	Member	1	1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: **Not Applicable.**

4. The executive summary along with the web-link of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable.**

5. (a) Average net profit of the Company as per section 135(5).

The average net profits of the Company during the last three years is **Rs. 2,181,979,907/-**

(b) Two percent of average net profit of the company as per section 135(5): **Rs. 43,639,598/-**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Rs. 11,661,009/-.**

(d) Amount required to be set off for the financial year, if any: **Nil.**

(e) Total CSR obligation for the financial year (b+c-d): **Rs. 55,300,607/-.**

6. (a) Amount spent on CSR Projects (both Ongoing and other than Ongoing projects): **Rs. 36,983,205/-**

(b) Amount spent in Administrative Overheads - Not Applicable

(c) Amount spent on impact assessment, if applicable - Not Applicable

(d) Total amount spent for the Financial Year (a+b+c) - **Rs. 36,983,205/-**

(e) CSR amount spent or unspent for the Financial Year:

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
INR 36,983,205/-	INR 18,317,402/-	30.01.2024	NA	NA	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 43,639,598/-
(ii)	Total amount spent for the Financial Year	Rs. 36,983,205/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial yea₹ (in ₹)
				Name of the Fund	Amount (in ₹ lakhs)	Date of transfer	
1.	2022	11,661,009	11,661,009	N.A	N.A	N.A	Nil
2.	2021	11,082,913	11,082,913	N.A	N.A	N.A	Nil
3.	2020	N.A.	4,757,000	N.A	N.A	N.A	31,619,337

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial year:

○ Yes ● No

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

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

S. No.	Short particulars of the property or asset(s) [including complete address and	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner

BOMBHIGLOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

	location of the property]						
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
NA							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

9. The reason, if the company has failed to spend two per cent of the average net profit as per section 135(5):

BTPL considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit society.

BTPL CSR activities are on the focus areas approved by the Board benefitting the community at large. However, during the year 2023, due to non-availability of resources and projects, the Company was not able to plan and implement its desired CSR activities in a full-fledged manner.

For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under the Companies Act, 2013. Further, the Board via circular resolution dated 24th January 2024, has decided that any unspent amount pertains to the Ongoing Projects as discussed therein, for the financial year ending on 31st December, 2023 as per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, has been transferred to a separate Bank Account with the name of 'Unspent CSR Amount' and that the Board, is hereby authorized to spend such unspent amount towards CSR activities anytime during the next three financial years.

For and on behalf of the Board of
Bonfiglioli Transmissions Private Limited

Kennady V kaippally
Director
DIN: 08110794

G A Balaji
Director
DIN: 06630726

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

Annexure B

Particulars of contracts/arrangements made with related parties Form AOC – 2.

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 read with rule 8(2) of Companies (Accounts) Rules, 2014]

Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of Companies Act, 2013.

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

There were no contracts or arrangements or transactions entered in to during the year ended December 31, 2023 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis

Description	Nature of Relationship	Duration of the transactions	Amount Lakhs
Sale of Goods			
Bonfiglioli Transmission (Aust.) Pty Ltd – Australia	Under Common Control	Ongoing	1,025
Bonfiglioli Vietnam Co. Ltd	Under Common Control	Ongoing	375
Bonfiglioli U.S.A. Inc.	Under Common Control	Ongoing	3,288
Bonfiglioli Slovakia sro	Under Common Control	Ongoing	1,768
Bonfiglioli South Africa Pty Ltd.	Under Common Control	Ongoing	82
Bonfiglioli Transmission S.A.S	Under Common Control	Ongoing	2,161
Bonfiglioli Redutores do Brasil Industria e Comercio Ltd	Under Common Control	Ongoing	258
Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand	Under Common Control	Ongoing	182
Bonfiglioli Drives (Shanghai) Co Ltd	Under Common Control	Ongoing	895
Bonfiglioli Deutschland GmbH	Under Common Control	Ongoing	5,710
Bonfiglioli Riduttori S.p.A.	Under Common Control	Ongoing	3,362
Bonfiglioli Guç Aktarma VE	Under Common Control	Ongoing	862
Bonfiglioli (U.K) Ltd	Under Common Control	Ongoing	604
Bonfiglioli South East Asia Pte. Ltd.	Under Common Control	Ongoing	576
Bonfiglioli Trading (Shanghai) Co. Ltd.	Under Common Control	Ongoing	4,993
Tecnotrans Bonfiglioli SA	Under Common Control	Ongoing	531
Sale of services - Service charges			
Bonfiglioli S.p.A.	Holding Company	Ongoing	2,950
Bonfiglioli Riduttori S.p.A.	Under Common Control	Ongoing	27
Bonfiglioli Drives (Shanghai) Co Ltd	Under Common Control	Ongoing	2
Bonfiglioli Trading (Shanghai) Co. Ltd.	Under Common Control	Ongoing	37
Bonfiglioli Deutschland GmbH	Under Common Control	Ongoing	1
O&K Antriebstechnik Gmbh	Under Common Control	Ongoing	103
Bonfiglioli South East Asia Pte. Ltd.	Under Common Control	Ongoing	1
Bonfiglioli Vectron Gmbh	Under Common Control	Ongoing	77
Bonfiglioli Drive Solutions Private Limited	Under Common Control	Ongoing	18
Commission Income			
Bonfiglioli Riduttori S.p.A.	Under Common Control	Ongoing	20
O&K Antriebstechnik Gmbh	Under Common Control	Ongoing	18

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Description	Nature of Relationship	Duration of the transactions	Amount Lakhs
Purchase of goods			
Bonfiglioli Drives (Shanghai) Co Ltd	Under Common Control	Ongoing	74
Bonfiglioli Vectron GmbH	Under Common Control	Ongoing	30
Bonfiglioli Deutschland GmbH	Under Common Control	Ongoing	1
Bonfiglioli U.S.A. Inc.	Under Common Control	Ongoing	4
Bonfiglioli Riduttori S.p.A.	Under Common Control	Ongoing	23,033
Bonfiglioli Redutores do Brasil Industria e Comercio Ltd	Under Common Control	Ongoing	1
Bonfiglioli Transmission (Aust.) Pty Ltd – Australia	Under Common Control	Ongoing	2
Bonfiglioli South Africa Pty Ltd.	Under Common Control	Ongoing	7
Bonfiglioli Trading (Shanghai) Co. Ltd.	Under Common Control	Ongoing	118
Bonfiglioli Drive Solutions Private Limited	Under Common Control	Ongoing	172
O&K Antriebstechnik Gmbh	Under Common Control	Ongoing	12
Professional fees			
Bonfiglioli S.p.A.	Holding Company	Ongoing	4,412
Sales Commission Expenses			
Bonfiglioli U.S.A. Inc.	Under Common Control	Ongoing	251
Miscellaneous expenses			
Bonfiglioli Riduttori S.p.A.	Under Common Control	Ongoing	6
Bonfiglioli Drives (Shanghai) Co Ltd	Under Common Control	Ongoing	5
Bonfiglioli Slovakia sro	Under Common Control	Ongoing	6
Bonfiglioli (U.K) Ltd	Under Common Control	Ongoing	2
Bonfiglioli U.S.A. Inc.	Under Common Control	Ongoing	6
Royalty			
Bonfiglioli S.p.A.	Holding Company	Ongoing	7,413
Donation			
Clementino Bonfiglioli Charitable Trust	Trustee	Ongoing	32
Dividend Paid			
Bonfiglioli S.p.A.	Holding Company	Ongoing	6,397
Bonfiglioli Vectron GmbH	Under Common Control	Ongoing	159

For and on behalf of the Board of
Bonfiglioli Transmissions Private Limited

Kennady V kaippally
Director
DIN: 08110794

G A Balaji
Director
DIN: 06630726

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

ANNEXURE C

PARTICULARS OF EMPLOYEES COVERED UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of the Employee	Kennady V Kaipally
Designation	Director & Country Manager
Remuneration Received	254 Lakhs
Nature of Employment	Permanent
Qualifications and Experience	BE Production Engineering; 28 years
Date of Commencement of Employment	6th January, 2010
Age	49
Last Employment held	Federal Mogul
Percentage of Equity Shares held	Nil
Whether a relative of a Director or Manager	No

Name of the Employee	G A Balaji
Designation	Director & Chief Financial Officer
Remuneration Received	129 Lakhs
Nature of Employment	Permanent
Qualifications and Experience	Chartered Accountant; 29 years
Date of Commencement of Employment	5th February, 2010
Age	58
Last Employment held	Tower Aluminium PLC, Nigeria
Percentage of Equity Shares held	Nil
Whether a relative of a Director or Manager	No

For and on behalf of the Board of
Bonfiglioli Transmissions Private Limited

Kennady V kaippally
Director
DIN: 08110794

G A Balaji
Director
DIN: 06630726

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Bonfiglioli Transmissions Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Bonfiglioli Transmissions Private Limited ("the Company"), which comprise the Balance sheet as at December 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode as explained in note 45 to the financial statements.

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

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on December 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended December 31, 2023;

   (h) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above.

S.R. Batliboi & Associates LLP Chennai

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 41A to the Ind AS financial statements;

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

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

iv. a) The management has represented that, to the best of its knowledge and belief (refer note 43(g) to the Ind AS financial statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief (refer note 43(f) to the Ind AS financial statements), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah
Partner
Membership Number: 121648
UDIN: 24121648BKGDEN8156
Place of Signature: Chennai
Date: April 02, 2024

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

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Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Bonfiglioli Transmissions Private Limited ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended December 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) All material inventory has been physically verified by the management during the year except inventories laying with the third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at December 31, 2023 and no discrepancies were noticed.

(b) As disclosed in note 14 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) & (d) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) and (d) of the Order is not applicable to the Company.

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(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of gear boxes and motors, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and other statutory dues though there have been slight delays in few cases in respect of income tax (tax deducted at source) . According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Amount paid under protest (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	49	-	AY-2004-05*	Madras High Court
Income Tax Act, 1961	Income Tax	122	-	AY-2013-14#	Madras High Court
Income Tax Act, 1961	Income Tax	366	73	AY-2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	264	53	AY-2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	163	33	AY-2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	116	23	AY-2020-21	Commissioner of Income Tax (Appeals)

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* the commissioner of Income tax has adjusted this demand with the refund of A.Y 2012-13
# the amount under dispute entirely paid against the assessment order before filing appeal with Income Tax Appellate Tribunal (ITAT). However, based on order passed by ITAT, amount paid is refunded along with interest. The department has gone for further appeal to High Court.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

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(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 44 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 44 to the financial statements.

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

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For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

per Chirag Shah
Partner
Membership Number: 121648
UDIN: 24121648BKGDEN8156

Place of Signature: Chennai
Date: April 02, 2024

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF BONFIGLIOLI TRANSMISSIONS PRIVATE LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Bonfiglioli Transmissions Private Limited ("the Company") as of December 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

Chennai

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accounting principles. A company's internal financial controls with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at December 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

per Chirag Shah
Partner
Membership Number: 121648
UDIN: 24121648BKGDEN8156

Place of Signature: Chennai
Date: April 02, 2024

Bonfiglioli

Bonfiglioli Transmissions Private Limited
Balance Sheet as at December 31, 2023
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	23,968	16,827
Capital work in progress	3	2,026	964
Intangible assets	3	232	185
Right-of-use asset	3	3,810	3,428
Financial assets			
i. Investments	4	11	11
ii. Other financial assets	5	546	1,907
Deferred tax assets (Net)	7	1,751	1,423
Non-Current tax assets	18	269	355
Other non-current assets	6	719	708
Total non-current assets		**33,332**	**25,808**
Current assets			
Inventories	8	33,156	26,284
Financial assets			
i. Trade receivables	9	41,033	37,673
ii. Cash and cash equivalents	10	9,053	10,868
iii. Bank balances other than (ii) above	11	17,001	16,804
iv. Other financial assets	5	655	773
Current tax assets (net)	18	925	709
Other current assets	6	4,435	3,258
Total current assets		**106,258**	**96,369**
Total assets		**139,590**	**122,177**
Equity and liabilities			
Equity			
Equity share capital	12	13,112	13,112
Other equity	13	67,421	59,425
Total equity		**80,533**	**72,537**
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	17	601	196
ii. Other financial liabilities	15	203	110
Provisions	16	1,076	900
Total non-current liabilities		**1,880**	**1,206**
Current liabilities			
Contract liabilities	21	313	237
Financial liabilities			
i. Borrowings	14	11,079	14,374
ii. Lease liabilities	17	366	371
iii. Trade payables	19		
Total outstanding dues of micro and small enterprises		5,765	4,679
Total outstanding dues of creditors other than micro and small enterprises		32,393	23,494
iv. Other financial liabilities	15	2,759	2,161
Other current liabilities	20	1,358	1,011
Provisions	16	3,144	2,107
Total current liabilities		**57,177**	**48,434**
Total liabilities		**59,057**	**49,640**
Total equity and liabilities		**139,590**	**122,177**

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah
Partner
Membership Number: 121648
Place: Chennai
Date: April 02, 2024

For and on behalf of the Board of Directors

Balaji GA
CFO & Director
Din: 06630726
Place: Chennai
Date: April 02, 2024

Kennady V Kaipally
Director
Din: 08110794
Place: Chennai
Date: April 02, 2024

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

Bonfiglioli
We engineer dreams

Bonfiglioli Transmissions Private Limited
Statement of Profit and Loss for the year ended December 31, 2023
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
Income			
Revenue from operations	22	171,696	158,177
Other income	23	1,446	1,155
Total Income		**173,142**	**159,332**
Expenses			
Cost of materials consumed	24	113,128	99,188
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(4,667)	40
Employee benefits expense	26	10,856	9,454
Finance costs	28	1,315	728
Depreciation and amortisation expense	27	3,801	3,513
Other expenses	29	27,541	23,537
Total expenses		**151,974**	**136,460**
Profit before tax		**21,168**	**22,872**
Tax expense:			
Current tax	30	5,673	5,925
Tax pertaining to earlier years	30	735	(125)
Deferred tax	30	(193)	(73)
Total tax expense		**6,215**	**5,727**
Profit for the year		**14,953**	**17,145**
Other comprehensive income:			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements gain or (loss) of post-employment benefit obligations		(536)	218
Income tax relating to the above item		135	(55)
Other comprehensive income for the year, net of tax		**(401)**	**163**
Total comprehensive income for the year		**14,552**	**17,308**
Earnings per equity share: [Nominal value per share: Rs. 10] - Basic and diluted (in Rs.)	32	11.40	13.08

The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the statement of profit and loss referred to in our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah
Partner
Membership Number: 121648
Place: Chennai
Date: April 02, 2024

For and on behalf of the Board of Directors

Balaji GA
CFO & Director
Din: 06630726
Place: Chennai
Date: April 02, 2024

Kennady V Kaipally
Director
Din: 08110794
Place: Chennai
Date: April 02, 2024

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

Bonfiglioli Transmissions Private Limited
Statement of Cash Flows for the year ended December 31, 2023
(All amounts in Rs. lakhs, unless otherwise stated)

	Year ended December 31, 2023	Year ended December 31, 2022
A. Cash flows from operating activities		
Profit before tax	21,168	22,872
Adjustments for		
Depreciation and amortisation expense	3,300	3,118
Amortisation - Right-of-use asset	501	395
Allowance for doubtful debts no longer required written back	(39)	-
Interest income	(1,401)	(1,149)
Provision for sales tax disputes	-	11
Allowance for doubtful debts	-	11
Net gain on sale of property, plant and equipment	(6)	(6)
Finance cost excluding interest on lease liabilities	1,262	664
Interest expense on Lease liabilities	53	60
Provision for product warranty	1,004	743
Unrealised foreign exchange loss	236	200
Assets Written off	39	-
	26,117	**26,919**
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(3,106)	(4,279)
(Increase)/Decrease in inventories	(6,872)	568
(Increase)/Decrease in other financial assets	185	(226)
Increase/ (Decrease) in trade payables	9,534	(2,523)
(Increase)/ Decrease in other assets	(1,177)	1,628
Increase/ (Decrease) in provisions	(686)	(309)
Increase/ (Decrease) in other financial liabilities	(354)	380
(Increase)/ Decrease in loans and other financial assets	(139)	68
Increase/ (Decrease) in other current liabilities	423	(609)
Cash generated from operations	**23,925**	**21,617**
Taxes paid	(6,169)	(5,970)
Net cash inflow from operating activities	**17,756**	**15,647**
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(10,551)	(6,616)
Proceeds from disposal of property, plant and equipment	20	(3)
Deposits made during the year	(47,401)	(74,294)
Proceeds from the deposits matured during the year	48,704	73,400
Interest income received	1,334	1,354
Net cash inflow / (outflow) from investing activities	**(7,894)**	**(6,159)**
C. Cash flows from financing activities		
Interest paid	(1,267)	(655)
Payment of Principle portion of lease liabilities	(505)	(483)
Payment of Interest of lease liabilities	(53)	(60)
Borrowings		
Proceeds	29,900	26,000
Repayments	(33,196)	(17,126)
Payment of Dividend	(6,556)	(16,390)
Net cash inflow / (outflow) from financing activities	**(11,677)**	**(8,714)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,815)**	**774**
Cash and cash equivalents at the beginning of the financial year	10,868	10,094
Cash and cash equivalents as at the end of the year (Refer note 10)	**9,053**	**10,868**

Note: Cashflow statement is prepared under Indirect method
This is the statement of cash flows referred to in our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah
Partner
Membership Number: 121648
Place: Chennai
Date: April 02, 2024

For and on behalf of the Board of Directors

Balaji GA
CFO & Director
Din: 06630726
Place: Chennai
Date: April 02, 2024

Kennedy V Kaipally
Director
Din: 08110794
Place: Chennai
Date: April 02, 2024

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

Bonfiglioli Transmissions Private Limited
Statement of Changes in Equity for the year ended December 31, 2023
(All amounts in Rs. lakhs, unless otherwise stated)

A. Equity share capital

Particulars	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Reconciliation of number of equity shares				
Balance as at the beginning of the year	131,122,994	13,112	131,122,994	13,112
Shares issued during the year	-	-	-	-
Balance as at the end of the year	**131,122,994**	**13,112**	**131,122,994**	**13,112**

B. Other equity

Particulars	Note	Share application money pending allotment	Reserves and surplus				Total
			General reserve	Securities premium	Retained earnings	OCI	
Balance as at December 31, 2021	13	-	-	3,093	55,480	(67)	58,507
Profit for the year		-	-	-	17,145	-	17,145
Other comprehensive income (net of tax)		-	-	-	-	163	163
Payment of Dividend to share holders		-	-	-	(16,390)	-	(16,390)
Total comprehensive income for the year		-	-	-	755	163	918
Balance as at December 31, 2022	13	-	-	3,093	56,235	96	59,425
Profit for the year		-	-	-	14,953	-	14,953
Other comprehensive income (net of tax)		-	-	-		(401)	(401)
Payment of Dividend to share holders		-	-	-	(6,556)	-	(6,556)
Total comprehensive income for the year		-	-	-	8,397	(401)	7,996
Balance as at December 31, 2023	13	-	-	3,093	64,632	(305)	67,421

This is the statement of changes in equity referred to in our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah
Partner
Membership Number: 121648
Place: Chennai
Date: April 02, 2024

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

For and on behalf of the Board of Directors

Balaji GA
CFO & Director
Din: 06630726
Place: Chennai
Date: April 02, 2024

Kennady V Kaipally
Director
Din: 08110794
Place: Chennai
Date: April 02, 2024

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

1 Brief description of the Company

Bonfiglioli Transmissions Private Limited (the 'Company/BTPL'), a private limited company incorporated and domiciled in India, is a wholly owned subsidiary of Bonfiglioli S.p.A., Italy. The Company is engaged in the business of manufacture and sale of and trading in gear boxes and gear motors.

The Company is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Plot No. AC7-AC11, SIDCO Industrial Estate, Thirumudivakkam, Kancheepuram - 600132, Tamil Nadu, India.

2 Summary of significant accounting policies

2.1 Basis of Preparation

(a) Preparation and compliance with Ind AS

These financial statements have been prepared in accordance with the generally accepted accounting principles in India and have complied in all material respects with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015], other relevant provisions of the Act and interpretations issued by the Ind AS Transition Facilitation Group ('ITFG') applicable to companies reporting under Ind AS.

(b) Historical cost convention

The financial statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

(c) Current/Non-current classification

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date and reported amount of income and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in these financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Significant estimates and judgments

The areas involving significant estimates and judgments are:

(i) **Defined benefit obligation: -**
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
Further details about gratuity obligations are given in Note 35

(ii) **Useful life and Residual Value of PPE - Refer note 2.4(c)**

(iii) **Warranty provision**
The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Company also incurs for Warranty expenses that are beyond the warranty period as a goodwill gesture to the customers on case to case basis

(iii) **Expected credit loss:**

The company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit).
The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.
The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's trade receivables and contract assets is disclosed in Note 38

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

2.4 Property, plant and equipment and intangible assets

(a) Property, plant and equipment

Freehold land is carried at historical cost. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost represent expenditure that is directly attributable to the acquisition of assets including related taxes, duties, freight, insurance and cost of installation and is net of Cenvat and VAT/GST credits.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains or losses arising on derecognition of property, plant and equipment is recognized in the Statement of Profit and Loss.

(b) Intangible assets

Intangible assets are stated at acquisition cost less accumulated amortization and impairment losses, if any. Computer software are capitalized when it is expected to provide future enduring economic benefits. Capitalisation cost include license fees.

Gains or losses arising from derecognition of intangible asset is recognized in the Statement of Profit and Loss.

(c) Depreciation and Amortization

Depreciation on property, plant and equipment is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, assessed based on technical evaluation which are lower than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets. Technical evaluation takes into account the estimated usage, past history of replacement, service support, availability of spares, anticipated technological changes, etc.

The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimated useful lives of property, plant and equipment are as follows :

Assets	Useful life followed by the Company (in years)	Useful life prescribed under Schedule II of the Act (in years)
Buildings	30	30
Office equipment's (including computers)	4	5
Furniture and fixtures	8.33	10
Motor vehicles	5	8
Plant and machinery		
Tools and patterns	4	7.5
Testing instruments	6.45	7.5
Others	9.67	15

Cost of computer software is amortized on a straight-line basis over a period of 3 years based on their estimated useful of the asset.

All assets individually costing Rs. 5,000 or less are fully depreciated in the year of addition.

2.5 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or CGU's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

2.6 Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'), i.e. in Indian rupee (Rs.) and all values are rounded off to nearest lakhs and decimals thereof except where otherwise indicated.

(ii) Transactions and balances

Initial Recognition

All foreign currency transactions are recorded in functional currency using the exchange rate prevailing on the date of transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing at the date of the transaction.

All monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payment/realisation and from the year end restatement are recognized in the Statement of Profit and Loss.

Forward contracts

Foreign exchange forward contracts outstanding at the year-end on account of firm commitment / highly probable forecast transactions are marked to market and the gains/losses, if any, are recognized in the Statement of Profit and Loss.

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk, commodity price risk, and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 38

2.7 Inventories

Inventories are stated at lower of cost and net realizable value.

The cost of raw materials is determined using the first-in, first-out (FIFO) method.
The cost of finished goods and work-in-progress comprises of raw materials, direct labour, other direct costs and related production overheads.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in-first-out basis

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written-down for obsolete/slow-moving/non-moving items, wherever necessary.

2.8 Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

a. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b. Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those asset changes.

(ii) Measurements

Initial Recognition:

The Company measures a financial asset (in the case of a financial asset not a fair value through profit or loss) at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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Subsequent measurement:

a. Debt Instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

Amortized Cost:
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is de-recognized or impaired.

Fair Value through profit or loss:

Assets that do not meet the criteria for amortized cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value Through Profit or Loss (FVPL). A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit and loss in the period in which it arises.

b. Equity instruments:

The Company subsequently measures all investments in equity at fair value and has elected to present fair value gains and losses on equity investments in fair value through profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Impairment is considered when there is significant increase in credit risk. Note 38 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

(iv) De-recognition of financial assets

A financial asset is de-recognized only when:
a) The Company's contractual right to the cash flow expires or
b) The Company has transferred the rights to receive cash flows from the financial asset.

2.9 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Also refer accounting policies 2.8(iii) for impairment of financial assets.

2.10 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include 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 and which are subject to an insignificant risk of changes in value.

2.11 Revenue from contract with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.3

Sale of goods
Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods or ex-works depending on the contractual terms.

Volume rebates
The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

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Sales of Services

Revenue from services is recognised as and when the services are rendered in accordance with the specific terms of contract with the customer. When the consideration is received, before the Company renders service to the customer, the Company shall present the consideration as a contract liability, which is then recognised as revenue once the services are rendered.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract

2.12 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are recognized in the profit or loss, as necessary to match them with the costs that they are intended to compensate.

2.13 Employee Benefits

a. Short-term

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The Company recognizes a liability and an expense for bonuses contractually obliged or where there is a past practice that has created a constructive obligation.

b. Post employment

Post employment benefits comprise of Provident fund and Gratuity which are accounted for as follows:

(i) Provident fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(ii) Gratuity

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net of tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

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c. Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

2.14 Current and Deferred Tax

Tax expense comprises of current and deferred taxes.

Provision for current tax is computed at the applicable tax rate in accordance with the Income tax Act, 1961. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

2.15 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

2.16 Provisions and Contingent Liabilities

(i) Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Provision for product warranty cover the estimated liability to repair or replace products still under warranty on the Balance Sheet date and is determined by applying percentage of eligible sales based on management's best estimate considering the historical experience levels of repairs and replacement. Product warranty is generally extended for a period of 12 months from the date of sale.

(ii) 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 but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognized as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

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(iii) Contingent Assets

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 not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

2.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM)

2.18 Earnings Per Share

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

2.19 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company Lease

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of Use Assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset Description	Useful Lives (Years)
Building	2 – 5
Leasehold land	95

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.20 Dividend Payment

The Company recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.21 Changes in accounting polices and disclosures

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

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3 Property, plant and equipment, capital work-in-progress and intangible assets

	Property, plant and equipment							Intangible assets*			
	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment's (including computers)	Motor vehicles	Total	Computer software	Capital work-in-progress	Right-of-use asset (Building)	Right-of-use asset (Land)
Year ended December 31, 2022											
Gross carrying amount											
Opening gross carrying amount	1,035	5,543	21,947	451	975	331	30,282	665	763	1,533	
Additions	-	57	3,194	44	312	67	3,674	125	2,203	523	2,880
Disposals	-	-	(99)	-	(95)	(53)	(247)	-	(2,002)	(124)	-
Closing gross carrying amount	**1,035**	**5,600**	**25,042**	**495**	**1,192**	**345**	**33,709**	**790**	**964**	**1,932**	**2,880**
Accumulated depreciation/amortisation											
Opening accumulated depreciation/amortisation	-	936	12,047	257	721	122	14,083	524	-	1,079	-
Depreciation/amortisation charge during the year	-	219	2,538	50	170	66	3,043	81	-	395	
Disposals	-	-	(96)	-	(95)	(53)	(244)	-	-	(90)	
Closing accumulated depreciation/amortisation	**-**	**1,155**	**14,489**	**307**	**796**	**135**	**16,882**	**605**	**-**	**1,384**	**-**
Net carrying amount as at December 31, 2022	**1,035**	**4,445**	**10,553**	**188**	**396**	**210**	**16,827**	**185**	**964**	**548**	**2,880**
Year ended December 31, 2023											
Gross carrying amount											
Opening gross carrying amount	1,035	5,600	25,042	495	1,192	345	33,709	790	964	1,932	2,880
Additions	-	4,616	4,652	118	908	93	10,387	140	8,546	1,022	9
Disposals	-	(0)	(290)	(32)	(183)	(69)	(574)	-	(7,484)	(1,761)	-
Closing gross carrying amount	**1,035**	**10,216**	**29,404**	**581**	**1,917**	**369**	**43,522**	**930**	**2,026**	**1,193**	**2,889**
Accumulated depreciation/amortisation											
Opening accumulated depreciation/amortisation	-	1,155	14,489	307	796	135	16,882	605	-	1,384	-
Depreciation/amortisation charge during the year	-	238	2,659	54	190	73	3,214	94	-	471	31
Disposals	-	(0)	(281)	(22)	(183)	(56)	(542)		-	(1,614)	
Closing accumulated depreciation/amortisation	**-**	**1,393**	**16,867**	**339**	**803**	**152**	**19,554**	**699**	**-**	**241**	**31**
Net carrying amount as at December 31, 2023	**1,035**	**8,823**	**12,537**	**242**	**1,114**	**217**	**23,968**	**232**	**2,026**	**952**	**2,858**

* Other than internally generated

3.1 Refer to note 2 for information on significant accounting policies.

3.2 Refer to note 41B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3.3 Capital work-in-progress mainly comprises of acquisition of Plant & Machinery.

3.4 Capital-Work-in Progress (CWIP)

As at 31st December 2023 **(Amounts in Rs. lakhs)**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	2,026	-	-	-	2,026

There are no projects whose completion is overdue or has exceeded its cost or duration as compared to its original plan during the financial year 2023

As at 31st December 2022 **(Amounts in Rs. lakhs)**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	964	-	-	-	964

There are no projects whose completion is overdue or has exceeded its cost or duration as compared to its original plan during the financial year 2022

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	As at December 31, 2023	As at December 31, 2022
4 Investments (non-current) at FVTPL		
Investment in equity instruments - Unquoted		
37,500 (December 31, 2022 - 37,500) equity shares of Rs. 10 each fully paid-up in Tulsyan NEC Limited	11	11
Total	**11**	**11**
Aggregate amount of unquoted investments	11	11
Aggregate amount of impairment in the value of investments	-	-

4.1 These equity shares are valued at a price (represents the fair value) as determined in the share purchase agreement entered with Tulsyan NEC Limited

	Non-current		Current	
	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
5 Other financial assets				
(Unsecured, considered good)				
Security deposits	546	407	76	214
Other financial assets	-	-	-	89
Bank deposits with maturity of more than 12 months	-	1,500	-	-
Interest accrued on deposits with banks	-	-	537	470
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward contracts	-	-	42	-
Total	**546**	**1,907**	**655**	**773**
6 Other assets				
(Unsecured, considered good)				
Capital advances	711	700	-	-
Advances other than capital advances:				
Advances to suppliers	-	-	380	345
Advance to employees	-	-	33	32
Prepaid expenses	8	8	197	149
Balances with Government Authorities:				
- Goods and services tax (GST)	-	-	3,437	1,711
- Export entitlements	-	-	186	286
- Rebate claim receivable from GST authorities	-	-	202	735
Total	**719**	**708**	**4,435**	**3,258**

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7 Deferred tax assets

The balance comprises temporary differences attributable to:

	As at December 31, 2023	As at December 31, 2022
Deferred tax assets		
Expenses allowable for tax on payment basis	588	269
Provision for doubtful debts, product warranty and sales tax disputes	548	504
Difference between book and tax written down value of depreciable property, plant and equipment and intangible assets	612	646
IND AS 116 impact	3	4
Total deferred tax assets	**1,751**	**1,423**

Movement in deferred tax assets

	Expenses allowable for tax on payment basis	Provision for doubtful debts, product warranty and sales tax disputes	Property, plant and equipment and intangible assets	IND AS 116	Total
At January 1, 2022	**221**	**563**	**600**	**21**	**1,405**
(Charged)/credited:					
- to profit or loss	103	(59)	46	(17)	73
- to other comprehensive income	(55)	-	-	-	(55)
At December 31, 2022	**269**	**504**	**646**	**4**	**1,423**
(Charged)/credited:					
- to profit or loss	184	44	(34)	(1)	193
- to other comprehensive income	135	-	-	-	135
At December 31, 2023	**588**	**548**	**612**	**3**	**1,751**

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		As at December 31, 2023	As at December 31, 2022
8	**Inventories**		
	Raw materials and components (at cost)	9,755	7,550
	Work-in-progress (at cost)	16,132	12,389
	Finished goods (at lower of cost and net realisable value)	7,269	6,345
	Total Inventories at the lower of cost and Net realisable value	**33,156**	**26,284**

8.1 Inventories: Refer note 14.1 for details on encumbrances on inventories
During the year ended 31st December 2023, INR 5.38 lakhs (31st December 2022, INR 11 lakhs) was recognised as an expense for inventories carried at net realisable value and subsequently no such reversal of write-down made.

9	**Trade receivables**		
	Trade receivables	30,845	27,318
	Trade receivables from related parties (Refer note 36)	10,574	10,785
	Less: Allowance for doubtful debts	(386)	(430)
	Total	**41,033**	**37,673**
	Current portion	41,033	37,673
	Non-current portion	-	-
	Break up of security details		
	Trade receivables considered good - Secured	1,287	1,965
	Trade receivables considered good - Unsecured	39,746	35,708
	Trade receivables which have significant increase in credit risk	147	181
	Trade receivables - credit impaired	239	249
		41,419	**38,103**
	Less: Allowance for doubtful debts	(386)	(430)
	Less: Allowance for doubtful debts		
	Trade receivables which have significant increase in credit risk	(147)	(181)
	Trade receivables - credit impaired	(239)	(249)
	Total	**41,033**	**37,673**
9.1	**Movement in provision of Allowance for bad and doubtful debts**		
	Amount as at the beginning of the year	(430)	(640)
	Add: (Provision) / reversal made during the year	39	(11)
	Less: Utilized from reserve	5	221
	Amount as at the end of the year	**(386)**	**(430)**

9.2 Refer note 14.1 for details of encumbrance on trade receivables, Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. For terms and conditions relating to related party receivables/ payables, refer Note 36

Trade receivables ageing schedule

For the year ended 31st December 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	38,786	2,230	17	-	-	-	41,033
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	84	51	11	1	-	147
(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	-	9	11	0	24	195	239
Total	**38,786**	**2,323**	**79**	**11**	**25**	**195**	**41,419**
Allowance for credit loss	-	(93)	(62)	(11)	(25)	(195)	(386)
Total Trade receivable	**38,786**	**2,230**	**17**	**-**	**-**	**-**	**41,033**

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BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

Bonfiglioli Transmissions Private Limited
Notes forming part of the financial statements as at and for the year ended December 31, 2023
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For the year ended 31st December 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	32,987	4,679	7	-	-	-	37,673
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	150	24	5	-	2	181
(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	-	-	-	54	79	116	249
Total	**32,987**	**4,829**	**31**	**59**	**79**	**118**	**38,103**
Allowance for credit loss	-	(150)	(24)	(59)	(79)	(118)	**(430)**
Total Trade receivable	**32,987**	**4,679**	**7**	**-**	**-**	**-**	**37,673**

		As at December 31, 2023	As at December 31, 2022
10	**Cash and cash equivalents**		
	Cash and cash equivalents		
	Cash on hand	1	1
	Cheque on hand	27	76
	Balances with banks		
	- in current accounts	4,025	4,291
	- in fixed deposits with less than 3 months maturity	5,000	6,500
	Total	**9,053**	**10,868**
	Non-Cash investing actives		
	Acquisition of Right-of-use assets	**1,030**	**3,403**
11	**Bank balances other than cash and cash equivalents**		
	Current		
	Fixed deposits with remaining maturity less than 3 months	11,500	1,800
	Margin money deposits with original maturity period of more than 3 months but maturing within 12 months (refer note 11.1)	1	4
	Bank deposits with more than 3 months and less than 12 months maturity	5,500	15,000
	Total	**17,001**	**16,804**

11.1 Held as lien by bank against bank guarantees.

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	As at December 31, 2023	As at December 31, 2022
12 Equity share capital		
Authorised share capital		
132,000,000 (December 31, 2022 - 132,000,000) equity shares of Rs.10 each	13,200	13,200
Issued, subscribed and fully paid up		
131,122,994 (December 31, 2022 - 131,122,994) equity shares of Rs.10 each	13,112	13,112
	13,112	**13,112**

	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
(a) Reconciliation of number of equity shares				
Balance as at the beginning of the year	131,122,994	13,112	131,122,994	13,112
Balance as at the end of the year	**131,122,994**	**13,112**	**131,122,994**	**13,112**

(b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of equity shares held by holding company and its nominees

	As at December 31, 2023		As at December 31, 2022	
Equity shares held by Bonfiglioli S.p.a, Italy, the holding company, and its nominees	127,941,176	12,794	127,941,176	12,794

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity shares held by Bonfiglioli S.p.a, Italy, the holding company, and its nominees	127,941,176	12,794	127,941,176	12,794
% of shares held	97.57%		97.57%	

(e) Details of Shareholding by promoters

Shares held by promoters at the end of the year 31st Dec 2023						**% Change during the year**
S. No	**Promoter name**	**No. of Shares at the beginning of the year**	**Change during the year**	**No. of Shares at the end of the year**	**%of total shares**	
1	Bonfiglioli S.p.a, Italy & its nominees	127,941,176	-	127,941,176	97.57%	0.00%
Shares held by promoters at the end of the year 31st Dec 2022						**% Change during the year**
S. No	**Promoter name**	**No. of Shares at the beginning of the year**	**Change during the year**	**No. of Shares at the end of the year**	**%of total shares**	
1	Bonfiglioli S.p.a, Italy & its nominees	127,941,176	-	127,941,176	97.57%	0.05%

12.1 Equity shares are not listed in any stock exchange.

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(All amounts in Rs. lakhs, unless otherwise stated)

		As at December 31, 2023	As at December 31, 2022
13	**Other equity**		
	Reserves and surplus		
	(i) Securities premium (Refer note 13.2)	3,093	3,093
	(ii) Retained earnings	64,328	56,332
	Total	**67,421**	**59,425**
13.1	**Reserves and surplus**		
(a)	**Securities premium**		
	Balance as at the beginning of the year	3,093	3,093
	Add: Pursuant to allotment of right issue equity shares	-	-
	Balance as at the end of the year	**3,093**	**3,093**
(b)	**Retained earnings**		
	Balance as at the beginning of the year	56,332	55,414
	Less: Dividend Paid to the Share holders	(6,556)	(16,390)
	Add: Profit for the year	14,953	17,145
	Remeasurements of post-employment benefit obligations, net of tax	(401)	163
	Balance as at the end of the year	**64,328**	**56,332**
	Total	**67,421**	**59,425**

13.2 Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shared in accordance with the provisions of the Companies Act. 2013.

Retained Earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

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Notes forming part of the financial statements as at and for the year ended December 31, 2023
(All amounts in Rs. lakhs, unless otherwise stated)

	Non-current		Current	
	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
14 Borrowings				
Short-term borrowings				
Secured - From banks (Refer note 14.1)				
Packing credit (refer note 14.1)	-	-	11,079	14,374
	-	-	11,079	14,374

14.1 The Company has taken packing credit loans from banks having interest rate ranging from 6.15% to 6.65% p.a. These facilities are repayable within 120 - 150 days and are secured on a pari-passu basis by a first charge by way of hypothecation of all existing and future current assets and by a second charge on the Company's movable Property, plant and equipment, both present and future.
The loan does not carry any debt covenant. The Company has not defaulted on any loans payable.

14.2 The quarterly returns / statements filed with the bank are in agreement with the books of accounts of the Company. The Company has not defaulted on any loans payable.

14.3 Net debt reconciliation:

Movement	December 31, 2023	December 31, 2022
Current borrowings	11,079	14,374
Interest accrued and due on borrowings	18	20
Net debt	**11,097**	**14,394**

	Non-current		Current	
	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
15 Other financial liabilities				
Interest accrued and due on borrowings	-	-	18	20
Other interest accrued and due			-	3
Capital creditors	-	-		
MSME (Refer note 33)			745	294
Non-MSME			1,241	643
Employee benefits payable	203	110	754	967
Foreign exchange forward contracts	-	-	-	234
Total	**203**	**110**	**2,759**	**2,161**
16 Provisions				
Provision for employee benefits:				
Compensated absences (Refer note 35.1)	621	457	94	78
Gratuity	-	-	667	210
Other provisions:				
Provision for product warranty (Refer note 16.1)	455	443	1,336	1,131
Others (Refer note 16.2)	-	-	1,047	688
Total	**1,076**	**900**	**3,144**	**2,107**
16.1 Movement in provision for product warranty				
Amount as at the beginning of the year			1,574	1,508
Add: Provision / (reversal) made during the year			1,004	743
Less: Claims settled during the year			(787)	(677)
Amount as at the end of the year			**1,791**	**1,574**

The above provision represents estimate made for probable liabilities/ claims relating to warranty. The outflow depends on the receipt of claims during the period of warranty.

16.2 Movement of Other provisions				
Amount as at the beginning of the year			688	797
Add: Provision made during the year (Sales tax - C Form)			-	11
Add: Provisions made during the year (Income tax)			382	46
Less: Provision used against payment during the year			(23)	(166)
Amount as at the end of the year			**1,047**	**688**

The above provisions represent estimate made for the liabilities arising on account of pending assessment proceedings with various Government Authorities. Without prejudice to its legal right under the respective Acts/ Regulations, the Company has recorded the above provision out of abundant caution. The nature of the provisions has not been disclosed in detail on the grounds that it is expected to prejudice the interests of the Company.

	Non-current		Current	
	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
17 Lease Liabilities				
Lease liabilities on Right-of-use asset	601	196	366	371
Total	**601**	**196**	**366**	**371**

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		Non-current		Current	
		As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
18	**Tax assets (net)**				
	Opening balance	355	49	709	965
	Refund / written off the refund made during the year	(86)	306	-	-
	Less: Provision for current tax	-	-	(5,673)	(5,925)
	Advance income tax and tax deducted at source	-	-	5,889	5,669
	Closing balance	**269**	**355**	**925**	**709**
19	**Trade payables**				
	Current				
	Total outstanding dues of micro and small enterprises (Refer note 33)	5,765		4,679	
	Total outstanding dues of creditors other than micro and small enterprises				
	Acceptances	78		1,084	
	Payables to related parties (Refer note 36)	14,119		11,145	
	Payables to others	18,196		11,265	
		32,393		**23,494**	
	Total	**38,158**		**28,173**	

Trade Payables ageing schedule
For the year ended 31st December 2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	5,234	528	1	1	1	5,765
(ii) Undisputed - Others	25,573	6,805	4	1	10	32,393
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**30,807**	**7,333**	**5**	**1**	**11**	**38,158**

For the year ended 31st December 2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	4,650	28	-	-	1	4,679
(ii) Undisputed - Others	20,122	3,359	3	-	10	23,494
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**24,772**	**3,386**	**3**	**-**	**12**	**28,173**

19.1 Trade payables are non-interest bearing and are generally on terms of 30 to 60 days. For terms and conditions relating to related party receivables/ payables, refer Note 36

		As at December 31, 2023	As at December 31, 2022
20	**Other current liabilities**		
	Statutory dues	1,358	1,011
	Total	**1,358**	**1,011**
21	**Contract liabilities**		
	Advances from customers	313	237
		313	**237**

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Notes forming part of the financial statements as at and for the year ended December 31, 2023
(All amounts in Rs. lakhs, unless otherwise stated)

		Year ended December 31, 2023	Year ended December 31, 2022
22	**Revenue from operations**		
	Sale of products		
	Sale of Goods	154,005	144,428
	Sale of services		
	Income from services	3,444	2,721
	Other operating revenue		
	Scrap sales	782	876
	Commission income	38	50
	Sale of raw materials and components	12,406	9,070
	Export incentive	1,021	1,032
	Total	**171,696**	**158,177**
	Timing of Revenue recognition		
	Revenue recognised at a point of time	168,214	155,406
	Revenue recognised over a period of time	3,482	2,771
	Total	**171,696**	**158,177**
	Summary of contract balances		
	Trade receivables	41,033	37,673
	Unbilled revenue	-	-
	Advance from customers	313	237
	Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price		
	Revenue as per contracted price (includes export incentive)	171,696	158,177
	Adjustments	-	-
	Revenue as per Statement of Profit and loss	**171,696**	**158,177**
23	**Other income**		
	Interest income		
	On bank deposits	1,388	1,091
	On other deposits	13	58
	Net gain on sale of property, plant and equipment	6	6
	Allowance for doubtful debts no longer required written back	39	-
	Total	**1,446**	**1,155**

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		Year ended December 31, 2023	Year ended December 31, 2022
24	**Cost of materials consumed**		
	Raw materials and components consumed:		
	Opening inventory	7,550	8,077
	Add: Purchases (net)	115,333	98,661
	Less: Inventory as at the end of the year	9,755	7,550
	Total	**113,128**	**99,188**
25	**Changes in inventories of finished goods and work-in-progress**		
	Stock as at the beginning of the year		
	Finished goods	6,345	7,303
	Work-in-progress	12,389	11,471
	Total (A)	**18,734**	**18,774**
	Stock as at the end of the year		
	Finished goods	7,269	6,345
	Work-in-progress	16,132	12,389
	Total (B)	**23,401**	**18,734**
	Increase in inventories of finished goods and work-in- progress (A-B)	**(4,667)**	**40**
26	**Employee benefits expense**		
	Salaries, wages and bonus	9,614	8,141
	Contribution to:		
	Provident fund (Defined contribution plan) (Refer note 35.2)	555	456
	Gratuity (Defined benefit plan) (Refer note 35.3)	166	383
	Staff welfare expenses	521	474
	Total	**10,856**	**9,454**

26.1 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

27	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (Refer note 3)	3,206	3,037
	Amortisation of intangible assets (Refer note 3)	94	81
	Amortisation - Right-of-use asset (Refer note 3)	501	395
	Total	**3,801**	**3,513**
28	**Finance costs**		
	Interest on borrowings	776	329
	Interest on lease liabilities	53	60
	Other borrowing costs	486	339
	Total	**1,315**	**728**

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Bonfiglioli Transmissions Private Limited
Notes forming part of the financial statements as at and for the year ended December 31, 2023
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		Year ended December 31, 2023	Year ended December 31, 2022
29	**Other expenses**		
	Consumption of stores, spare parts and tools	1,576	1,401
	Sub-contracting charges	4,199	4,232
	Power and fuel	1,783	1,566
	Rent (refer note 31)	180	194
	Repairs and maintenance		
	Plant and machinery	1,278	910
	Buildings	47	46
	Others	298	230
	Insurance	283	231
	Rates and taxes	84	76
	Travelling and conveyance expenses	811	572
	Contract labour charges	779	555
	Payments to auditors (Refer note 29.1)	30	27
	Directors' remuneration	20	20
	Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 44)	553	374
	Professional fees	4,752	4,014
	Freight and handling charges (net)	601	574
	Provision for product warranty	1,004	743
	Royalty	7,524	6,537
	Allowance for doubtful debts	-	11
	Asset written off	39	-
	Net loss on foreign currency transactions and translation	252	22
	Provision for sales tax disputes	-	11
	Miscellaneous expenses	1,448	1,191
	Total	**27,541**	**23,537**
29.1	**Payments to auditors**		
	As auditor		
	Statutory audit fee	28	**27**
	In other capacities		
	Reimbursement of expenses	2	0
		30	**27**

*Represents amount less than INR 1 Lakh.

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Bonfiglioli Transmissions Private Limited
Notes forming part of the financial statements as at and for the year ended December 31, 2023
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		Year ended December 31, 2023	Year ended December 31, 2022
30	**Tax expense**		
A.	**Income tax expense recognised in profit or loss**		
	Current tax		
	Current tax on profits for the year	5,673	5,925
	Adjustments for current tax of prior periods	735	(125)
	Total	**6,408**	**5,800**
	Deferred tax		
	Decrease/(increase) in deferred tax assets	(193)	(73)
	Total	**(193)**	**(73)**
	Total	**6,215**	**5,727**
	Tax reconciliation:		
	Profit before income tax expense	21,168	22,872
	Tax at the applicable tax rate of 25.168% (December 31, 2023: 25.168%)	5,328	5,756
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Interest payable under Income Tax Act & GST	2	-
	Interest payable under MSMED Act	-	1
	CSR Expenses	139	96
	Adjustment for tax relating to earlier periods	735	(125)
	Disallowance u/s 10(10CC)	11	-
	Total Tax expense	**6,215**	**5,728**
B.	**Income tax recognised in other comprehensive income**		
	Items that will not be reclassified to profit or loss	135	(55)

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31 IND AS 116 - Lease Disclosure

The Company has lease contracts for Land and various buildings used in its operations. Leases of buildings generally have a lease term for 1 to 5 years and lease of land has a lease term of 95 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets.
There are several lease contracts that include extension and termination options which are further discussed below.

The Company also has certain leases of buildings with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(ii). Movement in the carrying value of the Right to Use Asset for the year ended December 31, 2023

Particulars	December 31, 2023	December 31, 2022
Opening balance	3,428	454
Depreciation charge for the year 2023	(501)	(395)
Additions during the year 2023	1,030	3,403
Disposal during the year 2023	(147)	(34)
Closing balance	**3,810**	**3,428**

(iii). Classification of current and non current liabilities of the lease liabilities as at December 31, 2023

Particulars	31-Dec-23	31-Dec-22
Current	366	371
Non Current	601	196
Total Lease Liabilities	**967**	**567**

(iv). Movement in the carrying value of the Lease Liability for the year ended December 31, 2023

Particulars	31-Dec-23	31-Dec-22
Opening Lease Liability	567	536
Leases Entered during the year	1,030	3,403
Accretion of interest	53	60
Disposal during the year 2023	(125)	(10)
Lease Payments (Cash Outflows)	(558)	(3,423)
Closing Lease Liability	**967**	**567**

(v). Contractual Maturities of Lease liability outstanding as at December 31, 2023

Particulars	31-Dec-23	31-Dec-22
Less than one year	366	423
One to five years	601	214
More than five years	-	-
	967	**637**

Lease expenses relating to short term leases aggregated to Rs.54 during the year ended December 31, 2023 (Rs 70 Dec 2022) and Low value assets leases Rs 125 for Dec 23, Rs 124 for Dec 22

Lease liabilities are recognised at weighted average incremental borrowing rate of 9% until 2020, @ 7% from 2021 & 8.75% from 2023

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 the lease liabilities as and when they fall due.

The company has adopted the practical expediency of recognising Short term lease (Leasing of IT assets like laptop), Lease of Low value (Leasing of Crane) and lease involving variable rentals (storage and warehouse) in the statement of Profit and loss in a straight line basis disclosed as Rental expenses.

32 Earnings per equity share (EPS)	**31-Dec-23**	**31-Dec-22**
Profit after tax - Rs. lakhs (A)	14,953	17,145
Weighted average number of equity shares of Rs. 10 each outstanding during the year (B)	131,122,994	131,122,994
Nominal value of each equity share (in Rs.)	10	10
Earnings per equity share - Basic (in Rs.) (A/B)	11.40	13.08

32.1 There is no dilution to the Basic earnings per equity share as there are no dilutive potential equity shares.

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33 Dues to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	6,392	4,855
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	118	118
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	9,094	7,201
Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under the MSMED Act, for payments already made	-	2
Further interest remaining due and payable for earlier years	118	116

33.1 The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

34 Segment information

(a) Description of segments and principal activities

The Board of Directors is considered to be the Chief Operating Decision Maker of the Company within the purview of Ind AS 108, Operating Segments. The Board examines the Company's performance from the product perspective and has determined its business segment as one segment. Accordingly, the total segment revenue, total segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total capital expenditure during the year, total amount of charge of depreciation and amortisation during the year are all as reflected in the financial statements as at and for the year ended December 31, 2023

(b) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

December 31, 2023		
Revenue from customers	**Year ended 31st December 2023**	**Year ended 31st December 2022**
India	127,113	113,264
China	5,927	4,948
USA	15,775	13,041
Italy	6,659	6,040
Germany	5,892	7,854
Other countries	8,489	11,072
Total	**169,855**	**156,219**

(c) All non-current assets of the Company are located in India.

(d) Details of sale of products and Services

Particulars	December 31, 2023	December 31, 2022
Gear box	96,174	88,078
Gear motor	52,319	51,345
Others	21,362	16,796
Total	**169,855**	**156,219**

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BONFIGLIOLI TRANSMISSIONS PVT. LTD. CHENNAI INDIA

35 Employee benefit obligations

	Compensated absences (As per note 35.1)		Gratuity (As per note 35.3)	
Particulars	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Current	94	78	-	-
Non-current	621	457	667	210
Total	**715**	**535**	**667**	**210**

35.1 Compensated absences

Compensated absences cover the Company's liability for earned leave.

The Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. Hence, amounts to the extent of Rs. 621 lakhs (December 31, 2022 - Rs. 457 lakhs) is presented as non-current.

Post-employment obligations

35.2 Defined contribution plan - Provident fund

Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Amount recognised in statement of profit and loss

Particulars	**Year ended December 31, 2023**	**Year ended December 31, 2022**
Provident fund	555	456
Total	**555**	**456**

35.3 Defined benefit plan - Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to LIC.

(a) The amounts recognised in the balance sheet and the movement in the net defined benefit obligation and plan assets over the year are as follows:

Particulars	**Present value of obligation**	**Fair value of plan assets**	**Net amount**
Jan 1, 2022	**1,429**	**1,339**	**90**
Current service cost	182	-	182
Interest expense/(income)	111	91	20
Past service costs	201	-	**201**
Total amount recognised in profit or loss	**494**	**91**	**403**
Remeasurements:			
(Gain)/loss from change in demographic assumptions	(16)	-	(16)
(Gain)/loss from change in financial assumptions	(144)	-	(144)
Effect of Experience (gains)/losses	(35)	-	(35)
Return on plan assets, excluding amounts included in interest expense/(income)	-	22	(22)
Total amount recognised in other comprehensive income	**(195)**	**22**	**(217)**
Employer contributions	-	66	(66)
Benefit payments	(116)	(116)	-
December 31, 2022	**1,612**	**1,402**	**210**

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Bonfiglioli Transmissions Private Limited
Notes forming part of the financial statements as at and for the year ended December 31, 2023
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Particulars	Present value of obligation	Fair value of plan assets	Net amount
Jan 1, 2023	**1,612**	**1,402**	**210**
Current service cost	166	-	166
Interest expense/(income)	115	105	10
Past service costs	-	-	-
Total amount recognised in profit or loss	**281**	**105**	**176**
Remeasurements:			
(Gain)/loss from change in demographic	(18)	-	(18)
(Gain)/loss from change in financial	383	-	383
Effect of Experience (gains)/losses	161	-	161
Return on plan assets, excluding amounts included in interest expense/(income)	-	(9)	9
Total amount recognised in other comprehensive income	**526**	**(9)**	**535**
Employer contributions	-	254	(254)
Benefit payments	(77)	(77)	-
December 31, 2023	**2,342**	**1,675**	**667**

The net liability/(asset) disclosed above relates to funded plan as follows:

Particulars	December 31, 2023	December 31, 2022
Present value of funded obligation	2,342	1,612
Fair value of plan assets	1,675	1,402
Deficit / (surplus) of funded plan	**667**	**210**

(b) Significant actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	December 31, 2023	December 31, 2022
Discount rate	7.40%	7.50%
Salary growth rate	11.22%	8.42%
Attrition rate	12.14%	10.20%

Notes:

i. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.

ii. The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
Particulars	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Discount rate	0.50%	0.50%	2,261	1,555	2,430	1,672
Salary growth rate	0.50%	0.50%	2,421	1,668	2,269	1,559

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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(d) Plan assets

The Company has plan assets by way of investments funds in Life Insurance Corporation of India (LIC).

(e) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility
The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bond rate. If the return on plan asset is lower than this rate, then it will create a plan deficit.

Changes in bond yields
A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

(f) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plan for the year ending December 31, 2023 is Rs. 232 lakhs. (December 31,2022 is Rs. 158 lakhs.)
The weighted average duration of the defined benefit obligation is 8 years (December 31, 2022 - 8 years).
The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
December 31, 2023	232	263	892	1,905	**3,292**
December 31, 2022	158	189	630	1,326	**2,304**

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36 Related party transactions

A Name of related parties and nature of relationship

		Year ended December 31, 2023	Year ended December 31, 2022
(i)	**Where control exists**		
	Ultimate Holding Company	Bon-Fi SRL	Bon-Fi SRL
	Holding company	Bonfiglioli S.p.A.	Bonfiglioli S.p.A.
(ii)	**Other related parties with whom transactions have taken place during the year**		
	Fellow subsidiaries	Bonfiglioli Transmission (Aust.) Pty Ltd - Australia	Bonfiglioli Transmission (Aust.) Pty Ltd - Australia
		Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand	Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand
		Bonfiglioli Vectron GmbH	Bonfiglioli Vectron GmbH
		Bonfiglioli South Africa Pty Ltd.	Bonfiglioli South Africa Pty Ltd.
		Bonfiglioli U.S.A. Inc.	Bonfiglioli U.S.A. Inc.
		Bonfiglioli Vietnam Co. Ltd	Bonfiglioli Vietnam Co. Ltd
		Bonfiglioli Riduttori S.p.A.	Bonfiglioli Riduttori S.p.A.
		Bonfiglioli Guç Aktarma VE	Bonfiglioli Guç Aktarma VE
		Bonfiglioli (U.K) Ltd	Bonfiglioli (U.K) Ltd
		Bonfiglioli South East Asia Pte. Ltd.	Bonfiglioli South East Asia Pte. Ltd.
		Bonfiglioli Trading (Shanghai) Co. Ltd	Bonfiglioli Trading (Shanghai) Co. Ltd
		Tecnotrans Bonfiglioli SA	Tecnotrans Bonfiglioli SA
		Bonfiglioli Deutschland GmbH	Bonfiglioli Deutschland GmbH
		Bonfiglioli Drives (Shanghai) Co. Ltd	Bonfiglioli Drives (Shanghai) Co. Ltd
		Bonfiglioli Slovakia sro	Bonfiglioli Slovakia sro
		Bonfiglioli Redutores do Brasil Industria e commercio Ltd	Bonfiglioli Redutores do Brasil Industria e commercio Ltd
		Bonfiglioli Transmission S.A.S	Bonfiglioli Transmission S.A.S
		O&K Antriebstechnik Gmbh	O&K Antriebstechnik Gmbh
		Bonfiglioli Drive Solutions Private Ltd	Bonfiglioli Drive Solutions Private Ltd
		Bonfiglioli Swiss SA	Bonfiglioli Swiss SA
		Bonfiglioli Canada Inc.	Bonfiglioli Canada Inc.
		Bonfiglioli Renewable Power Conversion India Private Limited	Bonfiglioli Renewable Power Conversion India Private Limited
		Selcom Group S.p.A.	
		Selcom Electronics (Shanghai) Co., Ltd.	
(iii)	**Enterprises significantly influenced by the Company**	Clementino Bonfiglioli Charitable Trust	Clementino Bonfiglioli Charitable Trust
(iv)	**Key management personnel**	Mrs. Sonia Bonfiglioli, Chairman	Mrs. Sonia Bonfiglioli, Chairman
		Mr. Fausto Carboni, Director	Mr. Fausto Carboni, Director
		Mr. Ravi Pisharody, Director	Mr. Ravi Pisharody, Director
		Mr. G.A Balaji, CFO & Director	Mr. G.A Balaji, CFO & Director
		Mr. Kennady v Kaipally, Director	Mr. Kennady v Kaipally, Director
			Ms. Bindhu Madhavi M, Company Secretary(till April 21, 2023)

The above information regarding related parties has been determined to the extent such parties have been identified on the basis of information available with the Company.

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B Particulars of transactions and balances with related parties

Description	Holding company		Fellow subsidiaries		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(a) Transactions during the year						
Sale of goods						
Bonfiglioli Transmission (Aust.) Pty Ltd - Australia	-	-	1,025	1,175	**1,025**	**1,175**
Bonfiglioli Vietnam Co. Ltd	-	-	375	276	**375**	**276**
Bonfiglioli U.S.A. Inc.	-	-	3,288	1,791	**3,288**	**1,791**
Bonfiglioli Slovakia sro	-	-	1,768	1,012	**1,768**	**1,012**
Bonfiglioli South Africa Pty Ltd.	-	-	82	7	**82**	**7**
Bonfiglioli Transmission S.A.S	-	-	2,161	2,989	**2,161**	**2,989**
Bonfiglioli Redutores do Brasil Industria e Comercio Ltd	-	-	258	986	**258**	**986**
Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand	-	-	182	88	**182**	**88**
Bonfiglioli Drives (Shanghai) Co. Ltd	-	-	895	1,635	**895**	**1,635**
Bonfiglioli Deutschland GmbH	-	-	5,710	7,755	**5,710**	**7,755**
Bonfiglioli Riduttori S.p.A.	-	-	3,362	3,339	**3,362**	**3,339**
Bonfiglioli Guc Aktarma VE	-	-	862	632	**862**	**632**
Bonfiglioli (U.K) Ltd	-	-	604	941	**604**	**941**
Bonfiglioli South East Asia Pte. Ltd.	-	-	576	770	**576**	**770**
Bonfiglioli Trading (Shanghai) Co. Ltd.	-	-	4,993	3,145	**4,993**	**3,145**
Tecnotrans Bonfiglioli SA	-	-	531	856	**531**	**856**
O&K Antriebstechnik Gmbh*	-	-	-	0	-	**0**
Total	**-**	**-**	**26,674**	**27,398**	**26,674**	**27,398**
Sale of services						
Bonfiglioli S.p.A.	2,950	2,317	-	-	**2,950**	**2,317**
Bonfiglioli Vectron GmbH	-	-	-	-	-	-
Bonfiglioli Riduttori S.p.A.	-	-	27	9	**27**	**9**
Bonfiglioli Drives (Shanghai) Co. Ltd	-	-	2	3	**2**	**3**
Bonfiglioli Trading (Shanghai) Co. Ltd.	-	-	37	9	**37**	**9**
Bonfiglioli Transmission S.A.S	-	-	-	2	-	**2**
Bonfiglioli Deutschland GmbH	-	-	1	6	**1**	**6**
O&K Antriebstechnik Gmbh	-	-	103	83	**103**	**83**
Bonfiglioli Slovakia sro	-	-	-	-	-	-
Bonfiglioli South East Asia Pte. Ltd.*	-	-	1	0	**1**	**0**
Bonfiglioli Vietnam Co. Ltd	-	-	-	7	-	**7**
Tecnotrans Bonfiglioli SA	-	-	-	2	-	**2**
Bonfiglioli Vectron Gmbh	-	-	77	10	**77**	**10**
Bonfiglioli Drive Solutions Private Ltd	-	-	18	13	**18**	**13**
Total	**2,950**	**2,317**	**266**	**146**	**3,216**	**2,464**
Commission income						
Bonfiglioli Riduttori S.p.A.	-	-	20	42	20	**42**
O&K Antriebstechnik Gmbh	-	-	18	8	18	**8**
Total	**-**	**-**	**38**	**50**	**38**	**50**

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Notes forming part of the financial statements as at and for the year ended December 31, 2023
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B Particulars of transactions and balances with related parties

Description	Holding company		Fellow subsidiaries		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Purchase of goods						
Bonfiglioli Drives (Shanghai) Co. Ltd	-	-	74	22	74	22
Bonfiglioli Vietnam Co. Ltd	-	-	-	-	-	-
Bonfiglioli Vectron GmbH	-	-	30	17	30	17
Bonfiglioli Deutschland GmbH	-	-	1	47	1	47
Bonfiglioli U.S.A. Inc.	-	-	4	23	4	23
Bonfiglioli Riduttori S.p.A.	-	-	23,033	16,284	23,033	16,284
Bonfiglioli Redutores do Brasil Industria e Comercio Ltd	-	-	1	0	1	0
Bonfiglioli Transmission (Aust.) Pty Ltd - Australia	-	-	2	6	2	6
Bonfiglioli South Africa Pty Ltd.	-	-	7	9	7	9
Bonfiglioli (U.K) Ltd*	-	-	-	0	-	0
Bonfiglioli Transmission S.A.S	-	-	0	-	0	0*
Tecnotrans Bonfiglioli SA*	-	-	-	(0)	-	(0)
O&K Antriebstechnik Gmbh	-	-	12	1	12	1
Bonfiglioli Trading (Shanghai) Co. Ltd.	-	-	118	-	118	-
Bonfiglioli Drive Solutions Private Limited	-	-	172	-	172	-
Bonfiglioli Guc Aktarma VE*	-	-	0	0	0	0
Total	-	-	23,455	16,410	23,455	16,410
Professional fees						
Bonfiglioli S.p.A.	4,412	3,711	-	-	4,412	3,711
Total	4,412	3,711	-	-	4,412	3,711
Sales commission expense						
Bonfiglioli U.S.A. Inc.	-	-	251	237	251	237
Total	-	-	251	237	251	237
Repairs and Maintenance						
Bonfiglioli Riduttori S.p.A.	-	-	-	1	-	1
Total	-	-	-	1	-	1
Rates and Taxes						
Bonfiglioli Vietnam Co. Ltd*	-	-	-	0	-	0
Bonfiglioli Drives (Shanghai) Co. Ltd*	-	-	0	0	0	0
Total	-	-	0	0	0	0
Miscellaneous expenses						
Bonfiglioli Riduttori S.p.A.	-	-	6	5	6	5
Bonfiglioli Drives (Shanghai) Co. Ltd	-	-	5	-	5	-
Bonfiglioli Slovakia sro	-	-	6	-	6	-
Bonfiglioli Vietnam Co. Ltd	-	-	-	1	-	1
Bonfiglioli Vectron GmbH*	-	-	-	0	-	0
Bonfiglioli Redutores do Brasil Industria e Comercio Ltd	-	-	-	11	-	11
Bonfiglioli (U.K) Ltd	-	-	2	-	2	-
Bonfiglioli U.S.A. Inc.	-	-	6	2	6	2
Total	-	-	26	20	26	20
Royalty						
Bonfiglioli S.p.A.	7,413	6,416	-	-	7,413	6,416
Total	7,413	6,416	-	-	7,413	6,416
Donation						
Clementino Bonfiglioli Charitable Trust	-	-	32	29	32	29
Total	-	-	32	29	32	29
Dividend Paid						
Bonfiglioli S.p.A.	6,397	15,993	-	-	6,397	15,993
Bonfiglioli Vectron GmbH	-	-	159	398	159	398
Total	6,397	15,993	159	398	6,556	16,390

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Notes forming part of the financial statements as at and for the year ended December 31, 2023
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B Particulars of transactions and balances with related parties

Description	Holding company		Fellow subsidiaries		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(b) Balances as at the end of the year						
Trade receivables						
Bonfiglioli S.p.A.	1,480	1,275	-	-	**1,480**	**1,275**
Bonfiglioli Transmission (Aust.) Pty Ltd - Australia	-	-	386	259	**386**	**259**
Bonfiglioli Transmission S.A.S	-	-	505	1,077	**505**	**1,077**
Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand	-	-	67	15	**67**	**15**
Bonfiglioli Vietnam Co. Ltd	-	-	122	103	**122**	**103**
Bonfiglioli Drives (Shanghai) Co. Ltd.	-	-	233	403	**233**	**403**
Bonfiglioli Trading (Shanghai) Co. Ltd.	-	-	1,742	778	**1,742**	**778**
Bonfiglioli Slovakia sro	-	-	215	828	**215**	**828**
Bonfiglioli Riduttori S.p.A.	-	-	915	851	**915**	**851**
Bonfiglioli U.S.A. Inc.	-	-	1,403	735	**1,403**	**735**
Bonfiglioli Vectron GmbH	-	-	78	-	**78**	**-**
Bonfiglioli South Africa Pty Ltd	-	-	38	4	**38**	**4**
Bonfiglioli Deutschland GmbH	-	-	2,405	3,223	**2,405**	**3,223**
Bonfiglioli Redutores do Brasil Industria e Comercio Ltd	-	-	77	325	**77**	**325**
Bonfiglioli Guç Aktarma VE	-	-	146	208	**146**	**208**
Bonfiglioli South East Asia Pte. Ltd.	-	-	412	287	**412**	**287**
Bonfiglioli (U.K) Ltd	-	-	208	282	**208**	**282**
Tecnotrans Bonfiglioli SA	-	-	45	66	**45**	**66**
O&K Antriebstechnik Gmbh	-	-	78	52	**78**	**52**
Bonfiglioli Drive Solutions Private Limited	-	-	19	14	**19**	**14**
Total	**1,480**	**1,275**	**9,094**	**9,510**	**10,574**	**10,785**
Trade payables						
Bonfiglioli S.p.A.	5,377	4,840	-	-	**5,377**	**4,840**
Bonfiglioli Transmission S.A.S	-	-	0	-	**0**	**-**
Bonfiglioli Drives (Shanghai) Co. Ltd	-	-	63	5	**63**	**5**
Bonfiglioli Trading (Shanghai) Co. Ltd.	-	-	121	-	**121**	**-**
Bonfiglioli U.S.A. Inc.	-	-	288	237	**288**	**237**
Bonfiglioli Riduttori S.p.A.	-	-	8,161	6,042	**8,161**	**6,042**
Bonfiglioli Transmission (Aust.) Pty Ltd - Australia	-	-	0	-	**0**	**-**
Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand	-	-	-	1	**-**	**1**
Bonfiglioli South Africa Pty Ltd.	-	-	2	7	**2**	**7**
Bonfiglioli (U.K) Ltd	-	-	2	-	**2**	**-**
Bonfiglioli Vectron GmbH	-	-	18	11	**18**	**11**
Bonfiglioli Deutschland GmbH	-	-	1	-	**1**	**-**
Bonfiglioli Slovakia sro	-	-	3	-	**3**	**-**
Bonfiglioli South East Asia Pte. Ltd.	-	-	-	-	**-**	**-**
Bonfiglioli Guç Aktarma VE*	-	-	0	0	**0**	**0**
Bonfiglioli Redutores do Brasil Industria e Comercio Ltd	-	-	1	-	**1**	**-**
Bonfiglioli Drive Solutions Private Limited	-	-	69	-	**69**	**-**
O&K Antriebstechnik Gmbh	-	-	13	1	**13**	**1**
Total	**5,377**	**4,840**	**8,742**	**6,304**	**14,119**	**11,145**

C Key Managerial Person

Particulars	Year ended December 31, 2023			
	Mr G.A Balaji	Mr. Kennady v Kaipally	Ms. Bindhu Madhavi M	Ms. Arthi N
(a) short-term employee benefits	90	139	4	8
(b) post-employment benefits	4	5	-	-
(c) other long-term benefits	35	110	-	-
Director remuneration	**129**	**254**	**4**	**8**

Particulars	Year ended December 31, 2022			
	Mr G.A Balaji	Mr. Kennady Kaippally	Mr Vijaykrishna	Ms. Bindhu Madhavi M
(a) short-term employee benefits	103	148	15	2
(b) post-employment benefits	2	2	-	-
(c) other long-term benefits	18	124	-	-
Director remuneration	**123**	**274**	**15**	**2**

Director Remuneration	2023	2022
Mr. Ravi Pisharody	**20**	**20**

Transaction wrt to post employment benefit plan is provided in note 35

Transaction with related party - Transfer price:

Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 Dec 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 Dec 2022: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.The Company has entered into international transactions with related parties. The Company has a policy of maintaining documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation

*Represents amount less than INR 1 Lakh.

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37 Fair value measurements

(a) Financial instruments by category and hierarchy

	Note	December 31, 2023			December 31, 2022		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments (unquoted)	4	11	-	-	11	-	-
Trade receivables	9	-	-	41,033	-	-	37,673
Other financial assets	5	42	-	1,159	-	-	2,680
Cash and cash equivalents	10	-	-	9,053	-	-	10,868
Bank balances other than cash and cash equivalents	11	-	-	17,001	-	-	16,804
Total financial assets		**53**	**-**	**68,246**	**11**	**-**	**68,025**
Financial liabilities							
Borrowings	14	-	-	11,079	-	-	14,374
Trade payables	19	-	-	38,158	-	-	28,173
Lease liabilities	17	-	-	967	-	-	567
Other financial liabilities	15	-	-	2,962	234	-	2,037
Total financial liabilities		**-**	**-**	**53,166**	**234**	**-**	**45,151**

(b) Fair value hierarchy

	Note	December 31, 2023			December 31, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Investments							
- Equity instruments (unquoted)	4	-	-	11	-	-	11
Trade receivables	9	-	-	41,033	-	-	37,673
Other financial assets	5	-	42	1,159	-	-	2,680
Cash and cash equivalents	10	-	-	9,053	-	-	10,868
Bank balances other than cash and cash equivalents	11	-	-	17,001	-	-	16,804
Total financial assets		**-**	**42**	**68,257**	**-**	**-**	**68,036**
Financial liabilities							
Borrowings	14	-	-	11,079	-	-	14,374
Trade payables	19	-	-	38,158	-	-	28,173
Lease liabilities	17	-	-	967	-	-	567
Other financial liabilities	15	-	-	2,962	234	-	2,037
Total financial liabilities		**-**	**-**	**53,166**	**234**	**-**	**45,151**

Hierarchy:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices or realisable price as on the date of reporting. This includes listed equity instruments that have realisable price as agreed in the share purchase agreement.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(c) Valuation process

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO and the finance department which is in accordance with the Company's policy.

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

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings and other financial liabilities (current) are considered to be the same as their fair values, due to their short term nature.

The fair values for other financial assets were calculated based on cash flows discounted using a risk adjusted discount rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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38 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, financial assets measured at amortised cost	Ageing analysis Credit ratings	Diversification of bank deposits and review of credit ratings, credit limits and letters of credit
Liquidity risk	Trade payables, borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Sensitivity analysis	Monitoring exchange rate movements and forward foreign exchange contracts
Market risk - interest rate	Short-term borrowings at variable interest rates	Sensitivity analysis	Availability of committed credit lines and borrowing

(A) Credit risk

Credit risk arises from cash and cash equivalents, bank balances other than cash and cash equivalents, financial assets measured at amortised cost and credit exposures to customers including outstanding receivables.

(i) Credit risk management

Credit risk on cash and cash equivalents is limited as the Company generally deposits surplus cash with banks holding high credit ratings.

Credit risk with respect to domestic and export trade receivable (other than receivables from related parties) is managed by the Company through periodical review of their credit worthiness. The Company does not perceive any credit risk in respect of receivables from related parties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments within one year from the due date. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

The Company provides for loss allowance based 12 month expected credit loss except in the case of trade receivables which are provided based on life-time expected credit loss and on a specific identification basis.

Year ended December 31, 2023:

(a) Expected credit loss for other financial assets at amortised cost

The risk of default in carrying value of other financial assets is negligible and hence no provision for expected credit loss has been provided.

(b) Expected credit loss for trade receivables and contract assets under simplified approach:

Ageing	Less than 6 months	More than 6 months	Total
Gross carrying amount - Trade receivables	41,109	310	41,419
Loss allowance rate - Trade receivables	0.8%	20%	0.93%
Expected credit losses (Loss allowance provision)	323	63	386
Carrying amount of trade receivables (net of loss allowance provision)	**40,786**	**247**	**41,033**

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Year ended December 31, 2022:

(a) Expected credit loss for other financial assets at amortised cost

The risk of default in carrying value of other financial assets is negligible and hence no provision for expected credit loss has been provided.

(b) Expected credit loss for trade receivables under simplified approach:

Ageing	Less than 6 months	More than 6 months	Total
Gross carrying amount - Trade receivables	37,816	287	38,103
Loss allowance rate - Trade receivables	0.4%	98%	1.13%
Expected credit losses (Loss allowance provision)	150	280	430
Carrying amount of trade receivables (net of loss allowance provision)	**37,666**	**7**	**37,673**

(iv) Reconciliation of loss allowance provision

(a) Other financial assets
There is no loss allowance provision created for other financial assets.

(b) Trade receivables

During the year, the Company has written-off trade receivables of Rs. Nil (December 31, 2021 - Rs. 29 lakhs) and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written-off.

Loss allowance on December 31, 2022	**430**
Changes in loss allowance - changes in risk parameters	(44)
Loss allowance on December 31, 2023	**386**

(B) Liquidity risk

Liquidity risk refers to risk that the Company cannot meet its financial obligations. The objective of a prudent liquidity risk management is to maintain sufficient liquidity and ensure availability of funds to meet its obligations through:
(a) internal financing by way of daily cash flow projection
(b) fund and non-fund based working capital limits from various banks.

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	December 31, 2023	December 31, 2022
Floating rate		
- Expiring within 1 year (cash credit, packing credit and working capital demand loan)	7,171	3,876

The bank overdraft facilities may be drawn at any time and may be terminated by the bank as per terms and conditions of the sanction letter issued by the banker.

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(ii) Contractual maturities of financial liabilities:

	Less than 6 months	6 months to 1 year	More than 1 year	Total
December 31, 2023				
Borrowings	11,079	-	-	11,079
Trade payables	38,158	-	-	38,158
Other financial liabilities	2,759	-	203	2,962
Lease liability	178	187	601	967
Total	**52,174**	**187**	**804**	**53,166**
December 31, 2022				
Borrowings	14,374	-	-	14,374
Trade payables	28,173	-	-	28,173
Other financial liabilities	2,161	-	110	2,271
Lease liability	291	131	214	637
Total	**44,999**	**131**	**324**	**45,455**

(C) Market risk

Market risk is the risk that changes in market price, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange risks and interest rates as future specific market changes cannot be predicted normally with accuracy.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions on account of sale / purchase of goods denominated in a currency that is not the Company's functional currency (Rs). The risk is measured through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held.
The company review the import and exports in specific currency and if there be the need to make payment over and above the receivables, then forward cover is taken to cover the exposure.

a) Foreign currency exposure

The Company's exposure to foreign exchange risk at the end of the reporting year 31.12.2023 expressed in Rs. 41,991 lakhs are as follows:

	December 31, 2023					December 31, 2022				
	USD	EUR	JPY	AUD	NZD	USD	EUR	JPY	AUD	NZD
Financial assets:										
Trade receivables	3,104	8,748	-	453	-	2,684	10,386	-	274	-
Derivative assets										
Foreign exchange forward contract	3,007	8,050		439	-	1,984	8,377	-	277	-
Net exposure to foreign exchange risks (assets)	**98**	**698**	**-**	**14**	**-**	**700**	**2,008**	**-**	**(3)**	**-**
Financial liabilities:										
Trade payables	224	15,245	1,257	0	-	138	11,076	1,772	-	-
Derivative liability										
Foreign exchange forward contract		12,578	382				5,713	928		
Net exposure to foreign exchange risks (liabilities)	**224**	**2,667**	**875**	**0**	**-**	**138**	**5,363**	**844**	**-**	**-**

	December 31, 2023		December 31, 2022	
Derivative	Derivative financial assets	Derivative financial liabilities	Derivative financial assets	Derivative financial liabilities
Foreign exchange forward contracts	42	-	-	234
Total	**42**	**-**	**-**	**234**

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b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit after tax	
	December 31, 2023	**December 31, 2022**
Sensitivity		
INR/USD - Increase by 1% (December 31, 2023 - 1%)*	(1)	4
INR/USD - Decrease by 1% (December 31, 2023 - 1%)*	1	(4)
INR/EUR - Increase by 1% (December 31, 2023 - 1%)*	(15)	(25)
INR/EUR - Decrease by 1% (December 31, 2023 - 1%)*	15	25
INR/JPY - Increase by 1% (December 31, 2023 - 1%)*	(7)	(6)
INR/JPY - Decrease by 1% (December 31, 2023 - 1%)*	7	6

Sensitivity analysis is not disclosed for NZD & AUD due to negligible impact on profit.

* Holding all other variables constant.

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from short term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company has not taken any interest rate swaps to convert the floating rate borrowings to fixed rate loans. The Company monitors the movement in the interest rates and uses the prepayment option to repay the borrowings at the time when the interest rates are unfavourable. The assessment of viability of using the pre-payment option shall be evaluated by the finance team.

a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	December 31, 2023	December 31, 2022
Variable rate borrowings	11,079	14,374
Total	**11,079**	**14,374**

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as at 31st Dec 2023 as a result of changes in interest rates.

	Impact on profit after tax	
	December 31, 2023	**December 31, 2022**
Interest rates - increase by 100 basis points*	(83)	(108)
Interest rates - decrease by 100 basis points*	83	108

* The risk estimates provided assume a parallel shift of 100 basis points interest rates across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

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Bonfiglioli Transmissions Private Limited
Notes forming part of the financial statements as at and for the year ended December 31, 2023
(All amounts in Rs. lakhs, unless otherwise stated)

39 Capital management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Total 'debt' divided by Total 'equity' (as shown in the balance sheet)

The Company's strategy is to maintain an optimal gearing ratio. The gearing ratios were as follows:

	As at December 31, 2023	As at December 31, 2022
Total equity	80,533	72,537
Total debt	11,079	14,374
Gearing ratio	**14%**	**20%**

40 Dividend Distribution:

Particulars	As at December 31, 2023	As at December 31, 2022
Dividends on equity shares declared and paid: Final Dividend for the year ended 31st Dec 2023 : INR 5 Per Share (31st Dec 22 : 12.5)	**6,556**	**13,951**
TDS on Dividend paid on the above	**975**	**2,439**

41 Contingent liabilities and Commitments

A Contingent liabilities

The Company have following contingent liabilities as at Dec 31, 2023 and Dec 31, 2022.

Particulars	As at December 31, 2023	As at December 31, 2022
Disputed Income-tax demands pending before various forums for Assessment year 2004-05 and 2013-14	171	171

B. Commitments

Particulars	As at December 31, 2023	As at December 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for.	3,627	4,169

42 Following Ratios to be disclosed:-

Particulars	Numerator	Denominator	2023	2022	Variance
(a) Current Ratio (Times)	Current assets	Current liabilities	1.85	1.99	-7%
(b) Debt-Equity Ratio (Times)	Borrowings	Total equity	0.14	0.20	-31%
(c) Debt Service Coverage Ratio (Times)	Profit before tax, depreciation & Interest	Total Principal & Interest paid	0.58	0.85	-31%
(d) Return on Equity Ratio (Percentage)	Profit before tax	Shareholder's Equity	26%	32%	-17%
(e) Inventory turnover ratio (Times)	Cost of goods sold	Average inventory	3.65	3.73	-2%
(f) Trade Receivables turnover ratio (Times)	Total revenue from Sale of Goods and Services	Average trade receivable	4.34	4.46	-3%
(g) Trade payables turnover ratio (Times)	Total Net Purchase	Average trade payable	3.48	3.40	2%
(h) Capital turnover ratio (Times)	Net sales	Working capital	3.50	3.30	6%
(i) Net profit ratio (Percentage)	Profit after tax	Net sales	8%	11%	-23%
(j) Return on Capital employed (Percentage)	Earning before Interest, tax and depreciation	Capital employed	32%	37%	-13%
(k) Return on investment (Percentage)	Profit after tax	Total equity	19%	24%	-21%

Note: Reason for Variance more than 25%

(b) Debt-Equity Ratio
Due to decrease in the borrowing at the year end

(c) Debt Service Coverage Ratio (Times)
Due to decrease in the borrowing at the year end & Reduction in Profit

43 Other Regulatory Disclosure as required under Schedule III of Companies Act, 2013

a) The Company does not have any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

b) The Company is not declared as a willful defaulter by any bank or financial Institution or other lender.

c) The Company has balance with below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act,1956.

Name of Struck off Company	Nature of transactions with struck- off Company	Balance outstanding		Relationship with the Struck off company, if any to be disclosed	
		As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
Green Handle Products Pvt Ltd*	Trade payables	0	-	None	None

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d) The Company does not have any charges or satisfaction to be registered with ROC beyond stipulated statutory period.

e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

f) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

g) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.

h) The Company has not granted any loans or advances in nature of loans to promotors, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other persons. Hence disclosure under clause (v) of Schedule III of The Companies Act 2013, is not applicable.

i) There are no scheme of arrangements approved. Hence disclosure under clause (xvi) of Schedule III of The Companies Act 2013, is not applicable.

j) There are no transactions in the nature of undisclosed income or income surrendered which needs to be accounted in the books of accounts during the year in the tax assessments under the Income Tax Act, 1961.

44 Corporate Social Responsibility (CSR)

	As at December 31, 2023	As at December 31, 2022
(i) Gross amount required to be spent by the company during the year	436	380
(ii) Amount approved by the Board to be spent during the year	436	380

(iii) Amount spent during the year ending on 31st December 2023	In Cash	Yet to be paid in cash	Total
a) Construction/acquisition of any assets			-
b) on purpose other than (a) above	370	-	370

(iv) Amount spent during the year ending on 31st December 2022	In Cash	Yet to be paid in cash	Total
a) Construction/acquisition of any assets			
b) on purpose other than (a) above	374	-	374

	As at December 31, 2023	As at December 31, 2022
(v) Details related to spent / unspent obligations:		
a) Contribution to Public Trust		
b) Contribution to Charitable Trust	85	74
c) Contribution to Enhancing Vocation Skills	280	258
d) Contribution to Ensuring environmental sustainability	5	43
e) Contribution to Prompting health care including preventing heath care	-	-
f) Unspent amount in related to:		
- Ongoing project	183	-
- Other than ongoing project	-	117
(vi) Total of previous years shortfall,	-	-
(vi) Reason for shortfall,	Planned for next year	
(vii) Nature of CSR activities,	Promoting Education Promoting Healthcare Enhancement of Vocation Skills Homes for women and orphans	
(viii) 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,	Clementino Bonfiglioli Charitable Trust - Rs. 31.5 lakhs	
(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	

Details of Ongoing project and other than ongoing project

In case of S.135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With company	In Separate CSR Unspent A/c		From Company's bank A/c	For Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
117	-	436	370	-	-	183

45 Maintenance of books and records of the Company

The Company maintains books of accounts and also takes back up on daily basis on servers located outside India. The Company will discuss with the parent company to establish a mechanism to ensure that backup is taken on a daily basis on servers located in India

46 Whole time Company Secretary

As per Section 203 (4) read with Rule 8A of the Companies Act, 2013, a Company having paid up capital of more than 5 crores, are required to appoint a whole time Company Secretary. During the current year Company Secretary resigned and the Company is in the process of appointing a whole time Company Secretary.

47 Subsequent events

There were no significant adjusting events that occurred subsequent to the reporting period

48 Previous year numbers are regrouped and reclassified wherever applicable.

49 These financial statements were approved for issue by the Board of Directors on ...

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah
Partner
Membership Number: 121648
Place: Chennai
Date: April 02, 2024

For and on behalf of the Board of Directors

Balaji GA
CFO & Director
Din: 06630726
Place: Chennai
Date: April 02, 2024

Kennady Vuppalapally
Director
Din: 08110794
Place: Chennai
Date: April 02, 2024

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

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