4th May, 2024

To

The Manager - Listing,
BSE Limited,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 543276

The Manager - Listing,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051
Stock Code: CRAFTSMAN

Dear Sir/Madam,

Sub: Submission of 38th Annual Report of the Company

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the 38th Annual Report of the Company for the financial year 2023-24 which is being sent through electronic mode to the Members.

The Annual Report and the Notice of the 38th Annual General Meeting are also uploaded on the Company's website.

Kindly take the same into your records.

Thanking you.

Yours faithfully,
for CRAFTSMAN AUTOMATION LIMITED

Shainshad Aduvanni Digitally signed by Shainshad Aduvanni Date: 2024.05.04 18:02:17 +05'30'

Shainshad Aduvanni
Company Secretary & Compliance Officer

Encl: As above

Craftsman Automation Limited

Registered Office:
123/4, Sangothipalayam Road,
Arasur Post, Coimbatore – 641 407
Tamil Nadu, India

Corporate Office:
No.1087, 4th & 5th Floor, Krishna Towers,
Avinashi Road, Coimbatore - 641037
Tamil Nadu, India

Tel + 91 422 71 610 00
fax + 91 422 71 612 34
info@craftsmanautomation.com
www.craftsmanautomation.com

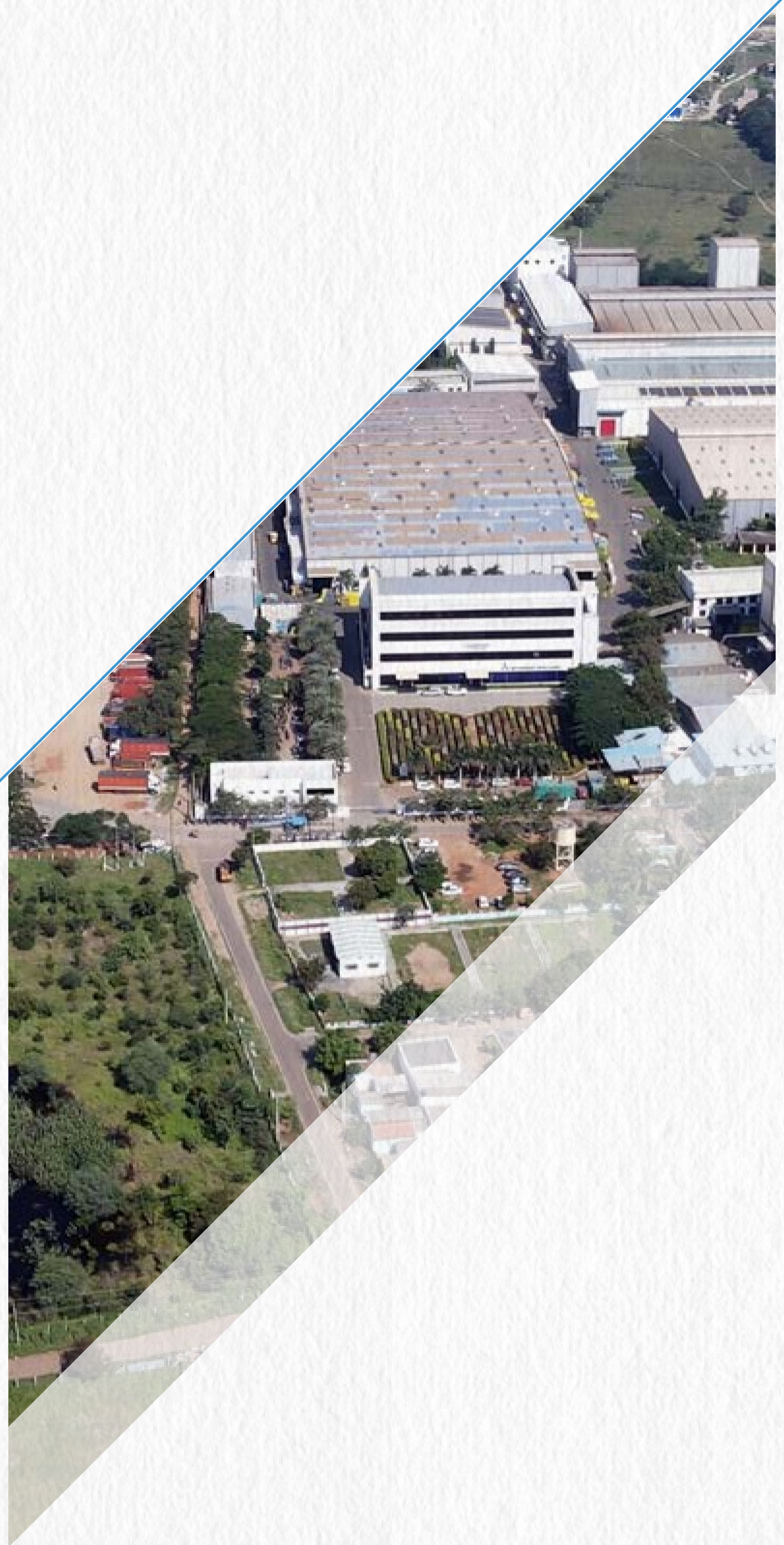
CIN NO: L28991TZ1986PLC001816
GST NO: 33AABCC2461K1ZW

Annual Report - 2024

Craftsman
AUTOMATION

ENGINEERING ADVANTAGE

Contents



Small steps in the right direction are steps achieved with clarity and composure.

In today's fast-paced world, goal setting is easy.... but progress is hard!

The business landscape is constantly evolving. Customer needs and preferences have shifted quickly, and new technologies have emerged. Craftsman Automation has demonstrated its adaptability, aligning with the fast-altering ecosystem to stay relevant, competitive and successful.

At Craftsman, progress is a no-compromise mandate.

Towards that end, we are committed to taking small and measured steps year after year. Our cautiously aggressive approach allows us to make informed decisions, stay agile, adapt to changing market trends and achieve sustainable growth.

While we have covered considerable distance since we started, the journey ahead is indeed exhilarating as we unfurl new strategies that should provide more impetus to the Company's growth levers, all in the pursuit of sustainable growth.

Measured steps

to strengthen our gears

The last few years had been very satisfying as we reported healthy growth year-on-year. It has taken the Company significantly uphill. But our aspiration of uplifting the organisation higher continues unabated. To empower our growth engine with more thrust, we worked diligently on strengthening our gears.

More gears for us means, a broader business base, encompassing a wider range of products and user sectors leading to a much wider opportunity horizon.

We aggressively and diligently pursued this path for all our business verticals.

1 POWERTRAIN BUSINESS

We worked on establishing our presence in the off-highway space which provides numerous opportunities in India and internationally. For this, we are investing in a precision machining shop for large parts (more than 10 tonnes). We are investing in a foundry which will provide the castings otherwise not available with our foundry partners.

2 ALUMINIUM BUSINESS

We widened our sectoral portfolio – we added passenger vehicles to two-wheeler customer base. In doing so, we hit two birds with one arrow – we grew our business prospects; we scaled our business profitability.

3 STORAGE SOLUTIONS

We strengthened our storage solutions business with a wider array of products (to cater to newer applications, new sectors and new customers) and significantly enhanced our efficiencies to deliver faster.

AS WE PROGRESS, OUR STRENGTHENED GEARS WILL PROPEL THE ORGANISATION INTO A NEW GROWTH ORBIT UNLEASHING VALUE FOR ALL STAKEHOLDERS.

Measured steps

to be future ready.

India is fast moving towards becoming a global manufacturing hub. As a result, demand for engineering excellence is growing rapidly across diverse user sectors that did not feature on the radar even a few years ago.

This is new demand that demands exceptional capabilities and extreme precision. A space where few are. And very few are likely to venture in the immediate future.

But we are mavericks who views this change a little differently. For us this is a new and exciting prospect that will position us out of the clutter.

For the first time in our history, we have embarked on setting up two large greenfield facilities.

1

POWERTRAIN BUSINESS

We are creating a greenfield facility in South India, with an in-house foundry unit, to focus on large engine parts (to come up in the initial phase) which will progressively house other business verticals in subsequent phases of development.

2

ALUMINIUM BUSINESS

We are setting up a new unit in North India which will develop parts for the aluminium segment to start with and will over time have capabilities for our powertrain and storage solution verticals.

The additional capacity should commence operations in the current year and will make us future ready to add more customers while garnering increased wallet share from existing customers.

OUR INVESTMENTS WILL POSITION AS A MEANINGFUL CONTRIBUTOR TO THE NATION'S **'MAKE IN INDIA'** DREAM.

About the Company

Founded in 1986, Craftsman Automation Limited (Craftsman) is a diversified engineering company with vertically integrated production capabilities. The Company is headquartered in Coimbatore and has pan India manufacturing presence.

Spearheaded by Mr. S Ravi as the Chairman and Managing Director, the Company has scaled great heights during its three decade journey to earn the 'preferred partner' status with most of its customers in the demanding automotive and other sectors.

Currently, the Company produces a number of parts and subassemblies for a variety of industries, including e-commerce, pharmaceuticals, automotive, industrial and engineering segments.

Mission

We are a leading engineering organisation engaged in the manufacturing of precision components, where Quality is at the heart of every aspect of each component that we make at the benchmark of reliability.

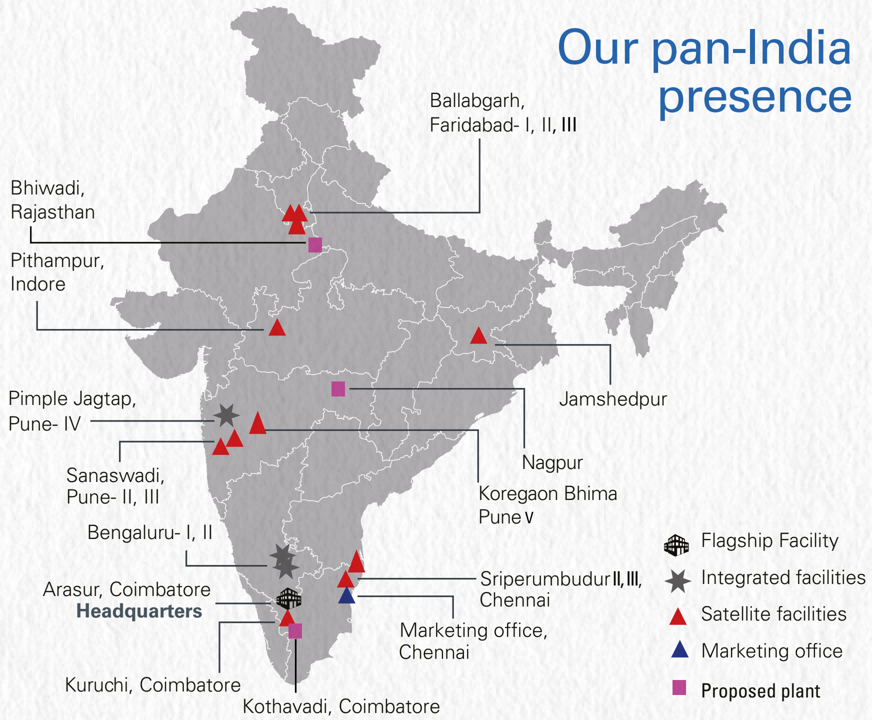
We are engineers and inventors. We design, develop and manufacture engineering products using state-of-the-art engineering technology and efficient manpower to meet the requirements of our customers. Our manufacturing facilities include state of the art equipment, engineered layout with process controls and necessary automations for quality and productivity.

A snapshot

3
Business Verticals

16
Manufacturing Facilities

Our pan-India presence



Services

Product and Part - Design & Simulation

Manufacturing Process Design, Tool (Die) & Fixture Design and Manufacturing

Special Purpose Machine Design & Manufacturing

Aluminium casting - High pressure, Low pressure, Gravity and Sand Casting

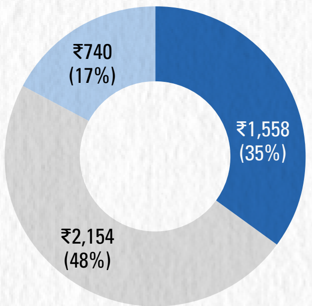
Machine, Metal Forming, Heat Treatment, Gear Manufacturing, Sheet Metal Fabrication and Powder Coating

Assembly & Quality Assurance and Testing

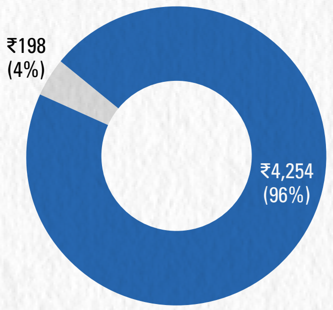
4,452

Consolidated Revenue
(₹ Crore)

Revenue by business
(Consolidated Basis)



Revenue by geography
(Consolidated Basis)



Sectors We Serve

Commercial Vehicles

Passenger Vehicles

Two wheelers

Farm Equipment/Tractors

Off-highway vehicles

Industrial engineering

Industrial engineering

Warehousing

A Solid Enterprise

3,175

Capital Employed, March 31, 2024
(₹ Crore)

9,117

Market Capitalisation, March 31, 2024
(₹ Crore)

Our journey

We have crafted a niche for ourselves in our three decade rich legacy.

THE INITIAL DAYS

Established "Craftsman Automation Pvt. Ltd."

STRENGTHENING THE ENTERPRISE

2001-2006
Aluminium Foundry Unit at Kurichi
Satellite Unit at Pithampur
ISO 9001: 2000 & ISO/TS 16949:2002 registration certification
Satellite units at Sriperumpudur, Jamshedpur, Pune & Faridabad.

2007-2011
Joint Ventures With Carl Stahl.
'Star Export House' registration certification.
Subsidiary Craftsman Europe B.V, Netherlands
Satellite units at Sriperumpudur, Jamshedpur, Pune & Faridabad.

WIDENING OUR HORIZON

2012-2016
Storage Solutions in Arasur, Coimbatore
Second satellite unit at Pune
Technology Division & HPDC Foundry at Bengaluru
Aluminium Sand Foundry, HPDC & LPDC In Arasur, Coimbatore

2017-2020
Machining Services at Bengaluru
Converted into public limited company "Craftsman Automation Limited"
Storage product manufacturing plant at Pune

MOVING INTO A HIGHER ORBIT

2021-2023
IPO launched in March 2021
Equity shares listed on BSE & NSE
Acquired 76% of the equity share capital of DR Axion India Pvt Ltd
Initiated the construction of the Kothavadi and Bhiwadi greenfield facilities

Our Business Verticals

1 POWERTRAIN

Craftsman is a leading player involved in machining critical engine and transmission components for M&HCV and tractors. The Company enjoys a healthy presence in the construction equipment category and the M&HCV segments for the machining of cylinder heads and blocks.

1,558
Revenue (₹ Crore)

2%
Revenue growth

35%
Revenue Contribution

2 ALUMINIUM PRODUCTS

Craftsman is a respected player in its automotive sector for its Aluminium die-casting & machining business and expertise in developing Industrial components. In less than a decade, this division (along with the recent acquisition of DR Axion) has emerged as a strong growth driver.

2,154
Revenue (₹ Crore)

130%
Revenue growth

48%
Revenue Contribution

3 INDUSTRIAL & ENGINEERING

Craftsman's Industrial and Engineering (IE) segment is a showcase of its engineering expertise and technology absorption prowess. It comprises of two segments – Industrial engineering which is a play on the capex cycle (high-end sub-assembly and contract manufacturing) and Storage Solution which is a proxy to India's warehousing growth.

740
Revenue (₹ Crore)

3%
Revenue growth

17%
Revenue Contribution

Based on consolidated financial statements

Message from the Chairman's desk

Our measured steps position us perfectly to capitalise effectively and efficiently on emerging opportunities to unleash value for all our stakeholders.

Dear Shareholder

I take pleasure in sharing my thoughts after yet another eventful year. As a team, we are proud to have continued our progress through a year that was relentless with continuing inflationary pressures, ongoing wars and new supply chain disruptions. We are globally connected to our customers, building capacity for scale and efficiency, and passionately engaged with our people and society.

THE YEAR THAT WAS.

After continuous growth in FY22 and FY23 post-COVID-19, we are now experiencing some consolidation and moderation in growth due to reduced inventories as the supply chain has improved.

The ongoing wars in Eurasia, the new conflict in the Middle East region and the Red Sea crisis have created new challenges. The continuing economic conflict between the USA and China has opened up new doors of opportunities. We have utilised this moderation phase to prepare for future growth and diversification.

THE HIGHLIGHT FOR FY24

In this consolidation phase, we have managed to maintain our revenue and Gross Margins. The strategic acquisition of DR Axion India Pvt. Ltd. has enhanced the companies' operational efficiencies, and this synergy has enabled deeper engagement with PV segment in India and also opens doors for export to Korea and other global markets.

We are setting up new Aluminium facilities in North India where we were not present to capitalise on the growing demand for our products.

Our strategic investment in backward integration into specialised large ferrous castings to cater to off-highway/ power generation engines, renewable energy and capital goods will add considerable strength to our machining operations.

INDIA – AS A GLOBAL MANUFACTURING HUB

India's contribution to global manufacturing is on the rise, a trend that should be sustained over the medium term. India's productivity grew by 5.6% on average annually, second only to China.

India has attracted significant interest as a manufacturing hub, particularly for key sectors like automotive, engineering, chemicals, pharmaceuticals and consumer durables.

This is happening owing to two important factors: 1) growing geopolitical stresses have mandated global players to diversify their sourcing bases, and 2) the increasing costs in developed markets will dent their competitive advantage over time.

India, on the other hand, continues to allure with a promising talent pool, strong domestic economy, improving infrastructure and the spirit of Make in India to achieve the global dream of being a preferred manufacturing destination.

While many have already established their manufacturing footprint in India, new global players are looking to set up operations or initiate sourcing from India.

Craftsman is poised to gain from this change. This will open up incredible opportunities for manufacturing companies like ours.

OUTLOOK

In India, the future of energy and mobility is undergoing a transformation. We have committed strategic investments that will prepare us for this change and allow us to leverage our solutions for emerging opportunities, ensuring a sustainable future for all.

In the legacy Powertrain vertical, we have invested for few MNCs who have setup new manufacturing facilities in India. Although it is in the initial stages of operations, it is poised for growth in the coming years. New MNCs are also looking to set up manufacturing facilities/ sources from India; we have some engagements and commitments from a few of them.

We are growing our direct and indirect exports, and these products are globally accepted.

All leading industrial engines manufacturers for multi-varied applications, including power generation, as well as IC Engines used in Off Highway applications such as mining and construction, are striving towards sustainable Net Zero Emissions with new technologies and flex fuels such as H2, LNG, Bio LNG, HVO, Synthetic Diesel, etc. The possibility of flex fuels will extend the useful life of current IC engines. This has sparked another wave of development of new engines that are more efficient with higher power densities. Craftsman is engaged with major engine manufacturers and will stand to gain from this transformation.

In the PV segment, it is observed that smaller capacity Hybrid Engines are far more efficient with a lesser CO_2 footprint providing same or better power output as compared to their much larger conventional IC Engine siblings. This will lead to development of new engines to replace the currently produced conventional IC Engines and they are expected to remain in use beyond 2035, which augurs well for the Company.

The demand for power generation engines is on the rise owing to an upswing in two sectors:

- India's sharpened focus on industrialisation has put the spotlight on increased mining activities. Demand for minerals is growing owing to heightened activities in the construction, infrastructure, technology and energy sectors. In addition, reducing manufacturing foot print in Europe and continued growth in Rare Earths mining is offering India an opportunity to be part of the global supply chain.
- World is consuming data like never before, mandating the creation of large data centers. This has increased the requirement for large power generators (as backup).

The demand from these sectors is expected to remain buoyant for the next decade.

Our fully integrated foundry, which is currently a work-in-progress, along with the precision machining facilities for large parts, will cater to this requirement. These niche facilities will position us perfectly to offer end-to-end manufacturing solutions in the Powertrain and industrial engineering segments. There are only a few global players for these large engines, and we are engaged with them, in some cases with commitments. This increase of global exposure in powertrain reduces the volatility of cyclic nature of domestic commercial vehicle business and brings stability to weather the cycles by expanding the base to multiple sub-segments of large IC Engines.

In the Aluminium vertical, our new plant in Bhiwadi, which is under construction, will enable us to scale up and cater to customers in the northern region. With a growing focus on lightweighting in the automotive segment, Craftsman is equipped with the facilities and technology to capture the demand for structural and other vehicle parts in Aluminium.

The fruition of the above strategy and investments will go a long way in sustaining our trajectory over the medium term.

OUR KEY TAKEAWAY

Craftsman is firmly poised to accelerate its growth by

- Synergising our operations from the acquisition
- Engaging deeper with our customers
- Augmenting capacities that are aligned to foreseeable opportunities
- Investing in capabilities that open new growth avenues (Backward integration into specialised large ferrous castings)

My concluding message is that our measured steps perfectly position us to capitalise effectively and efficiently on emerging opportunities and unleash value for all our stakeholders.

Our every action reflects our commitment to quality, agility and sustainability. This will ensure that Craftsman remains the strongest player in our business space, thereby maximising shareholder value and the communities we serve. I sincerely thank all our stakeholders for their trust and support. I am confident that we will script an exciting growth journey ahead.

Warm regards,

Srinivasan Ravi
Chairman & Managing Director

A year of progress

CONSOLIDATED FINANCIALS

4,452
Revenue
(₹ Crore), FY24

3,183
Revenue
(₹ Crore), FY23

897
EBITDA
(₹ Crore), FY24

697
EBITDA
(₹ Crore), FY23

144.11
Earnings per share
(₹ Crore), FY24

117.56
Earnings per share
(₹ Crore), FY23

337
Profit After Tax
(₹ Crore), FY24

251
Profit After Tax
(₹ Crore), FY23

1,752
Networth
(₹ Crore), FY24

1,438
Networth
(₹ Crore), FY23

STANDALONE FINANCIALS

3,208
Revenue
(₹ Crore), FY24

2,980
Revenue
(₹ Crore), FY23

656
EBITDA
(₹ Crore), FY24

671
EBITDA
(₹ Crore), FY23

93.52
Earnings per share
(₹ Crore), FY24

112.53
Earnings per share
(₹ Crore), FY23

198
Profit After Tax
(₹ Crore), FY24

238
Profit After Tax
(₹ Crore), FY23

1,546
Networth
(₹ Crore), FY24

1,371
Networth
(₹ Crore), FY23

Key Performance Indicators

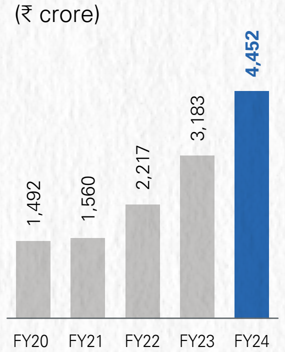
Progress is made where progress is measured.

Jack LaLanne

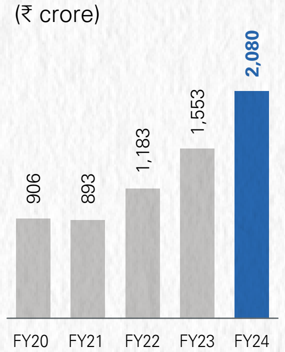
Based on consolidated financial statements

Performance

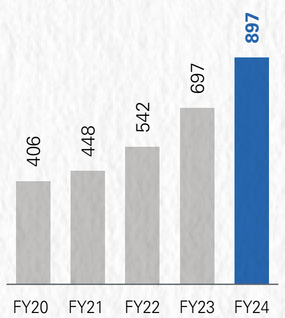
Revenue
(₹ crore)



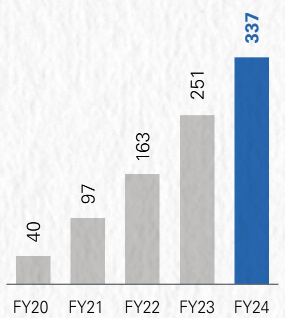
Gross profit
(₹ crore)



EBITDA
(₹ crore)

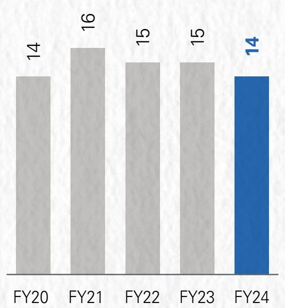


Net Profit
(₹ crore)

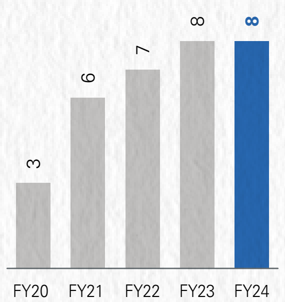


Profitability

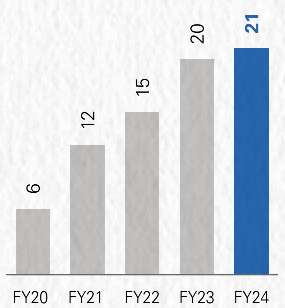
EBIT Margin
(%)



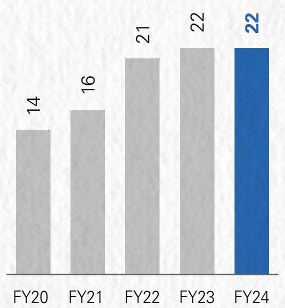
Net Margin
(%)



Return on Equity
(%)

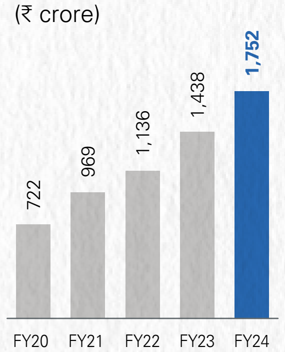


Return on Capital Employed (%)

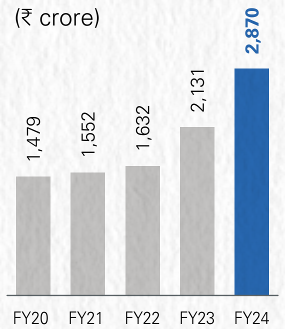


Position

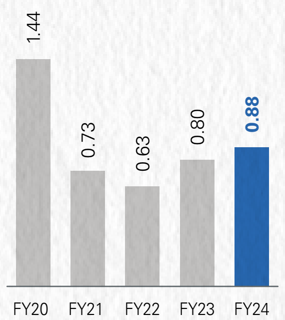
Networth
(₹ crore)



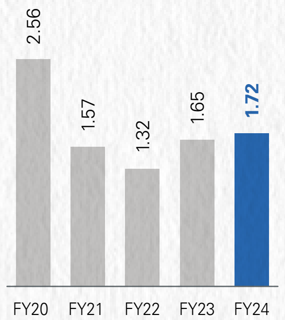
Average Capital Employed, March 31
(₹ crore)



Debt-Equity Ratio
(x)



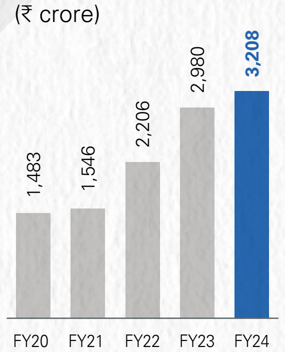
Debt-EBITDA Ratio
(x)



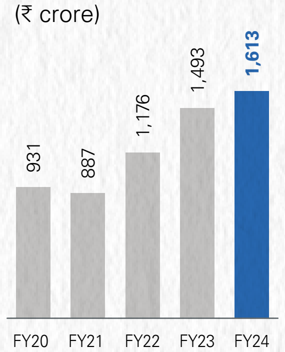
Based on Standalone Financial Statements

Performance

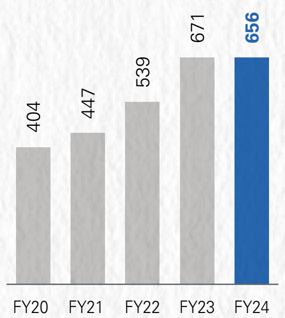
Revenue
(₹ crore)



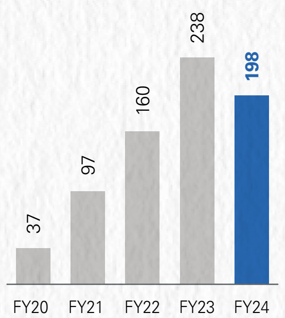
Gross profit
(₹ crore)



EBITDA
(₹ crore)

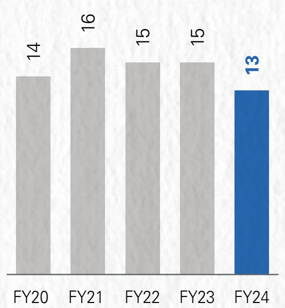


Net Profit
(₹ crore)

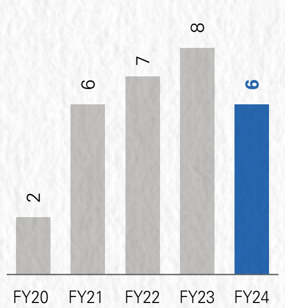


Profitability

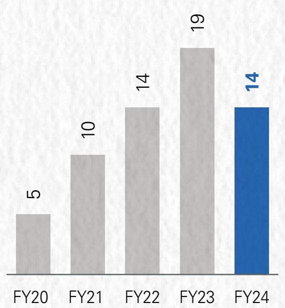
EBIT Margin
(%)



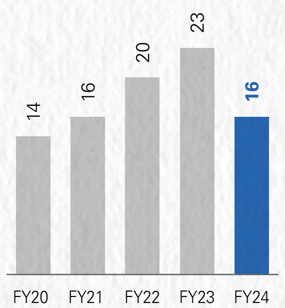
Net Margin
(%))



Return on Equity
(%)

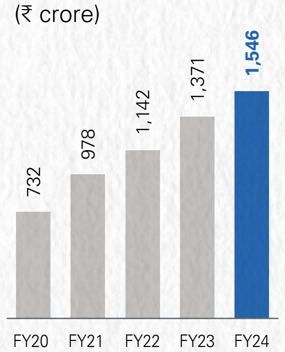


Return on Capital Employed (%)

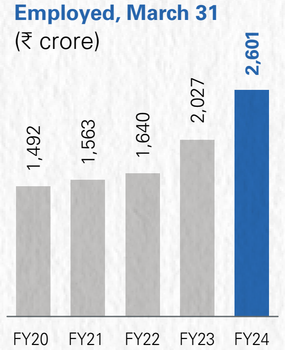


Position

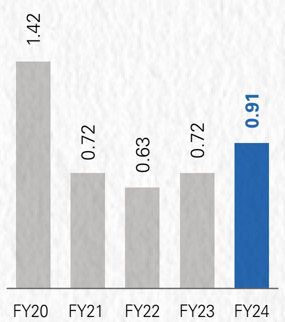
Networth
(₹ crore)



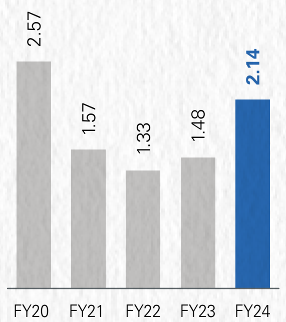
Average Capital Employed, March 31
(₹ crore)



Debt-Equity Ratio
(x)



Debt-EBITDA Ratio
(x)



Competitive Advantage

An organisation's ability to learn and translate that learning into action rapidly is the ultimate competitive advantage.

Jack Welch

Presence across the value chain

Over the years, the Company has imbibed the skill and capability to enjoy presence across the design, development and manufacturing value chain. The Company offers its customers a comprehensive solution, including product design, prototyping, tool development, manufacturing, assembly and production of integrated components.

Strong engineering capabilities

The Company's skill and capability to design and develop specialised and general-purpose machinery and tools internally provides a vital edge for a more adaptable plant layout, equipment fungibility, shorter lead times, and increased output.

Diversified geographic presence

From being primarily an export-focused business, the Company has established a strong presence in the domestic market – prudently balancing its geographic footprint across large and growing economies.

Broad sectoral bandwidth

The Company has strategically balanced its exposure between the auto and non-auto sectors, maximizing growth opportunities across various industries.

Healthy client relations

The Company has successfully nurtured robust relationships with several significant domestic and international OEMs and Tier-1 suppliers. Moreover, it has proactively strengthened these relationships, expanding its market share among significant customers.

The edge in an otherwise highly competitive landscape gives Craftsman a dominant position in our business space and sustains business growth.

Our business position

- The powertrain segment is respected by OEMs in the CVs space for its commitment to accurate development and timely delivery
- The Company is one of the most reputed players in the automotive Aluminium space.
- The Company a leading player in the automated storage market and is one of the leading brands in the conventional storage market.

Our legacy growth

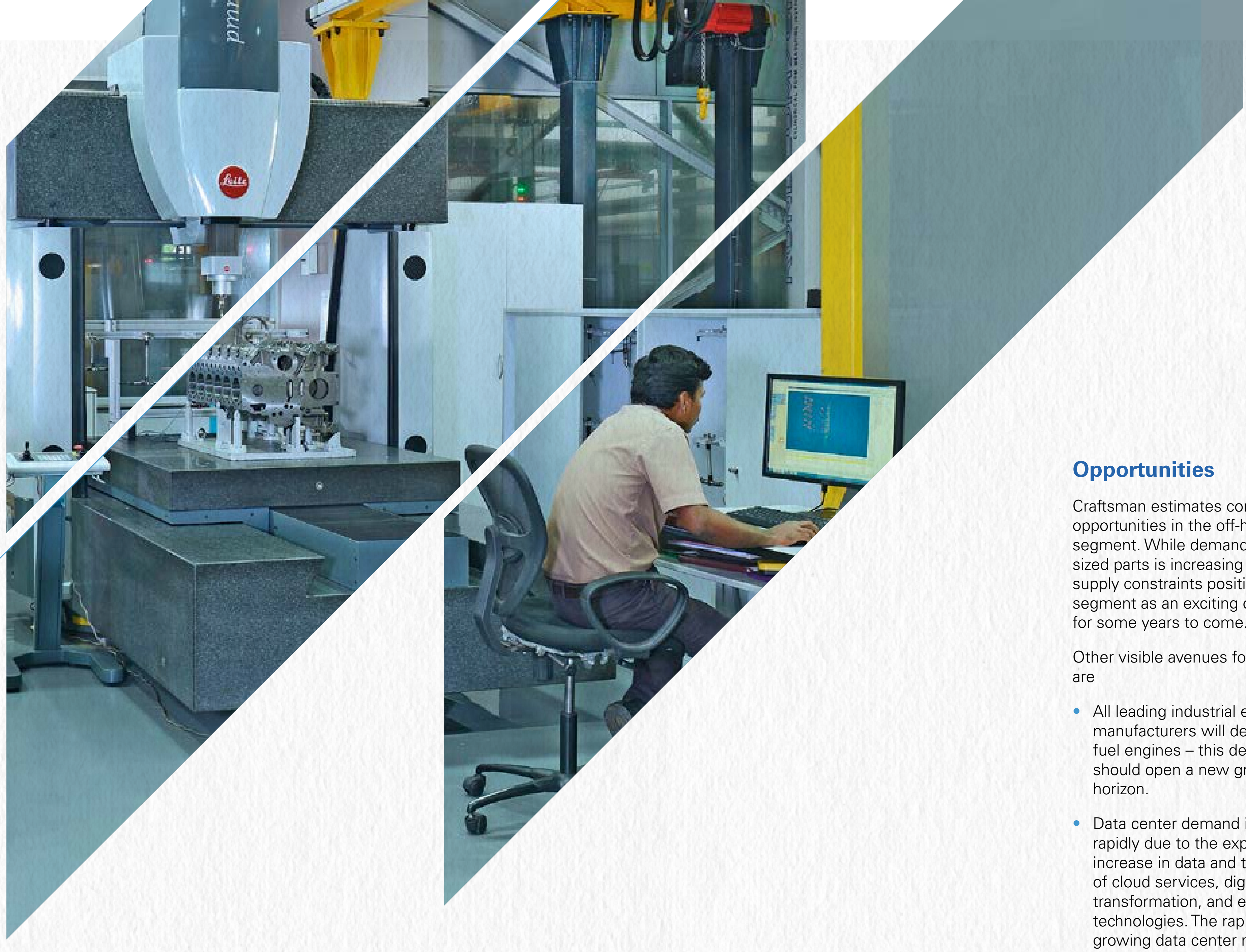
20%	16%	28%	21%
Revenue (5-yr CAGR)	EBITDA (5-yr CAGR)	PAT (5-yr CAGR)	Networth (5-yr CAGR)

Based on consolidated financial statements

Business segment 1

Powertrain

Craftsman is a leading manufacturer in the M&HCV and construction equipment segments for machining cylinder heads and blocks.



The powertrain system is integral to any engine, generating and transmitting power to the vehicle or equipment. The engine's cylinder block, head, and camshaft are among the most critical components responsible for the engine's performance and longevity.

In addition, Craftsman specialises in machining power transmission components such as differential carriers, axle housings, transmission housings, and much more. Our precision machining techniques ensure that every component we produce is of the highest quality.

Craftsman's reputation for excellence extends beyond the M&HCV and construction equipment segments. Our prowess in developing parts for industrial engines is earning us considerable respect from global and Indian players.

In the post covid era, the growth of this division has plateaued and will take some time to recover. The Company has made strategic investments in upgrading its equipment

Measured steps

CAPACITY CREATION

The Company has made investments for catering to a few MNCs who have setup new manufacturing facilities in India.

BACKWARD INTEGRATION

The Company's strategic investment in backward integration into specialised large ferrous castings to cater to off-highway/ power generation engines, renewable energy and capital goods

Opportunities

Craftsman estimates considerable opportunities in the off-highway segment. While demand for larger-sized parts is increasing rapidly, supply constraints position this user segment as an exciting opportunity for some years to come.

Other visible avenues for growth are

- All leading industrial engines manufacturers will deploy multi-fuel engines – this development should open a new growth horizon.
- Data center demand is growing rapidly due to the exponential increase in data and the rise of cloud services, digital transformation, and emerging technologies. The rapidly growing data center market is creating a healthy demand for large power generators, which presents a new opportunity for the powertrain segment.
- Aligning with the Make in India policy, multinational companies have set up plants in India to assemble engines for their global and domestic markets. This investment should fuel the powertrain segment's growth in the coming years.
- In the PV segment, smaller capacity Hybrid Engines are far more efficient with a lesser CO_2 footprint providing same or better power output will replace the currently produced conventional IC Engines. This opens a new opportunity avenue.

Strategy for Growth

Craftsman is revamping and realigning its facilities to establish its presence in the off-highway segment for the domestic market and to take advantage of international opportunities.

The Company is expanding its manufacturing capacity to proactively prepare for a demand uptick over the coming years. As part of its capital outlay, the Company is setting up a foundry unit to manufacture large engine parts and capital equipment parts to focus on the increasing global demand for larger engine blocks and heads.

All leading industrial engines manufacturers will deploy multi-fuel engines – this development should open a new growth horizon.

Business segment 2

Aluminium Products

Craftsman is well known in the industry for its automotive Aluminium Die-Casting and Machining business, as well as its expertise in industrial parts.

Aluminium die casting is a metal-forming process used to manufacture complex aluminium parts, while machining is cutting material to a desired shape by a controlled process.

Performance in FY24

The segment reported a stellar performance (consolidated) as revenue grew at a healthy double digit rate. The growth is not comparable as FY24 is the first fiscal when the full year numbers of DR Axion are consolidated with the Company's financial numbers. The growth was aided by

- Two-wheelers sector grew at a high single digit recovering back to pre-covid levels aided by favourable factors like rising per capita income, urbanization and financial availability.
- The passenger vehicle segment also reported healthy growth which aided a uptick in the Company's performance.

FY24 was the first year when the division reported a double-digit growth in revenue from the PV sector.

Measured steps

The Company implemented decisive steps to strengthen the operating model to sustain business growth.

SEGMENT EXTENSION

Having successfully achieved user segment diversification (2W to passenger vehicles), the division is working on widening its offerings. In addition to supplying various ICE parts, the division is now diversifying into structural parts like wheels.

CAPACITY EXPANSION

The division is augmenting capacity at its existing plants to cater the growing demands of existing customers and addition of new customers.

New Engagements

For Craftsman, FY24 was a good year as the division made considerable progress in adding new customers and increasing wallet share with existing customers.

The order inflow was a mixed bag comprising orders from the passenger vehicle segment and 2-Wheeler segment. DR Axion secured an export order from South Korea which was the highlight of the year. These new engagements should cascade into commercial volumes in the current year (FY25) and help sustain the growth momentum of the division.

Opportunities

The automotive industry is one of the key sectors driving the demand for aluminium, with car manufacturers increasingly using the metal to reduce weight and improve fuel efficiency.

The rise in per capita income in India, growing is customer aspiration and increasing availability of financing options is driving the demand for premium vehicles, especially in the two-wheeler and passenger vehicle segments. This augurs well for the division. Its niche capabilities facilitate quicker part-development and should help it secure more business from OEMs operating in India.

The division growing demand for high-pressure diecasting parts from OEMs in the Europe regions. The team considers this as an interesting opportunity going forward.

Craftsman was not present in the Aluminium business eight years ago. Currently, the consolidated Aluminium business generates ₹2,154 crore in revenue.

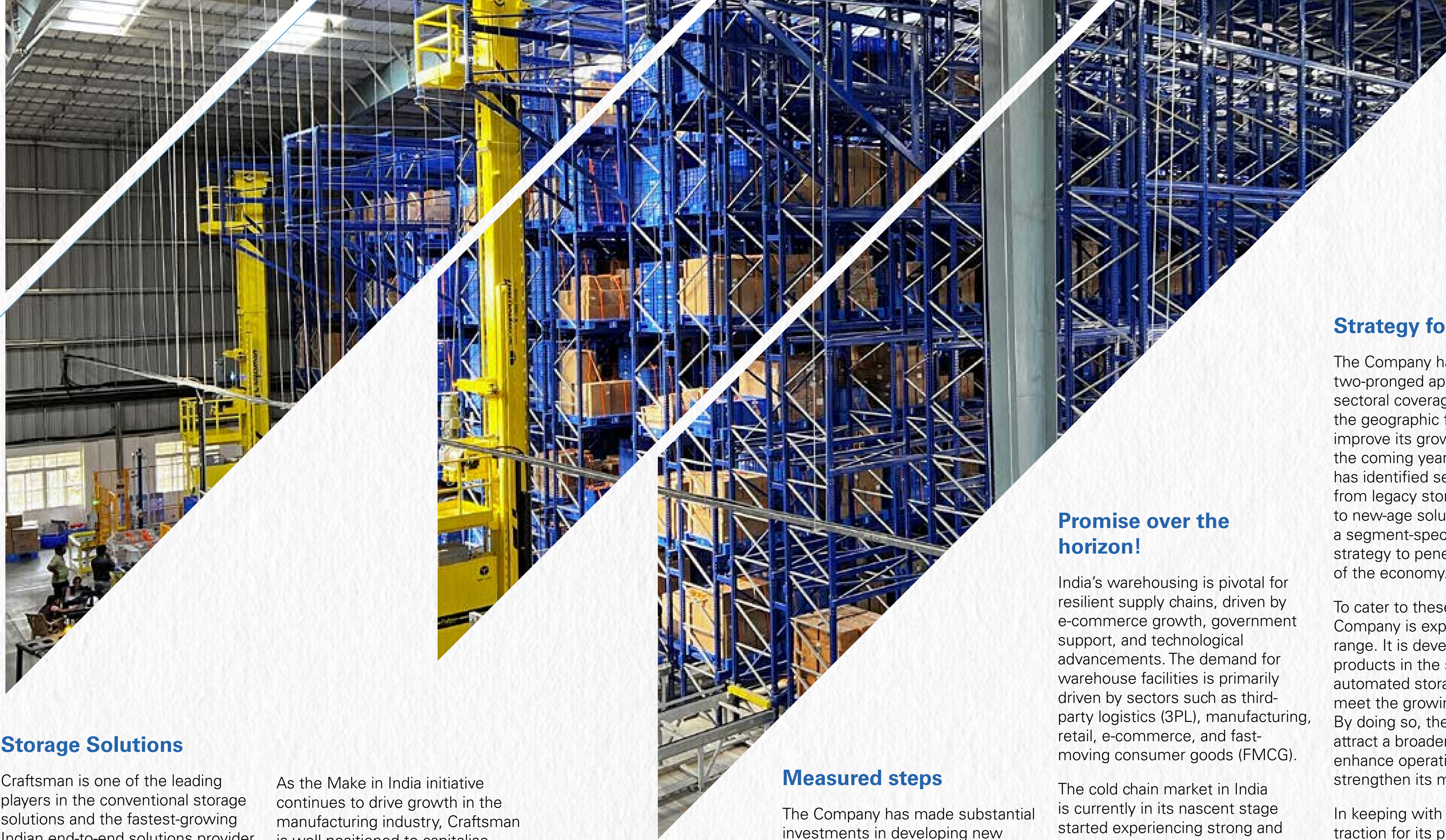
Strategy for Growth

In addition to enhancing capacities and broadening capabilities at its existing operating facilities, the Company is creating one greenfield facility in North India to cater to the growing demand for aluminium parts. The Company will focus on scouting for and capitalising on export opportunities – creating a revenue vertical for the aluminium division.

Business segment 3

Industrial Engineering

The Industrial Engineering segment is epic enter of engineering excellence and the backbone of Craftsman.



The division leverages its deep engineering skill to design and develop special purpose machines for the powertrain and aluminium divisions.

Additionally, the team excels in contract manufacturing of large parts at its Precision Machining unit which will have a backward integration with its Iron Casting foundry to come up at its Kothavadi facility. This will allow it to grow cater to the renewable energy sector. Also, the large engine parts castings and machining will help the powertrain division expand its horizon.

Storage solutions is a part of this vertical which is the key revenue driver for this business division.

Storage Solutions

Craftsman is one of the leading players in the conventional storage solutions and the fastest-growing Indian end-to-end solutions provider in the advanced automated storage solutions industry. The Company primarily offers pallet racking, shelving solutions and modular mezzanine under conventional storage.

Craftsman's automated storage solutions encompass V-Store, a vertical lift module, Pallet ASRS and Bin ASRS which allows customers to use the vertical height optimally, positioning it as an excellent choice for an economical and effective inventory handling and management system.

The Company has indigenously developed and manufactures racking, stacker cranes, shuttles, conveyors, material lifts and warehouse control & management software in-house, which gives it a significant competitive advantage and quick execution compared to the competition.

As the Make in India initiative continues to drive growth in the manufacturing industry, Craftsman is well-positioned to capitalise on the increasing demand for advanced storage solutions. India's growing consumption story drives this sector, propelled by various sectors such as organised retail, e-commerce, FMCG, food & beverage, consumer durables, pharmaceutical, cold storage, 3PL, and auto & engineering.

During FY24, consolidation and relocation in the warehousing space across the nation impacted order inflow. Hence, revenue from the storage business remained at previous year levels. The Company made a promising breakthrough in supplying storage solutions to new user sectors such as cold chain and renewable energy. While the first two quarters witnessed subdued demand, the second half of the year witnessed increased orders.

Measured steps

The Company has made substantial investments in developing new product profiles to optimise the steel usage in its racking solutions, making its systems very competitive. The company shored up manufacturing capabilities by increasing factory throughput by commissioning additional automated roll-forming line which in turn will efficiently integrate with a new powder coating line.

Automated (ASRS) warehousing systems are driving manufacturing & distribution facilities as a go to solution to ensure accurate, faster, and timely deliveries under safer work environment. Company has been very agile in identifying these opportunities and developed customised solutions.

Being responsive to market needs has worked well, and Craftsman plans to build on its initial success in the coming years.

Promise over the horizon!

India's warehousing is pivotal for resilient supply chains, driven by e-commerce growth, government support, and technological advancements. The demand for warehouse facilities is primarily driven by sectors such as third-party logistics (3PL), manufacturing, retail, e-commerce, and fast-moving consumer goods (FMCG).

The cold chain market in India is currently in its nascent stage started experiencing strong and steady growth with CAGR ranging in double digits, an industry body estimates.

Above coupled with the robust growth of e-commerce, technological advancements, government initiatives and evolving consumer preferences have collectively spurred a transformation in the logistics and warehousing sector. Credible estimates suggest that the Indian warehouse market will reach US$34.99 billion by 2027, with a CAGR of 15.64% from 2022 (Source: Investindia.gov.in).

As a result, the demand for storage solutions will only continue to rise. With advancements in technology and increasing investments in infrastructure, the storage solutions business in India is poised for substantial growth in the coming years.

Strategy for Growth

The Company has adopted a two-pronged approach—widening sectoral coverage and expanding the geographic footprint—to improve its growth prospects over the coming years. The Company has identified sectors transforming from legacy storage infrastructure to new-age solutions. It is adopting a segment-specific solution strategy to penetrate every sector of the economy.

To cater to these sectors, the Company is expanding its product range. It is developing more products in the static range, automated storage segment, to meet the growing market need. By doing so, the Company would attract a broader customer base, enhance operating margins, and strengthen its market position.

In keeping with the growing traction for its products, Craftsman also focuses on enhancing its online presence and digital capabilities to connect with customers innovatively.

The Company is entering FY24-25 with a strong order book and a significantly increased market presence, positioning it as a formidable player in the Indian storage market.

Craftsman is currently executing India's first sub-zero rack clad ASRS (automated storage retrieval System) for storing food products at -30 degrees Celsius.

Board of Directors

Mr. Srinivasan Ravi
Chairman and Managing Director

(DIN: 01257716)

He is the Promoter of our Company and has been associated with our Company since its incorporation. He holds a bachelor's degree in mechanical engineering from PSG College of Technology, Coimbatore.

He has experience of more than 35 years in the automotive industry. He received various awards, including "Outstanding Citizen of Coimbatore Award" by the Rotary Club of Coimbatore in 2018, "Entrepreneur of the Year 2015 Award" by the Entrepreneurs' Organisation, Coimbatore, "Outstanding Entrepreneur Achiever Award 2012" by Bharathiar School of Management and Entrepreneur Development, Bharathiar University, Coimbatore and "Best Entrepreneur Award" by Coimbatore Management Association in 2010.

Mr. Ravi Gauthamram
Whole Time Director

(DIN: 06789004)

He holds a bachelor's degree in mechanical engineering from PSG College of Technology, Coimbatore and a master's degree in mechanical engineering from RWTH Aachen University, Germany. He has experience in the automotive industry. He has been on our Board since February 20, 2014. He is engaged in building the product strategy in the industrial and engineering segment of our Company. Prior to joining our Company, he was associated with Caterpillar India Private Limited.

Mr. Sundararaman Kalyanaraman
Independent Director

(DIN: 01252878)

He holds a bachelor's degree in mechanical engineering from the University of Madras. He has attended an advanced management program at the Indian Institute of Management. He has been on our Board since June 30, 2017. He has rich experience in the automotive industry. He was previously associated with TG Kirloskar Automotive Private Limited, Kirloskar Systems Limited, BPL Limited and Widia (India) Limited.

Further, he is a trustee in Caring with Colours – A Manasi Kirloskar Initiative. He has completed a training course for preparation as an award assessor for the "Confederation of Indian Industry Award for Business Excellence" by the European Foundation for Quality Management ("EFQM"). He is a member of the Indian Society for Advancement of Materials and Process Engineering and a member of the Project Management Institute (a global membership association dedicated to advancing the practice, science and profession of project management).

Mrs. Vijaya Sampath
Independent Director

(DIN: 0064110)

She holds a bachelor's degree in arts from the University of Madras and a bachelor's degree in law from the University of Mysore. She is a fellow member of the Institute of Company Secretaries of India. She has attended the advanced management program of Harvard Business School, USA and a program on managing strategic alliances conducted by the Wharton School, University of Pennsylvania, USA. She has been on our Board since April 30, 2018. She has experience in corporate laws and advisory and chairs the FICCI committee on corporate laws. She was associated with Lakshmikumaran & Sridharan Attorneys as a senior partner and with Bharti Airtel Limited as group general counsel and company secretary in the past.

Mr. Tamraparni Srinivasan Venkata Rajagopal
Independent Director

(DIN: 07148250)

He is a Practicing Chartered Accountant by qualification and profession and possesses more than 30 years of experience. He is the Senior Partner of Subbachar & Srinivasan, Chartered Accountants Firm, Coimbatore. He is a graduate and fellow member of The Institute of Chartered Accountants of India (ICAI). He is also an All India Rank Holder in both CA Inter & Final examinations. He was awarded several academic awards at School and College levels. He has presented several papers on corporate audit and taxation at the ICAI, Coimbatore.

Mrs. Rajeswari Karthigeyan
Independent Director

(DIN: 10051618)

Mrs. Rajeswari Karthigeyan has an overall 30 years of experience in CRISIL Ltd., which is an Indian analytical company providing ratings, research, and risk & policy advisory services. It is the largest rating agency in India. It is also a subsidiary of S&P Global, which in turn is the largest global company in financial information, ratings and analytics. She also has 18 years of experience in Credit rating of Indian corporates and around 12 years of research experience encompassing various industries, Indian economy as well as customized research. She has functional expertise in Credit appraisal of large manufacturing entities, surveillance of ratings, interacting with investors and media, and providing thought leadership in the form of opinion pieces and webinars on various industries. She also served as a rating committee member for several years. During her tenor, she had insightful interactions with several Promoters, MDs, CFOs, CEOs and various functional Directors. She has meaningfully contributed to sustainability and risk management of numerous large corporates.

Corporate Information

CRAFTSMAN AUTOMATION LIMITED

CIN: L28991TZ1986PLC001816
Website: www.craftsmanautomation.com

BOARD OF DIRECTORS

Mr. Srinivasan Ravi
Chairman and Managing Director (DIN: 01257716)

Mr. Ravi Gauthamram
Whole Time Director (DIN: 06789004)

#Mr. Chandrashekhar Madhukar Bhide
Independent Director (DIN: 00027967)
#(Tenure Completed on 23rd May, 2023)

Mr. Sundararaman Kalyanaraman
Independent Director (DIN: 01252878)

Mrs. Vijaya Sampath
Independent Director (DIN: 00641110)

Mr. Tamraparni Srinivasan Venkata Rajagopal
Independent Director (DIN: 07148250)

Mrs. Rajeswari Karthigeyan (DIN:07148250)
Independent Director

CHIEF FINANCIAL OFFICER: Mr. C.B.Chandrasekar

COMPANY SECRETARY AND COMPLIANCE OFFICER: Mr. Shainshad Aduvanni

STATUTORY AUDITORS: Sharp & Tannan,Chartered Accountants, Chennai

INTERNAL AUDITORS: MC Ranganathan & Co., Chartered Accountants, Chennai

COST AUDITORS: S.Mahadevan & Co, Cost Accountants, Coimbatore

Secretarial Auditors: KSR & Co Company Secretaries LLP, Company Secretaries, Coimbatore

COMMITTEES OF DIRECTORS

Audit Committee
- Mr. Tamraparni Srinivasan Venkata Rajagopal, Chairman*
- Mr. Chandrashekhar Madhukar Bhide, Chairman**
- Mr. Sundararaman Kalyanaraman, Member
- Mrs.Vijaya Sampath, Member
- Mrs.Rajeswari Karthigeyan, Member#

** Re-designated as Chairman w.e.f 8th May, 2023*
*** Ceased to be Chairman w.e.f 8th May, 2023*
 # Inducted as member w.e.f 8th May, 2023

Nomination and Remuneration Committee
- Mrs. Vijaya Sampath, Chairperson
- Mr. Chandrashekhar Madhukar Bhide, Member*
- Mr. Sundararaman Kalyanaraman, Member
- Mr. Tamraparni Srinivasan Venkata Rajagopal, Member**

** Ceased to be Member w.e.f 8th May, 2023*
***Inducted as member w.e.f 8th May, 2023*

Stakeholders Relationship Committee
- Mr. Sundararaman Kalyanaraman, Chairman*
- Mr. Chandrashekhar Madhukar Bhide, Chairman**
- Mr. Srinivasan Ravi, Member
- Mrs.Rajeswari Karthigeyan, Member#

** Re-designated as Chairman w.e.f 8th May, 2023*
*** Ceased to be Chairman w.e.f 8th May, 2023*
 # Inducted as member w.e.f 8th May, 2023

Risk Management Committee
- Mr. Srinivasan Ravi, Chairman
- Mr.Ravi Gauthamram, Member
- Mr. Sundararaman Kalyanaraman, Member
- Mr.C.B.Chandrasekar, Member

Corporate Social Responsibility Committee
- Mr. Srinivasan Ravi, Chairman
- Mr. Chandrashekhar Madhukar Bhide, Member*
- Mr. Tamraparni Srinivasan Venkata Rajagopal, Member
- Mrs.Vijaya Sampath, Member**

** Ceased to be Member w.e.f 8th May, 2023*
***Inducted as member w.e.f 8th May, 2023*

BANKERS AND LENDERS
- Aditya Birla Finance Limited
- Axis Bank Limited
- Bajaj Finance Limited
- Export-Import Bank of India
- HDFC Bank Limited
- Indian Bank
- International Finance Corporation
- Kotak Mahindra Bank Limited
- RBL Bank Limited
- Standard Chartered Bank
- State Bank of India
- Tata Capital Financial Services Limited
- YES Bank Limited

REGISTERED OFFICE
123/4, Sangothipalayam Road, Arasur Post, Coimbatore – 641 407

CORPORATE OFFICE
Krishna Towers, 4th & 5th Floor, 1087, Avinashi Road, Coimbatore – 641 037

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Private Limited
Surya 35, Mayflower Avenue,Behind Senthil Nagar,
Sowripalayam Road, Coimbatore - 641028.

Directors' Report

To
The Members,

The Directors are pleased to present the Thirty eight (38th) Annual Report of the Company together with the audited financial statements (consolidated and standalone) for the year ended 31st March 2024.

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or amendments thereof, for time being in force) ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this report covers the financial results and other developments during the financial year ended 31st March, 2024, in respect of Craftsman Automation Limited.

1. FINANCIAL HIGHLIGHTS & STATE OF AFFAIRS:

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

(₹ in Crores)

Particulars	Year ended		Year ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	Standalone		Consolidated	
Operatingrevenue	3,207.79	2,980.24	4,451.73	3,182.60
Otherincome	14.61	12.09	17.24	12.54
EBITDA	**656.17**	**671.33**	**896.92**	**696.63**
Less:FinanceCost	154.62	116.91	174.54	120.23
Less:DepreciationandAmortization	236.05	214.97	277.69	221.61
ProfitbeforeTax(PBT)	**265.50**	**339.45**	**444.69**	**354.79**
Less:ProvisionforTax(Net)	67.91	101.69	107.36	103.83
ProfitafterTaxfortheyear(PAT)	**197.59**	**237.76**	**337.33**	**250.96**
OtherEquityopeningbalance	1,360.82	1,131.64	1,427.34	1,125.18
Add:Profitfortheyear	197.59	237.76	337.33	250.96
Add/(Less)OtherComprehensiveIncome/(Loss)	0.78	-0.65	0.20	0.71
Add:Onbusinesscombination	0.00	0.00	0.00	58.42
Dividendpaidonequityshares	-23.77	-7.93	-23.77	-7.93
OtherEquityclosingbalance	1,535.42	1,360.82	1,741.10	1,427.34

Standalone Financial Results:

During the Financial Year (FY) 2023-24, the Company has achieved operating income of ₹3207.79 Crores as compared to ₹2980.24 Crores in FY 2022-23. The profit before tax for FY 2023-24 stood at ₹265.50 Crores compared to ₹339.45 Crores achieved in FY 2022-23. The profit after tax stood at ₹197.59 Crores for FY 2023-24 as compared to ₹237.76 Crores for the previous year.

Consolidated Financial Results:

The Company's consolidated revenue for FY 2023-24 was ₹4451.73 Crores as compared to ₹3182.60 Crores for the previous year. During the year under review, the consolidated profit after tax stood at ₹337.33 Crores as compared to ₹250.96 Crores for the previous year.

The Consolidated Financial Statement includes Audited Financial Statements of Craftsman Europe B.V., Wholly Owned Subsidiary, DR Axion India Private Limited, Subsidiary (w.e.f 1st February, 2023. Accordingly, 2 months Financial has been consolidated for FY 2022-23) and Carl Stahl Craftsman Enterprises Private Limited, Joint Venture.

2. DIVIDEND:

For the FY 2023-24, the Company has declared a Final Dividend of ₹11.25 on the equity shares of ₹5/- each with total outlay of ₹793 Lakhs.

The Board of Directors at their meeting held on 27th April, 2024 has recommended payment of ₹11.25 (Eleven Rupees and Twenty Five Paisa) per equity share being 225% on the face value of ₹5 each as final dividend for the FY ended 31st March, 2024. The payment of dividend is subject to approval of the shareholders at the 38th Annual General Meeting ("AGM") of the Company. The dividend if approved by the members would involve a cash outflow of ₹ 2377 Lakhs. The dividend pay-out is in accordance with the company's dividend distribution policy.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. Your Company shall, accordingly, make the payment of the dividend after deduction of tax at source at appropriate rates applicable to resident and non resident shareholders as the case may be.

Pursuant to provisions of Regulation 43A of the Listing Regulations as amended from time to time, the Company has formulated Dividend Distribution Policy. The policy is available on the Company's website at https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/14.CAL-Dividend-Distribution-Policy.pdf

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

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

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

4. SHARE CAPITAL:

During the year under review, the Company has not altered/modified its authorised share capital and has not issued any shares including equity shares with differential rights as to dividend, voting or otherwise. The Company has not issued any sweat equity shares to its directors or employees and also has not made any buy back of shares during the year under review.

The Paid-up Share Capital of the Company as on 31st March, 2024 is ₹10,56,41,555 divided into 2,11,28,311 Equity Shares of ₹5/- each fully paid up.

5. CHANGE IN REGISTERED OFFICE OF THE COMPANY

During the year, there were no change in the registered office of the Company.

6. RESERVES AND SURPLUS:

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

7. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Pursuant to Regulation 34(2)(e) of the Listing Regulations, Management Discussion and Analysis Report forms part of this report as **Annexure - 1.**

8. CORPORATE GOVERNANCE:

Pursuant to Regulation 34(3) of the Listing Regulations, a report on Corporate Governance along with a Certificate from the Company Secretary in Practice confirming the compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report and are given in **Annexure - 2** and **Annexure - 3** respectively.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In accordance with the requirements of Section 135 of the Act, , and the Rules made there under, the Company has constituted a Corporate Social Responsibility (CSR) Committee and also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/1.-CAL-Policy-on-Corporate-Social-Responsibility-1.pdf.

An Annual Report on CSR activities of the Company during the FY 2023-24 as required to be given under

Section 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided as an **Annexure - 4** to this Report.

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

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

11. RISK MANAGEMENT POLICY:

Pursuant to Section 134(3)(n) of the Act and Regulation 17(9) of the Listing Regulations, the Company has formulated and adopted a Risk Management Policy. The Company has been consciously following a policy of risk mitigation by diversifying its products, services, markets and customers. The key risk of exposure to the cyclicality of automobile business is being mitigated by increasing the share of the Industrial & Engineering segment. Further, within the Industrial & Engineering segment, the risk of excessive reliance on contract manufacturing is being addressed by strengthening and growing the Company's own product portfolio and creating brand equity.

Following are the major risk concerns:

Competition:

Some of the Company's business segments operates in a competitive environment and some of the Company's customers pursue a policy of maintaining more than one source for a product/ service. The Company's senior management team closely monitors the market and devises the various strategies to stay ahead of the competition.

Economy:

The economy is still susceptible to the challenging global economic environment of increased trade tensions, protectionism and slow down. It is also constrained by fiscal profligacy and implementation delays, weak financial sector.

Automobile Industry:

The fortunes of the automobile industry are cyclical and the demand for vehicles are vulnerable to the interest rates and liquidity.

Risk Mitigation Measures:

As already mentioned the Company adopts the policy of risk diversification by broadening its products, services, market and customer base. The Company over the years built a good design, engineering and product development team. This has enabled the Company to come out with new products and services and in the contract manufacturing space, the company is able to position itself as a one-stop solution provider to its customers. In addition, the Company has steadily invested over the years to build up world class manufacturing and testing facilities at Coimbatore and other plants. The state-of-the-art machines, continuous improvement in the production processes, constant upgradation of employee skill levels, backward integration to tool, die and fixture making and JIT deliveries have created a strong competitive advantage for the Company.

The Board has constituted Risk Management Committee under the Chairmanship of Mr. Srinivasan Ravi, which reviews the various risks faced by the Company and advises the Board on risk mitigation plans. Risk Management policy may be accessed on the Company's website at the link: https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/4.-CAL-Risk-Management-Policy.pdf

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

The Company has formulated a comprehensive Whistle Blower Policy in line with the provisions of Section 177(9) and 177(10) of the Act and Regulation 22 of the Listing Regulations with a will to enable the stakeholders, including directors, individual employees to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company .

The mechanism provides adequate safeguards against victimization of directors or employees who avail of the mechanism. The Whistle Blower Policy has been placed in the website of the Company at https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/2.-CAL-WhistleBlowerPolicy.pdf

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

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

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

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

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During FY 2023-24, all contracts/ arrangements/ transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. All the Related Party Transactions are placed before the Audit Committee for prior approval, as required under the Act and Listing regulations. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis.

The Company has not entered into material contracts or arrangements or transactions with related parties in accordance with Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. There were no materially significant Related Party Transactions made by the Company during the year that would have required shareholders' approval under the Listing Regulations.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable. Members may refer to Note no. 3.5 to the Standalone Financial Statements which sets out related party disclosures pursuant to IND AS-24.

The Company has adopted policy on Related Party Transactions and can be accessed on the Company's website at https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/11.-CAL-RPT-Policy.pdf.

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

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

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

No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the FY 2023-24.

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

No onetime settlement was done with any Bank / Financial Institutions during the financial year under review.

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

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

19. ANNUAL RETURN:

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

20. CREDIT RATING:

During the year under review, CRISIL Limited, a credit rating agency registered with the Securities and Exchange Board of India has upgraded the credit rating assigned to the long term loan facilities from A+/Positive to AA-/Stable and for the short term loan facilities from rating A1 to A1+ vide letter dated 20th July, 2023.

21. DEPOSITS:

The Company has not accepted any deposits falling within the meaning of Section 73 or 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the FY and as such, no amount on account of principal or interest on deposits from public was outstanding as on 31st March, 2024.

22. AWARDS AND RECOGNITIONS:

The Company has always been singled out by its customers as a supplier partners known for its reliability and quality.

During the year, the Company has received the following awards:

1. Annual Supplier Conference – "Ability Going Extra Mile - 2023" from TATA Motors
2. Appreciation Award for the service towards construction of Aurolab Warehouse – 2023 from Aurolab Warehouse
3. Annual Commodity Award - Casting and Forging and Special Appreciation Award- Scorpio-N from Mahindra & Mahindra

23. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE:

23.1 Details of Foreign wholly owned subsidiary:

CRAFTSMAN EUROPE B.V., THE NETHERLANDS

During the year under review, Craftsman Europe B.V., Wholly Owned Subsidiary has posted a turnover of ₹20.00 Crores (€ 22.27 Lakhs) as against ₹21.59 Crores (€ 25.70 Lakhs) in the previous year. The profit for the FY2023-24 amounted to ₹2.16 Crores as compared to ₹2.38 Crores for the previous year.

23.2 Details of Subsidiary:

DR AXION INDIA PRIVATE LIMITED:

During the year under review, DR Axion India Private Limited, Subsidiary of Craftsman Automation Limited has posted a turnover of ₹1246.15 Crores as against ₹1084.09 Crores in the previous year. The profit for the FY2023-24 amounted to ₹136.89 Crores as compared to ₹58.36 Crores for the previous year. DR Axion India Private Limited was acquired w.e.f 1st February, 2023. Accordingly, 2 months Financial has been consolidated for FY 2022-23.

23.3 Details of Joint Venture Company:

CARL STAHL CRAFTSMAN ENTERPRISES PRIVATE LIMITED:

Carl Stahl Craftsman Enterprises Private Limited which is an associate Company in which your Company is holding 30% of equity shares notched a turnover of ₹76.72 Crores in FY 2023-24 as against the ₹48.97 Crores of FY 2022-23. The Profit for the year was ₹2.82 Crores as against profit of ₹1.60 Crores in FY 2022-23.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's Subsidiaries and Associate Company in Form No. AOC-1 is attached to this report as **Annexure – 5.**

24. CHANGE IN NATURE OF BUSINESS:

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

25. DIRECTORS:

The Board of the Company is duly constituted. None of the directors of the Company is disqualified under the provisions of the Act or the Listing Regulations.

The Board at its meeting held on 6th March, 2023 had appointed Mrs. Rajeswari Karthigeyan (DIN: 07148250) as an Additional Director in the category of Independent Director of the Company with effect from 6th March, 2023 upon recommendation of the Nomination and Remuneration Committee. Further, the shareholders of the Company had approved the appointment of Mrs. Rajeswari Karthigeyan (DIN: 07148250) as an Independent Director w.e.f 6th March, 2023 through Postal Ballot on 13th April, 2023 with requisite majority.

The Shareholders of the Company had approved the reappointment of Mrs. Vijaya Sampath (DIN:00641110) as an Independent Director for the second term w.e.f 30th April, 2023 and reappointment of Mr. Sundararaman Kalyanaraman (DIN:01252878) as an Independent Director for the second term w.e.f 24th May, 2023 and also approved the continuation of Directorship of Mr. Sundararaman Kalyanaraman (DIN: 01252878) as an Independent Director from the day he attains the age of 75 years till the expiry of his second term through Postal Ballot on 13th April, 2023 with requisite majority.

During the FY 2023-24, Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director of the Company w.e.f 23rd May, 2023 upon completion of his tenure.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Srinivasan Ravi (DIN: 01257716), Chairman and Managing Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing AGM. His appointment is placed for approval of the members and forms part of the notice of the 38th AGM. The information about the Director seeking his reappointment as per Para 1.2.5 of Secretarial Standards on General Meetings and Regulation 36(3) of the Listing Regulations has been given in the notice convening the 38th AGM.

26. KEY MANAGERIAL PERSONNEL:

Pursuant to Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

i. Mr. Srinivasan Ravi, Chairman and Managing Director;
ii. Mr. Ravi Gauthamram, Whole Time Director;
iii. Mr. C.B.Chandrasekar, Chief Financial Officer;
iv. Mr. Thiyagaraj Damodharaswamy, Chief Operating Officer – Automotive Powertrain;
v. Mr. Shainshad Aduvanni, Company Secretary.

The remuneration and other details of these Key Managerial Personnel for FY 2023-24 are provided in the Annual Return which is available on the website of the Company.

27. COMMITTEES:

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

i. Audit Committee:

The Composition of the Audit Committee:

1. Mr. Tamraparni Srinivasan Venkata Rajagopal, Independent Director (Chairman);
2. Mr. Sundararaman Kalyanaraman, Independent Director (Member);
3. Mrs. Vijaya Sampath, Independent Director (Member);
4. Mrs. Rajeswari karthigeyan, Independent Director (Member).

During the FY 2023-24, Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director w.e.f 23rd May, 2023 and the Chairman of the Audit Committee of the Company w.e.f 8th May, 2023 upon completion of his tenure. Hence the Audit Committee was reconstituted as above w.e.f 8th May, 2023.

During the FY 2023-24, the Audit Committee met four times on 8th May, 2023, 24th July, 2023, 30th October, 2023 and 27th January, 2024.

ii. Nomination and Remuneration Committee:

The Composition of the Nomination and Remuneration Committee:

1. Mrs. Vijaya Sampath, Independent Director (Chairperson);
2. Mr. Sundararaman Kalyanaraman, Independent Director (Member);
3. Mr. Tamraparni Srinivasan Venkata Rajagopal, Independent Director (Member).

During the FY 2023-24, Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director w.e.f 23rd May, 2023 and member of the Nomination and Remuneration Committee of the Company w.e.f 8th May, 2023 upon completion of his tenure. Hence the Nomination and Remuneration Committee was reconstituted as above w.e.f 8th May, 2023.

During the FY 2023-24, Nomination and Remuneration Committee met three times on 8th May, 2023, 24th July, 2023 and 27th January, 2024.

iii. Stakeholders Relationship Committee:

The Composition of the Stakeholders Relationship Committee:

1. Mr. Sundararaman Kalyanaraman, Independent Director (Chairman);
2. Mr. Srinivasan Ravi, Chairman and Managing Director (Member);
3. Mrs. Rajeswari karthigeyan, Independent Director (Member).

During the FY 2023-24, Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director w.e.f 23rd May, 2023 and the Chairman of the Stakeholders Relationship Committee of the Company w.e.f 8th May, 2023 upon completion of his tenure. Hence the Stakeholders Relationship Committee was reconstituted as above w.e.f 8th May, 2023.

During the financial year 2023-24, Stakeholders Relationship Committee met once on 27th January, 2024.

iv. CSR Committee:

The composition of CSR Committee:

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

During the FY 2023-24, the CSR Committee met two times on 8th May, 2023 and 27th January, 2024.

v. Risk Management Committee:

The composition of Risk Management Committee:

1. Mr. Srinivasan Ravi, Chairman and Managing Director (Chairman);
2. Mr. Ravi Gauthamram, Whole Time Director (Member);
3. Mr. Sundararaman Kalyanaraman, Independent Director (Member);
4. Mr.C.B.Chandrasekar, Chief Financial Officer (Member);

During the FY 2023-24, the Risk Management Committee met two times on 25th August, 2023 and 9th February, 2024.

vi. Management Committee:

The Composition of the Management Committee:

1. Mr. Srinivasan Ravi, Chairman and Managing Director (Chairman);
2. Mr. Ravi Gauthamram, Whole Time Director (Member).

During the FY 2023-24, the Management Committee met once on 19th May, 2023.

28. INTERNAL FINANCIAL CONTROLS:

A. Internal Financial Controls and their Adequacy

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

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

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

29. AUDITORS & AUDITORS REPORT:

A. Statutory Auditors

The Shareholders at their meeting held on 20th May, 2020 had appointed Sharp & Tannan, Chartered Accountants, A-Wing, 602, Anna Salai, Chennai – 600 006 (Firm Registration No:003792S), as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the 34th AGM (2020) till the conclusion of 39th AGM (2025).

B. Statutory Audit Report

There are no qualifications, reservations or adverse remarks made by Sharp & Tannan, Statutory Auditors in their report for the FY ended 31st March, 2024.

C. Internal Auditor

MC Ranganathan & Co., Chartered Accountants, Chennai, who are the Internal Auditors have carried out internal audit for the FY 2023-24. Their reports were reviewed by the Audit Committee.

D. Cost Auditor

During the FY 2023-24, the Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company, which are being audited by S.Mahadevan & Co, Cost Accountants, Coimbatore (Registration No. 000007).

In accordance with Section 148 of the Act, the Board of Directors of the Company, on recommendation of the Audit Committee, has re-appointed S.Mahadevan & Co, Cost Accountants, Coimbatore, (Registration No. 000007) as the Cost Auditors to conduct the Audit of the Cost Accounting Records maintained by the Company for the FY 2024-25. S.Mahadevan & Co have confirmed that their appointment is within the limits of Section 141(3)(g) of the Act and have also certified that they are free from any disqualifications specified under Section 141(3) read with Section 148(5) of the Act.

As per the provisions of the Act, a resolution seeking members' ratification for the remuneration payable to S. Mahadevan & Co, Cost Auditors for the year 2024-25 is included at item no.4 of the Notice convening the 38th AGM.

E. Secretarial Auditor and Secretarial Audit:

Pursuant to the Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed KSR & Co Company Secretaries LLP, Coimbatore as the Secretarial Auditors of the Company to undertake the Secretarial Audit of the Company for the FY 2023-24.

The Secretarial Audit Report in form MR-3 forms part of the Directors' Report as **Annexure - 6.1.** The report does not contain any qualification, reservation, adverse remark or disclaimer.

The Secretarial Audit Report of DR Axion India Private Limited, Subsidiary in form MR-3 is attached to this report as **Annexure - 6.2.** The Secretarial Audit Report of DR Axion India Private Limited does not contain any qualification, reservation, adverse remark or disclaimer.

F. Annual Secretarial Compliance Report

The Company has undertaken an audit for the FY ended 31st March, 2024 for all applicable compliances as per the Regulation 24A of the Listing Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report to be issued by KSR & Co Company Secretaries LLP will be submitted to the Stock Exchanges as per the Listing regulations.

G. Reporting of Frauds by Auditors:

During the year under review, the Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and the rules made thereunder.

30. MEETINGS OF THE BOARD AND COMMITTEES:

During the FY 2023-24, the Board of Directors met five (5) times and the details of the meetings of the Board and its Committees are given in the Corporate Governance Report **(Annexure - 2).** The gap intervening between two meetings was within the time prescribed under the Act and Listing Regulations.

Details of attendance of meetings of the Board, its Committees and the Annual General Meeting/ Postal Ballot are included in the Report on Corporate Governance, which forms part of this Annual Report.

31. MEETING OF INDEPENDENT DIRECTORS:

In terms of requirements under Schedule IV of the Act and Regulation 25 (3) of Listing Regulations, a separate meeting of the Independent Directors was held on 29th October, 2023 and 25th March, 2024.

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

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

32. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from each Independent Director of the Company under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations confirming compliance with the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Directors during the FY 2023-24.

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

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

33. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

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

34. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has adopted a familiarisation programme for Independent Directors with an objective of making the Independent Directors of the Company accustomed with the business and operations of the Company through various structured orientation programme. The familiarization programme also intends to update the Directors on a regular basis on any significant changes therein so as to be in a position to take well informed and timely decision.

The details of the familiarization programme undertaken have been uploaded on the Company's website and the same is accessible at the web-link https://www.craftsmanautomation.com/investors/wp-content/uploads/2024/04/Details-of-Familiarisation-Programme_2023-24.pdf

35. PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEES:

Pursuant to the provisions of the Act and Listing Regulations and as per Guidance Note on Board Evaluation issued by SEBI on 5th January, 2017, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Committees at its meeting held on 27th January, 2024.

The Nomination and Remuneration Committee has defined the evaluation criteria for the performance evaluation of individual Directors, the Board and its Committees. The performance of the Board, its committees and individual Directors was evaluated by the Board after seeking inputs from all the respective Committee members and Directors.

36. DIRECTORS' APPOINTMENT AND REMUNERATION POLICY:

The Company has on the recommendation of the Nomination & Remuneration Committee framed and adopted a Nomination and Remuneration Policy in terms of the Section 178 of the Act with effect from 02nd July, 2018. The policy, inter alia lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, Key Managerial Personnel and Senior Management Personnel of the Company.

The Nomination & Remuneration Policy of the Company is available on the website of the Company at web-link https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/3.-CAL-Nomination-Remuneration-and-Board-Evaluation-Policy.pdf.

37. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The details as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure - 7** of this Report.

In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees drawing remuneration and other particulars, as prescribed in the said Rules forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary of the Company.

During the year, the Company had no employee who was employed throughout the FY or part thereof and was in receipt of remuneration, which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

38. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an environmental, social and governance perspective for the FY 2023-24 has been given in the Business Responsibility and Sustainability Report (BRSR) as per the format specified by SEBI Circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12th July, 2023 which forms part of this report as **Annexure - 8**. The Company's ESG profile can be accessed through https://www.craftsmanautomation.com/esg-profile.html .

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

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

A. Conservation of energy:

I. Steps taken or impact on conservation of energy

a. Old Compressor motors were replaced with New High Efficient Motors in Screw Compressor.

b. The Company is replacing low Efficient Screw Air Compressor with new High Capacity and Efficient Air Compressors, which results in energy saving and reducing no of compressors.

c. The Existing LED lamps with High Coverage and High Efficient LED lamps has be replaced, due to which number of Fittings are reduced.

d. 3 different capacity STP converted into one single capacity STP

e. 90% of stabilizers were removed from the system by installing standby capacity UPS system.

f. Screw Compressors were shifted to new high ventilated rooms as a result, Efficiency has improved.

g. The Company is under process of using LNG instead of LPG for Melting Furnaces and PNG DG sets instead of Diesel Generator Set

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

a. The Company is planning to purchase more volume of power from Third Party Wind and solar Energy.

b. In Company's unit 3 plant located at Arasur, the Company has converted the incoming Government EB Power from 33KV HT Supply to 110Kv EHT Supply for uninterrupted quality power due to which the direct and indirect energy savings are more.

c. The Company has installed Solar Roof top plant

III. Capital investment on energy conservation equipment's

a. Solar Roof Top Plant

b. HT to EHT Conversion Power Project

c. PNG Generator sets (Piped Natural Gas)

B. Technology Absorption:

The Company has effectively integrated and absorbed general technology in the area of UPS Cooling System, Generator by ordering PNG Generator sets instead of Diesel Generator sets and power consumption from 800Kw Roof Top Solar Power Plant.

The expenditure incurred on Research and Development.

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

C. Foreign Exchange earnings and Outgo:

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

Foreign Exchange Earnings --- ₹205.54 Crores

Foreign Exchange Outgo --- ₹365.42 Crores

40. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the FY and profit of the Company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis;

e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

41. SECRETARIAL STANDARDS:

The Company is in compliance with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

42. PROHIBITION OF INSIDER TRADING:

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted the revised "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" ("the Code"). The Code is applicable to all Directors, Designated persons and connected Persons and their immediate relatives, who have access to unpublished price sensitive information relating to the Company.

The Company has also formulated a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations.

The aforesaid Codes are posted on the Company's website and can be accessed by using web link at https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/6.-CAL-Code-of-Conduct-under-SEBI-PIT.pdf
and
https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/7.-CAL-Code-of-Fair-Disclosure-of-UPSI.pdf

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

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

44. CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and CFO of the Company have certified the accuracy of the Financial Statements and adequacy of Internal Control Systems for financial reporting for the year ended 31st March, 2024. The certificate is given in **Annexure - 9**.

45. DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

The Code of Conduct of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is available on the website of the Company at weblink https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/10.-CAL-Code-of-Conduct-for-Directors-and-SM.pdf. Pursuant to the Listing Regulations, a confirmation from the Managing Director regarding compliance with the Code by all the Directors and senior management of the Company is given in **Annexure - 10**.

46. CAUTIONARY STATEMENT:

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

47. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

Srinivasan Ravi
Coimbatore — Chairman and Managing Director
27th April, 2024 — DIN:01257716

ANNEXURE -1

Management Discussion and **Analysis:**

Pursuant to Schedule V to the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report covering business performance and outlook (within limits set by Company's competitive position) is given below:

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Global Economy

According to IMF World economic Outlook (Apr-2024), Economic activity was surprisingly resilient through the global disinflation of 2022–23. As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. Growth in employment and incomes held steady, reflecting supportive demand developments including greater than expected government spending and household consumption and a supply-side expansion amid, notably, an unanticipated boost to labour force participation. The unexpected economic resilience, despite significant central bank interest rate hikes aimed at restoring price stability, also reflects the ability of households in major advanced economies to draw on substantial savings accumulated during the pandemic.

The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine, weak growth in productivity and increasing geo-economics fragmentation. Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The latest forecast for global growth five years from now at 3.1 percent is at its lowest in decades.

Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labour markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that put financial sectors under pressure.

Monetary policy remains focused on aligning inflation with the target to pave the path for sustained growth in the medium-term.

Indian Economy

According to RBI, Domestic economic activity continues to expand at an accelerated pace, supported by fixed investment and improving global environment. The second advance estimates (SAE) placed real GDP growth at 7.6 per cent for 2023-24, the third successive year of 7 per cent or higher growth.

From the supply side, industrial activity led by manufacturing continued its momentum. The purchasing managers' index (PMI) for manufacturing displayed a sustained expansion in February-March, touching a 16-year high in March. Services sector exhibited broad based buoyancy with all sectors registering strong growth. The PMI services remained above 60 during February-March, suggesting sustained healthy expansion.

Automobile Industry in India

Automobile sales increased by 13.8 per cent (y-o-y) in March 2024, led by two wheelers and passenger vehicle sales. While tractor exports recorded robust growth, domestic sales showed some improvement.

The automotive industry is a highly competitive market which is witnessing growth owing to factors such as increasing disposable income, the availability of the financing options, rising urban population, close substitutes for each segment which are equipped with best technological advancements such as active and passive safety systems, comfort features, and high performing powertrains. The market also enjoys growth due to the dynamic Indian public transportation network and the growing logistic landscape.

According to Society of Indian Automobile Manufacturers (SIAM), The industry produced a total of 2,84,34,742 vehicles including Passenger

Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2023 to March 2024, as against 2,59,31,867 units in April 2022 to March 2023.The overall passenger Vehicles domestic sales increased from 38,90,114 to 42,18,746 units in FY-2023-24, compared to the previous year. The automobile domestic sales trend indicates that the two-wheeler segment has the highest sales volume of 1,79,74,365 units in the year 2023-24.

Automobile Industry Outlook

Key factors that are driving the automobile market include a growing population, increasing investments in the road infrastructure, growing logistics industry, and increasing popularity of SUVs. India's annual production of automobiles in FY24 was 28.4 Million vehicles.

a. Commercial Vehicle (CV)/ Medium & Heavy Commercial Vehicles (MHCV)

   Domestic Commercial Vehicle industry had a marginal growth to 0.97 Million units and within that, some drop was experienced in LCVs and SCVs due to degrowth in CNG segment. The growth in Commercial vehicles was also impacted due to migration to higher tonnage trucks which created higher payload capacity. India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world.

b. Two-Wheeler (2W)

   The two-wheelers segment dominates the market in terms of increase in volume by 13%, owing to a growing middle class and a huge percentage of India's young population.

c. Passenger Vehicle (PV)

   The Indian passenger car market shown 8.4 % volume increase (3.9 Million to 4.2 Million) in FY24 in comparison with Last year.

Aluminium Market

Global Aluminium Casting Market reached US$ 70.5 Billion in 2023 and is expected to reach US$ 125.7 Billion by 2031, growing with a CAGR of 7.5% during the forecast period 2024-2031.The aluminium casting market in India is forecasted to grow by USD 7.15 Billion during 2023-2028, accelerating at a CAGR of 8.5% during the forecast period.

As the automotive industry pivots towards energy efficiency and lightweight solutions, aluminium casting emerges as a pivotal player. Navigating environmental concerns and leveraging the potential for lightweight vehicle applications, the aluminium casting market is poised to shape a sustainable future.

The automotive sector plays pivot role in the overall consumption of aluminium in India. After a stellar performance in FY23, automotive demand is expected to remain steady in FY 24 and in FY 25. In addition, the average quantity of aluminium used per vehicle in India remains significantly lower ~40 -50 Kgs compared to global average of ~160-200 Kg.

Industrial & Engineering Market

Infrastructure investments are expected to increase to USD 778.90 Billion in FY 2020-25, which will provide a significant boost to demand for capital goods. Under Budget 2023-24, capital investment outlay for infrastructure was increased by 33% to 10 Lakh Crores (USD 122 Billion) which would be 3.3% of the GDP.

National Capital Goods Policy aims to increase industrial production of the sector to USD 100 Billion. It played a pivotal role for manufacturing to contribute significantly to 'MAKE IN INDIA'. It also took steps to promote technology, skills, exports and common facility centres in an effort to strengthen the overall industrial infrastructure.

Storage Solutions Market

The Indian warehouse market is predicted to reach $34.99 Billion by 2027, with a CAGR of 15.64% from 2022.

The India industrial racking system market is valued at US$ 542.8 Million in 2022, and is projected to surge ahead at a CAGR of 10.3% to reach a market valuation of US$ 1.4 Billion by the end of 2032.

The Automated Storage and Retrieval System (ASRS) Market size is projected to reach a CAGR of 7.9% from 2022 to 2028. Automated storage & retrieval systems are inventory management systems commonly used in manufacturing centers, distribution facilities, and warehouses.

With a projected increase of over 16% in 2024, warehouse automation is swiftly evolving from an option to a vital necessity for maintaining competitiveness in today's business landscape. Innovations in areas such as Automated Storage and Retrieval Systems (AS/RS) are pivotal to the future of warehousing.

B. OPPORTUNITIES AND THREATS

Opportunities

- Growing use of aluminium for light weighting, driven by EVs and stringent emission norms.
- Storage solution industry, especially in the area of ASRS where the Company emerging strong player offers strong growth potential.
- The growing presence of global automobile Original Equipment Manufacturers (OEMs) in the Indian auto components industry has significantly increased the localization of their components in the country.
- Initiatives by Government for promotion of automobile industry – Automotive Mission Plan 2026, Vehicle scrappage policy, CAFÉ norms, BS-VI norms, etc.
- Capex increase in the warehouse industry offer good potential for the storage segment.

Threats

- Highly competitive environment in the conventional storage segment may lead to margin pressure.
- Lower value-add in aluminium segment in EVs.
- Economic uncertainty: Based on the current and future market environment estimates, the base cost of material is expected to be volatile.

C. OUTLOOK

A relentless focus on cost management, fiscal prudence, value engineering and customer partnering has enabled the Company to record a creditable performance demonstrating its 'Engineering Advantage'.

The Company is confident that it can utilise future opportunities and face future challenges with agility in order to meet the shareholders' expectation of sustainable growth and profitability. The key focus areas are:

- Debt reduction and thereby savings in interest cost.
- Increasing the Value Addition per product
- To Sustain the EBITDA margins
- Retaining the existing Customer base and wallet share
- New Products/ Services from Existing Customer
- Enhance profitability in Aluminium and Storage Business
- Enhance the share of non-automotive business
- Diversification to broaden the base.

D. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Highlights of the Company's performance is provided below:

- Turnover grown by 8 % and stands at ₹3,20,779 Lakhs.
- PBT for the year stands at ₹26,550 Lakhs
- PAT for the year stands at ₹19,759 Lakhs
- EBITDA for the year stands at ₹65,617 Lakhs

E. THE DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	Unit	FY 2023-24	FY 2022-23	% Change
Debtors Turnover	Times	8.30	8.99	(8%)
Inventory Turnover	Times	4.28	4.65	(8%)
Interest Coverage Ratio*	Times	4.24	5.74	(26%)
Current Ratio	Times	1.03	1.15	(10%)
Debt Equity Ratio*	Times	0.91	0.72	26%
Operating Profit Margin (%)	%	13%	15%	(13%)
Net Profit Margin (%)	%	6%	8%	(23%)
Return on Net Worth	%	13 %	17%	(24%)

Ratios	Reason for changes
Interest Coverage Ratio	Increase in interest cost (from ₹117 Crores to ₹155 Crores)
Debt equity ratio	Increase in borrowings.

F. SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

Segment	FY 2023-24		FY 2022-23	
	Sales	EBIT	Sales	EBIT
	₹ Crores	%	₹ Crores	%
Automotive Powertrain	1,558	19%	1,527	25%
Aluminium Products	917	14%	741	9%
Industrial & Engineering	732	6%	713	9%

Automotive Powertrain segment

- Craftsman is one of the leading players involved in the machining of critical engine and transmission components for M&HCV and tractors. The Company also serves off-highway & PV OEMs.
- Considering the potential in the off-highway components the Company focus on strengthening the presence in the space by creating facility and invest in the capabilities.

Aluminium Products segment

- Aluminum usage in expected to increase, driven by the structural trend of light weighting due to stringent emission norms. While India is lagging developed markets, faster adoption of emission norms and technology will drive increasing usage of aluminum in the Indian auto industry.
- Aluminum product segment has broadened wider with inclusion of DR Axion thereby on the consolidated basis it gives impetus to overall growth.

Industrial & Engineering segment

- The industrial & engineering segment is a well-diversified business segment. The major portion of revenue comes from high end products and subassemblies for contract manufacturing and Storage solution business.
- Despite being a late entrant in the storage solution business, the Company is one of the leading players in conventional storage and one of the prominent players in the nascent automated storage. In addition to strengthening its presence in e-commerce segment, we have secured business from other sectors such as pharma, auto, and cold storage, thereby helping to expand our addressable market.

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate and effective internal control systems commensurate with its size and complexity. It also ensures that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles, along with the assets of the Company being adequately safeguarded against significant misuse or loss.

In the opinion of the Management, the Company has adequate internal audit and control systems to ensure that all transactions are authorized, recorded and reported correctly. An independent internal audit function is an important element of the Company's internal control systems. This is supplemented through an extensive internal audit programme and periodic review by the management and the Audit Committee. The internal control systems comprise extensive internal and statutory audits. The Corporate Governance practices instituted by the Company are discussed in detail in the chapter on Corporate Governance which forms part of the Annual Report.

H. RISKS AND CONCERNS

The Risk Management Committee maintains an active oversight of the risk and the effectiveness of the risk mitigation strategies and plans put in place by the Company.

Identified key risks of the Company includes Strategic Risk, Operational Risk, Environment, Safety and Governance (ESG) Risk and Information & Cyber Security Risk.

The Company has a robust risk mitigation plan to minimize identified risks through continuous monitoring and mitigating actions as may be required.

I. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Human Resource development continues to be our Top Focused area. The emphasis was on reskilling and upskilling to enable the teams in navigating change and remaining compliant with evolving processes. Industrial Relations with employees remained cordial throughout the year under review.

As on 31st March, 2024 the Company has employed 2500 permanent Employees and workmen.

ANNEXURE -2

Corporate Governance Report

[Pursuant to Schedule V -Para C of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].

The Directors present the Company's Report on Corporate Governance for the financial year 2023-24. This report elucidates the systems and processes followed by the Company to ensure compliance of corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 ("Act").

I. COMPANY'S PHILOSOPHY:

The Company's Philosophy on Corporate Governance aims at the attainment of the highest levels of transparency, accountability and responsibility in all operations and all interactions with its Shareholders, Investors, Lenders, Employees, Government and other Stakeholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, consistently over a sustained period of time.

II. BOARD OF DIRECTORS:

Composition of the Board

The Company has formulated Board Diversity policy to have a competent and highly professional team of Board members. There are six Directors on the Board of the Company having diverse experience and expertise in their respective areas. Two-thirds of the Board comprises of Independent Directors. The composition of the Board meets the criteria as prescribed in Listing Regulations and the Act.

As on 31st March, 2024, the Board members consist of One Executive Chairman and Managing Director who is Promoter of the Company, One Whole Time Director and Four Independent Directors including Two Non-Executive Women Independent Directors.

In terms of the provisions of the Act, and the Listing Regulations, the Directors of the Company shall submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on 31st March, 2024, none of the Directors on the Board holds Directorship position in more than 20 (twenty) companies [including 10 (ten) public limited companies and 7 (seven) listed companies]; holds Executive Director position and serves as an Independent Director in more than 7 (Seven) listed companies; and is a member of more than 10 (ten) Committees (Audit Committee and the Stakeholders Relationship Committee) and/or Chairperson of more than 5 (five) Committees (Audit Committee and the Stakeholders Relationship Committee) across all the Indian Public Limited Companies in which he/ she is a Director pursuant to Regulation 26 of the Listing Regulations.

None of the Directors have attained the age of Seventyfive (75) years as on 31st March, 2024. However, The Shareholders of the Company had approved the continuation of Directorship of Mr. Sundararaman Kalyanaraman (DIN: 01252878) as an Independent Director from the day he attains the age of 75 years ie., from 25th March, 2025 till the expiry of his second term through Postal Ballot on 13th April, 2023 with requisite majority.

The Board is of the opinion that Independent Directors fulfil conditions specified under the Listing Regulations and are independent of the management of the Company.

Meetings and attendance

During the financial year 2023-24, Five Board Meetings were held on 8th May, 2023, 24th July, 2023, 30th October, 2023, 27th January, 2024 and 26th March, 2024. The composition of the Board, attendance at the Board Meetings during the year ended on 31st March, 2024 and the last Annual General Meeting and also the number of other directorships and Committee memberships are given below:

Sl. No	Name of Directors and Designation	Category of Directorship	Date of Appointment	Number of shares held in the Company	No. of Board Meetings attended (From 01.04.2023 to 31.03.2024 -Total Meetings held - 6)	Attendance at Last AGM	No. of other Directorships* held in Listed Companies	No. of Membership (M)/ Chairmanship (C) in other Board Committee(s)**	
								Member	Chairman
1.	Mr.Srinivasan Ravi, Chairman and Managing Director	Promoter, Executive Director	18-07-1986	1,05,00,000	5	Yes	1	2	0
2.	Mr.Ravi Gauthamram, Whole Time Director	Promoter Group, Executive Director	20-02-2014	200	5	Yes	1	0	0
3.	Mr.Chandrashekhar Madhukar Bhide, Independent Director#	Non-Executive Independent Director	31-01-2011	-	1	Not Applicable	-	-	-
4.	Mr.Sundararaman Kalyanaraman Independent Director	Non-Executive Independent Director	30-06-2017	-	5	Yes	1	2	1
5.	Mrs.Vijaya Sampath Independent Director	Non-Executive Independent Director	30-04-2018	-	5	Yes	7	7	0
6.	Mr.Tamraparni Srinivasan Venkata Rajagopal Independent Director	Non-Executive Independent Director	19-03-2022	-	5	No	1	2	2
7.	Mrs. Rajeswari Karthigeyan	Non-Executive Independent Director	06-03-2023	-	5	Yes	2	3	1

*In accordance with the Regulation 17A of Listing Regulations, directorship in listed entities only whose equity shares are listed on stock exchange including Craftsman Automation Limited are shown.

**In accordance with the Regulation 26(1) of Listing Regulations, 2015, memberships/ chairpersonships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies including Craftsman Automation Limited have been considered.

Ceased to be an Independent Director w.e.f.23rd May, 2023 upon completion of tenure.

The names of the listed entities including Debt listed entities other than Craftsman Automation Limited in which Directors of the Company hold directorship and category thereof, as at 31st March, 2024, are furnished below:

Sl. No.	Name of the Director	Name of the listed entity in which Directorship held	Category of Directorship
1.	Mrs. Vijaya Sampath	Safari Industries (India) Limited	Non-Executive Independent Director
		Varroc Engineering Limited	Non-Executive Independent Director
		Va Tech Wabag Limited	Non-Executive Independent Director
		Intellect Design Arena Limited	Non-Executive Independent Director
		Ingersoll Rand India Limited	Non-Executive Independent Director
		Mankind Pharma Limited	Non-Executive Independent Director
2.	Rajeswari Karthigeyan	Happy Forgings Limited	Non-Executive Independent Director
		Belstar Microfinance Limited	Non-Executive Independent Director

Disclosure of relationship between directors inter-se:

Mr. Srinivasan Ravi, Chairman and Managing Director and Mr.Ravi Gauthamram, Whole Time Director are related to each other. No other Directors are related.

Shareholding of Non-Executive Directors:

Details of shares held by the Non-executive directors of the Company are as under:

Sl. No.	Name of the Non-Executive Director	No. of equity shares held in the Company	No. of convertible instruments held in the Company
1.	Mr.Sundararaman Kalyanaraman	NIL	No convertible instruments have been issued by the Company
2.	Mrs.Vijaya Sampath		
3.	Mr.Tamraparni Srinivasan Venkata Rajagopal		
4.	Mrs. Rajeswari Karthigeyan		

Familiarisation programmes:

The Company familiarises its Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the Industry, the business models of the Company etc. and the details of the familiarisation programme are available on the website of the Company at https://www.craftsmanautomation.com/investors/corporate-governance/#2.

Certificate of Non Disqualification of Directors from Practicing Company Secretary:

In terms of the Listing Regulations, 2015, KSR & Co Company Secretaries LLP, Practising Company Secretaries, has issued a certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI / Ministry of Corporate Affairs or any other statutory authority. The certificate forms part of Corporate Governance Report and is given in Annexure –2A.

Declaration of Independence

All the Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended, and regulation 16(1)(b) and 25 of the Listing Regulations. The Independent Directors have also confirmed compliance with the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors maintained by Indian Institute of Corporate Affairs.

Chart/Matrix Setting Out the Skills/Expertise/Competence of The Board of Directors:

A chart/ matrix setting out the core skills/ expertise/ competencies identified by the Board of Directors in the context of the Company's businesses and sectors as required for it to function effectively and those actually available with the Board along with skills / expertise / competence, possessed by the Board members, are given as below:

Mapping of the skills / expertise / competence actually available with the Board along with the names of Directors, is given below:

Skills/Expertise/Competence	Mr.Srinivasan Ravi	Mr.Ravi Gauthamram	Mr.Sundararaman Kalyanaraman	Mrs.Vijaya Sampath	Mr.Tamraparni Srinivasan Venkata Rajagopal	Mrs. Rajeswari Karthigeyan
Industry Knowledge/experience						
Industry experience	Yes	Yes	Yes	No	No	Yes
Knowledge of sector	Yes	Yes	Yes	No	Yes	Yes
Knowledge of broad public policy direction	Yes	Yes	Yes	Yes	Yes	Yes
Understanding of government legislation/legislative process	Yes	Yes	Yes	Yes	Yes	Yes
Technical Skills/experience						
Accounting	Yes	Yes	Yes	Yes	Yes	Yes
Finance	Yes	Yes	Yes	Yes	Yes	Yes
Law	Yes	Yes	No	Yes	Yes	No
Marketing experience	Yes	Yes	Yes	No	No	No
Information Technology	Yes	Yes	Yes	No	No	Yes
Public relations	Yes	Yes	Yes	Yes	Yes	Yes
Experience in developing and implementing risk management systems	Yes	Yes	Yes	No	No	Yes
Human resources management	Yes	Yes	Yes	No	No	Yes
CEO/Senior management experience	Yes	Yes	Yes	Yes	No	Yes
Strategy development and implementation	Yes	Yes	Yes	Yes	Yes	Yes
Governance competencies						
Director	Yes	Yes	Yes	Yes	Yes	No
Financial Literacy	Yes	Yes	Yes	Yes	Yes	Yes
Strategic thinking/planning from a governance perspective	Yes	Yes	Yes	Yes	Yes	Yes
Executive performance management - management of the CEO	Yes	Yes	Yes	Yes	No	Yes
Governance related risk management experience	Yes	Yes	Yes	Yes	Yes	Yes
Compliance focus	Yes	Yes	Yes	Yes	Yes	Yes
Profile/reputation	Yes	Yes	Yes	Yes	Yes	Yes
Behavioural competencies						
Team Player/collaborative	Yes	Yes	Yes	Yes	Yes	Yes
Ability and willingness to challenge and probe	Yes	Yes	Yes	Yes	Yes	Yes
Common sense and sound judgement	Yes	Yes	Yes	Yes	Yes	Yes
Integrity and high ethical standards	Yes	Yes	Yes	Yes	Yes	Yes
Mentoring abilities	Yes	Yes	Yes	Yes	Yes	Yes
Interpersonal relations	Yes	Yes	Yes	Yes	Yes	Yes
Listening skills	Yes	Yes	Yes	Yes	Yes	Yes
Verbal communication skills	Yes	Yes	Yes	Yes	Yes	Yes
Understanding of effective decision-making processes	Yes	Yes	Yes	Yes	Yes	Yes
Willingness and ability to devote time and energy to the role	Yes	Yes	Yes	Yes	Yes	Yes

Independent Directors:

Independent Directors play a pivotal role in maintaining a transparent working environment in the Company. They provide valuable outside perspective to the deliberations of the Board and contribute significantly to the decision-making process. They help the Company in improving corporate credibility and governance standards. They bring an element of objectivity to the board processes and deliberations.

As per clause 7 of the schedule IV of the Act (Code for Independent Directors) read with Regulation 25(3) of the Listing Regulations, 2015, a separate meeting of Independent Directors of the Company without the attendance of Non-Independent Directors for the financial year 2023-24, was held on 29th October, 2023 and 25th March, 2024.

The Composition and attendance of Independent Directors meeting are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Mr.Sundararaman Kalyanaraman	2	2
2.	Mrs.Vijaya Sampath	2	2
3.	Mr.Tamraparni Srinivasan Venkata Rajagopal	2	2
4.	Mrs. Rajeswari Karthigeyan	2	2

* Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director of the Company w.e.f 23rd May, 2023 on completion of his tenure.

III. AUDIT COMMITTEE:

The role and terms of reference of the Audit Committee cover the areas mentioned under Regulation 18 (3) of the Listing Regulations and Section 177 of the Act, besides other terms as may be referred to by the Board of Directors from time to time.

During the financial year 2023-24, the Audit Committee met four times on 8th May, 2023, 24th July, 2023, 30th October, 2023 and 27th January, 2024.

The composition and attendance of Audit Committee meetings are given below:

Sl. No.	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1.	#Mr. Chandrasekar Madhukar Bhide	Chairman	4	1
2.	Mr.Tamraparni Srinivasan Venkata Rajagopal Non-Executive Independent Director	Chairman	4	4
3.	Mr. Sundararaman Kalyanaraman Non-Executive Independent Director	Member	4	4
4.	Mrs.Vijaya Sampath Non-Executive Independent Director	Member	4	4
5.	Mrs. Rajeswari Karthigeyan Non-Executive Independent Director	Member	4	4

#During the FY 2023-24, Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director of the Company w.e.f 23rd May, 2023 and the Chairman of the Audit Committee of the Company w.e.f 8th May, 2023, upon completion of his tenure. Hence, the Audit Committee was reconstituted as above w.e.f 8th May, 2023.

The Company Secretary is the Secretary to the Audit Committee.

There has been no instance, where the Board has not accepted any recommendation of Audit Committee.

IV. NOMINATION AND REMUNERATION COMMITTEE:

The role and terms of reference of the Nomination and Remuneration Committee cover the areas mentioned under Regulation 19(4) of the Listing Regulations, 2015 and Section 178 of the Companies Act, 2013 read with rules framed thereunder.

During the financial year 2023-24, Nomination and Remuneration Committee met three times on 8th May, 2023, 24th July, 2023 and 27th January, 2024.

The composition and attendance of Nomination and Remuneration Committee meetings are given below:

Sl. No.	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1.	#Mr. Chandrasekar Madhukar Bhide	Member	3	1
2.	Mrs.Vijaya Sampath Non-Executive Independent Director	Chairperson	3	3
3.	Mr.Sundararaman Kalyanaraman Non-Executive Independent Director	Member	3	3
4.	Mr.Tamraparni Srinivasan Venkata Rajagopal Non-Executive Independent Director	Member	3	3

#During the FY 2023-24, Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director of the Company w.e.f 23rd May, 2023 and a member of the Nomination and Remuneration Committee of the Company w.e.f 8th May, 2023 upon completion of his tenure. Hence the Nomination and Remuneration Committee was reconstituted as above w.e.f 8th May, 2023.

The Company Secretary is also Secretary to the Nomination and Remuneration Committee.

Performance evaluation criteria for Independent Directors:

In terms of Section 178 of the Act and Regulation 19 read with Schedule II to the Listing Regulations, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual Directors. Based thereon, the evaluation was carried out by the Board.

The criteria for performance evaluation forms part of the Nomination and Remuneration Policy of the Company, which is placed on the Company's website at www.craftsmanautomation.com.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance with Section 178(5) of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations, the Committee has been formed to specifically focus on the services to shareholders/ investors.

During the financial year 2023-24, Stakeholders Relationship Committee met once on 27th January, 2024.

The composition of and attendance at Stakeholders Relationship Committee meetings are given below:

Sl. No.	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr.Sundararaman Kalyanaraman Non-Executive Independent Director	Chairman	1	1
2.	Mr.Srinivasan Ravi Chairman and Managing Director	Member	1	1
3.	Mrs. Rajeswari Karthigeyan	Member	1	1

During the FY 2023-24, Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director of the Company w.e.f 23rd May, 2023 and the Chairman of the Stakeholders Relationship Committee of the Company and w.e.f 8th May, 2023 upon completion of his tenure. Hence, the Stakeholders Relationship Committee was re-constituted as above w.e.f 8th May, 2023.

Mr. Shainshad Aduvanni is the Company Secretary and Compliance Officer of the Company, the Company Secretary is also Secretary to the Stakeholders Relationship Committee.

The number of complaints received, disposed of and pending during the year are as under:

Sl. No.	Particulars	No. of Complaints
1.	Pending at the beginning of the year	NIL
2.	Compliant Received during the year	2
3.	Disposed of during the year	2
4.	Remaining unresolved at the end of the year	NIL

All the complaints have been resolved to the satisfaction of the complainants.

V.(A) RISK MANAGEMENT COMMITTEE:

As required under Regulation 21 of the Listing Regulations, the Risk Management Committee has been constituted with majority of Board of Directors, one Independent Director and one Senior Executive as its members. The Committee was constituted on 5th May, 2021.

The role and terms of reference of the Risk Management Committee cover the areas mentioned under Regulation 21 of the Listing Regulations, 2015 and provisions of the Act read with rules framed thereunder.

The Risk Management Committee monitors, reviews the risk management plan of the Company and performs such other functions as mandated by the Board of Directors.

During the financial year 2023-24, the Risk Management Committee met twice on 25th August, 2023 and 9th February, 2024.

The composition and attendance at the Risk Management Committee meetings are given below:

Sl. No.	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1.	Mr.Srinivasan Ravi Executive Director	Chairman	2	2
2.	Mr. Ravi Gauthamram Executive Director	Member	2	2
3.	Mr.Sundararaman Kalyanaraman Non-Executive Independent Director	Member	2	2
4.	Mr.C.B.Chandrasekar Chief Financial Officer	Member	2	2

V.(B) SENIOR MANAGEMENT

The following personnel's are the senior management of the Company. There were no changes in the senior management since the closure of the previous Financial year.

Sl. No.	Name of the Senior Management personnel's
1.	Mr. Srivardhan Krishnakumar
2.	Mr. Manisekaran. A
3.	Mr. M.Sampath Kumar
4.	Mr. Ravi Shankar. V
5.	Mr. Mohanakrishnan. R
6.	Mr. Girish Kumar. J
7.	Mr. Deepak Bhoi
8.	Mr. V Kumaravel

VI. REMUNERATION OF DIRECTORS:

Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending Board and committee meetings and commission as approved by members and Board for their invaluable services to the Company.

i. Non-Executive Directors:

The Non-Executive Director(s) of the Company are remunerated in two ways viz., sitting fees and commission. Sitting fees is paid to the Non-Executive Directors for attending the meetings of Board of Directors, Committees of Board of Directors and other meetings of Directors at the rate of ₹50,000/- and ₹35,000/- respectively per meeting.

In addition to the sitting fees, Commission, as approved by the Shareholders at the Annual General Meeting held on 17th June, 2022 amounting to ₹9,00,000 per Non-Executive Director for the FY 2023-24 and maximum of ₹20,00,000 per annum per Non-Executive Director from the FY 2023-24 subject to the total annual commission exclusive of applicable GST thereon, if any, to all the Non- Executive Directors shall not exceed 1% of the net profit of the Company during any financial year calculated in accordance with provisions of the Act.

Criteria of making payments to Non-Executive Directors:

Criteria of making payments to Non-Executive Directors are as per the nomination and remuneration policy of the Company and the same is available at web link: https://www.craftsmanautomation.com/investors/.

ii. Executive Directors:

The two Executive Directors (Chairman and Managing Director and Whole-time Director) are paid remuneration as decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Board, with the approval of the Shareholders and other necessary approvals.

iii. Details of remuneration paid to the Directors for the year ended 31st March, 2024.

(₹ In Lakhs)

Sl. No.	Name of Directors and Designation	Category of Directorship	Salary	Commission	Sitting Fees	Others	Total
1.	Mr.Srinivasan Ravi, Chairman and Managing Director	Promoter, Executive Director	388.34	675.68	-	-	1064.02
2.	Mr.Ravi Gauthamram, Whole Time Director	Executive Director	67.20	287.47	0	1.08	355.75
3.	Mr.Chandrashekhar Madhukar Bhide Independent Director*	Non-Executive Independent Director	0	2.17	1.55	0	3.72
4.	Mr.Sundararaman Kalyanaraman Independent Director	Non-Executive Independent Director	0	15.00	6.00	0	21.00
5.	Mrs.Vijaya Sampath Independent Director	Non-Executive Independent Director	0	15.00	5.30	0	20.30
6.	Mr.Tamraparni Srinivasan Venkata Rajagopal Independent Director	Non-Executive Independent Director	0	15.00	5.30	0	20.30
7.	Mrs. Rajeswari Karthigeyan	Non-Executive Independent Director	0	15.00	3.90	0	18.90

*Mr. Chandrashekhar Madhukar Bhide Ceased to be an Independent Director of the Company w.e.f.23rd May, 2023, upon completion of tenure. Remuneration is paid for the meeting held on 8th May, 2023.

- There are no stock options available/ issued to any non-executive Directors of the Company.
- The Company has not granted any stock options to the directors and hence, it does not form part of the remuneration package payable to any Director. During the year, the Company did not advance any loan to any director.

iv. Details of Service contracts, notice period, severance fees etc

Name	Service Contracts	Notice period and severance fees	Stock Option details
Mr. Srinivasan Ravi	NIL	NIL	NIL
Mr. Ravi Gauthamram	NIL	NIL	NIL

VII. GENERAL BODY MEETINGS:

Details of the Annual General Meeting(s) (AGM) of the Company held during the preceding three years are tabulated below:

Year	Type	Location	Date	Time	Special Resolutions passed in the AGM by the Shareholders
2021	AGM	Through Video Conference/ other audio visual means	21.06.2021	04.00 P.M	1. Re-appointment of Mr.Srinivasan Ravi, (DIN: 01257716) as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st October, 2021. 2. Re-appointment of Mr. Ravi Gauthamram, (DIN: 06789004) as Whole Time Director of the Company for a period of five (5) years with effect from 1st October, 2021. 3. Appointment of Mr.Udai Dhawan, (DIN: 03048040) as Non-Executive Director of the Company.
2022	AGM	Through Video Conference / other audio visual means.	17.06.2022	04.00 P.M	1. To consider the appointment of Mr. Tamraparni Srinivasan Venkata Rajagopal, (DIN: 07148250) as an Independent Director of the Company.
2023	AGM	Through Video Conference / other audio visual means.	26.06.2023	04.00 P.M	1. To approve the amendment of Articles of Association of the Company;

The Extra Ordinary General Meetings held during the year 2023-24 is: NIL

Postal Ballot:

a) The details of special resolution passed through postal ballot and voting pattern during last year are as under:

Sl. No.	Particulars	Date of passing resolution	% of votes in favour	% of votes against	Result
1.	Shifting of Registered Office of the Company outside the local limits of the City i.e., Coimbatore in the State of Tamilnadu but within the jurisdiction of Registrar of Companies (RoC), Coimbatore;	8th December, 2022	99.9995	0.0005	Passed with requisite majority

b) The details of special resolution passed through postal ballot and voting pattern during the financial year are as under:

The details of Postal Ballot notice were sent to shareholders on 6th March, 2023 and resolutions passed by the shareholders during the financial year are as follows:

Sl. No.	Particulars	Date of passing resolution	% of votes in favour	% of votes against	Result
1.	Re-appointment of Mrs. Vijaya Sampath (DIN:00641110) as an Independent Director of the Company;	13th April, 2023	98.05	1.95	Passed with Requisite Majority
2.	Re-appointment of Mr. Sundararaman Kalyanaraman (DIN: 01252878) as an Independent Director of the Company;	13th April, 2023	98.19	1.81	Passed with Requisite Majority
3.	Appointment of Mrs. Rajeswari Karthigeyan (DIN: 10051618) as an Independent Director of the Company.	13th April, 2023	100	0	Passed with Requisite Majority

c) Person who conducted the postal ballot exercise:

The Board of Directors of the Company, in compliance with Rule 22(5) of the Companies (Management and Administration) Rules, 2014, had appointed Dr.C.V.Madhusudhanan (FCS No: 5367), Partner failing him Mr.V.R.Sankaranarayanan (ACS No:19450), Partner of KSR & Co Company Secretaries LLP, Coimbatore, Practicing Company Secretaries as the Scrutinizer to scrutinize for conducting the aforesaid Postal Ballots through Remote E-Voting process in a fair and transparent manner.

d) Procedure for Postal Ballot:

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued Postal Ballot Notice to members through email seeking their consent for the resolution mentioned above. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules, the Company had provided remote e-voting facility to all the Members of the Company. The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for facilitating e-voting to enable the Members to cast their votes electronically. Cut-off date for determining the eligibility of members to cast the votes and Remote E-Voting period had been fixed. The scrutinizer had carried out the scrutiny of votes cast by Postal Ballot which was carried out by electronic means through the remote e-voting facility only, on the items of business set out in the Notice of Postal Ballot and had submitted his Report. The result was announced by the Company Secretary and Compliance Officer. The result was also displayed on the website of the Company besides being communicated to the Stock Exchanges.

Date of Postal Ballot notice	3rd November, 2022	6th March,2023
Cut-off Date for determining Shareholders to whom Postal Ballot Notice will be sent and Shareholders eligible to vote	4th November, 2022	10th March, 2023
Date of Dispatch of notice by electronic means	8th November, 2022	14th March, 2023
Voting period	9th November, 2022 to 8th December, 2022	15th March, 2023 to 13th April, 2023
Date of Declaration of results	9th December, 2022	17th April, 2023

VIII. MEANS OF COMMUNICATION:

The quarterly and annual financial results were published in the leading English newspaper "The Hindu Business Line" and Tamil newspaper "Dinamani". The said results are promptly furnished to the Stock Exchanges for display on their respective websites and also displayed on the Company's website.

IX. GENERAL SHAREHOLDER INFORMATION:

a)	Date, Time and Venue of the Annual General Meeting	27th May, 2024, 4.00 P.M. IST & through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
b)	**Financial year 1st April, 2024 to 31st March, 2025**	**Will be published on or before (tentative and subject to change):**
	Result for Quarter ending 30th June, 2024	On or before 14th August, 2024
	Result for Quarter ending 30th September, 2024	On or before 14th November, 2024
	Result for Quarter ending 31st December, 2024	On or before 14th February, 2024
	Result for Quarter ending 31st March, 2025	On or before 30th May, 2025
c)	Dividend Record Date Book Closure Date Dividend payment date	Monday, 20th May,2024 Tuesday, 21st May, 2024 to Monday, 27th May, 2024 Will be paid within 30 days from the date of approval at the 38th AGM.

d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange:

a) The Company's Equity Shares are listed on the following Stock Exchanges:

i) BSE Limited, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.

ii) National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

b) Company's Equity Shares are traded in Group "A" category in BSE Limited.

c) The Company has paid the requisite Listing Fees to BSE Limited and National Stock Exchange of India Limited where the Company's equity shares are listed.

e)	**Stock Code**	BSE: 543276 NSE: CRAFTSMAN ISIN: INE00LO01017

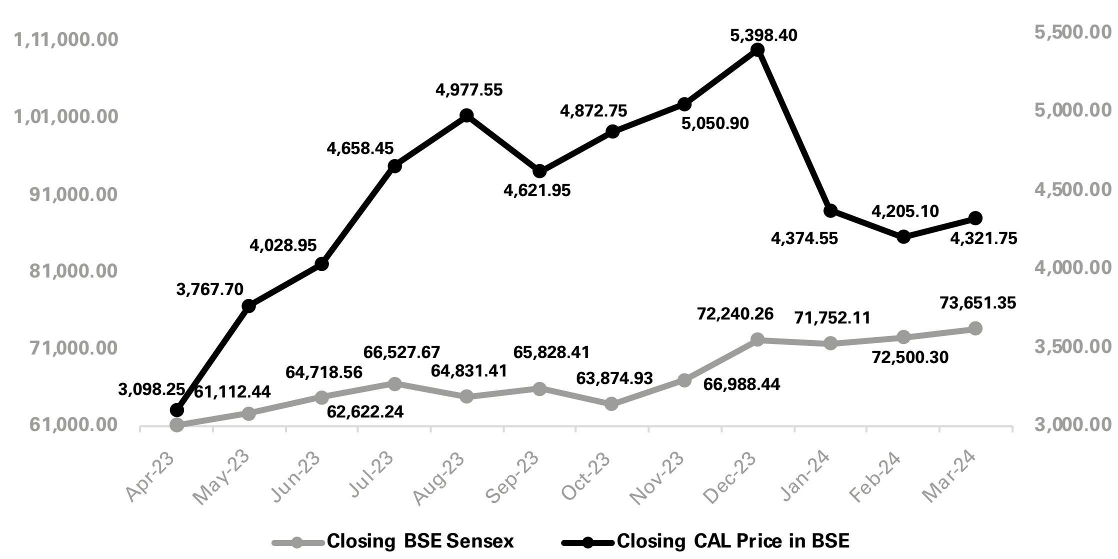
f) Stock market price data- high, low during each month in last financial year:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2023	3,255.50	3,001.05	3,255.30	3,000.00
May 2023	3,830.95	3,110.90	3,824.00	3,110.15
June 2023	4,139.10	3,668.50	4,139.95	3,666.30
July 2023	4,947.20	3,918.45	4,963.00	3,915.25
August 2023	5,020.25	4,522.35	5,025.50	4,529.95
September 2023	5,045.00	4,522.30	5,065.95	4,522.25
October 2023	5,032.30	4,210.55	5,037.75	4,214.35
November 2023	5,413.00	4,739.75	5,419.00	4,741.00
December 2023	5,510.00	5,000.00	5,513.65	4,998.50
January 2024	5,438.30	4,340.00	5,441.45	4,341.05
February 2024	4,541.55	4,030.35	4,581.00	4,028.05
March 2024	4,446.75	3,782.05	4,447.00	3,782.05

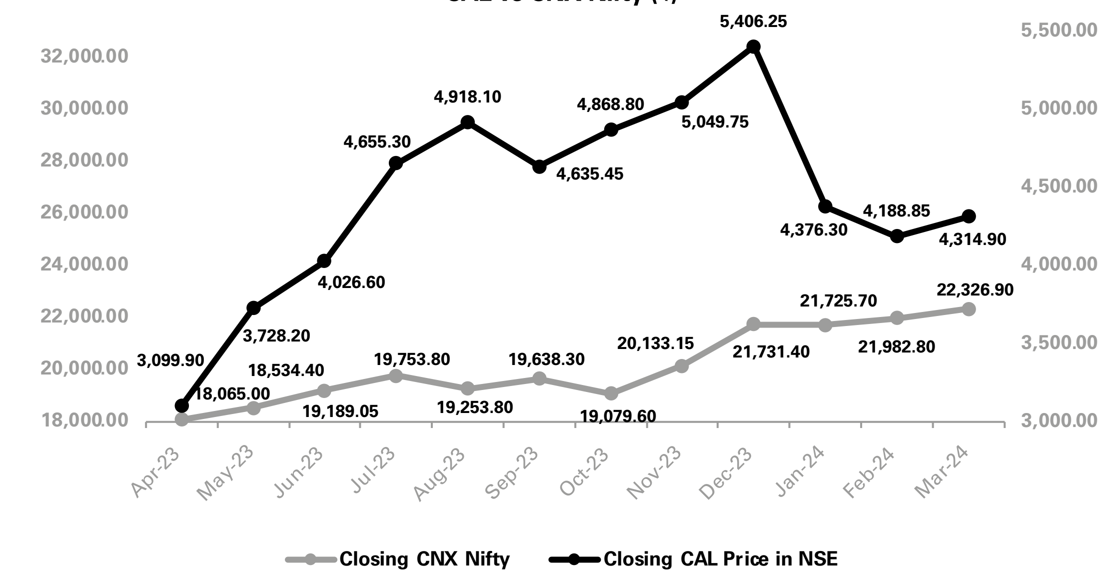
g) Share Performance v/s BSE Sensex and CNX Nifty

Month	BSE Closing Price (in ₹)	NSE Closing Price (in ₹)	Closing BSE Sensex	Closing CNX Nifty
April 2023	3,098.25	3,099.90	61,112.44	18,065.00
May 2023	3,767.70	3,728.20	62,622.24	18,534.40
June 2023	4,028.95	4,026.60	64,718.56	19,189.05
July 2023	4,658.45	4,655.30	66,527.67	19,753.80
August 2023	4,977.55	4,918.10	64,831.41	19,253.80
Sept 2023	4,621.95	4,635.45	65,828.41	19,638.30
October 2023	4,872.75	4,868.80	63,874.93	19,079.60
November 2023	5,050.90	5,049.75	66,988.44	20,133.15
December 2023	5,398.40	5,406.25	72,240.26	21,731.40
January 2024	4,374.55	4,376.30	71,752.11	21,725.70
February 2024	4,205.10	4,188.85	72,500.30	21,982.80
March 2024	4,321.75	4,314.90	73,651.35	22,326.90

CAL vs BSE Sensex (₹)



CAL vs CNX Nifty (₹)



h) There was no suspension from trading in equity shares of the Company during the year 2023-24.

i) **Registrar to an issue and share transfer agents**

The Company has appointed Link Intime India Private Limited as Registrar and Share Transfer Agent (RTA). Shareholders / Investors / Depository Participants are requested to send all their documents and communications pertaining to both physical and demat shares to the RTA at the following address:

Link Intime India Private Limited

Surya 35, Mayflower Avenue,

Behind Senthil Nagar,

Sowripalayam Road,

Coimbatore – 641 28.

Tel: 0422- 2314792

Email id: coimbatore@linkintime.co.in

j) **Share transfer system**

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the same, the entire share capital of the Company is in dematerialised form. The shares can be transferred by shareholders through their Depository Participants.

k) Distribution of shareholding as on 31st March, 2024:

Sl. No.	No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1.	Up to 500	86,648	99.3909	14,32,405	6.78
2.	501 to 1000	240	0.2753	1,72,286	0.82
3.	1001 to 2000	92	0.1055	1,35,101	0.64
4.	2001 to 3000	39	0.0447	97,216	0.46
5.	3001 to 4000	18	0.0206	64,835	0.31
6.	4001 to 5000	11	0.0126	50645	0.24
7.	5001 to 10000	31	0.0356	2,21,984	1.05
8.	10001 and above	100	0.1147	1,89,53,839	89.71
	TOTAL	87,179	100.00	2,11,28,311	100.00

l) Dematerialization of shares and liquidity

As on 31st March, 2024, 100.00% of the Company's Equity Shares have been dematerialized.

m) Outstanding global depository receipts (GDR) or American depository receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity shares as on 31st March, 2024: The Company has no outstanding GDR / ADR / Warrants or any Convertible Instruments.

n) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

i. Risk management policy of the listed entity with respect to commodities including through hedging: The Company does not have any significant exposure to commodity price risk.

ii. Exposure of the Company to commodity and commodity risks faced by the entity throughout the year:

a) Total exposure of the listed entity to commodities in INR: Nil.

b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
NA	NA	NA	NA	NA	NA	NA	NA

o)	Plant locations:	
	1. Unit -2 Kurichi, Coimbatore, Tamil Nadu 2. Unit - 3 Headquarter, Arasur, Coimbatore, Tamil Nadu 3. Unit - 3 Sheet Metal Division, Arasur, Coimbatore, Tamil Nadu 4. Sriperumbudur Unit -1, Chennai, Tamil Nadu 5. Sriperumbudur Unit - 2, Chennai, Tamil Nadu 6. Bangalore Unit - 1, Karnataka. 7. Bangalore Unit - 2, Karnataka 8. Pithampur Unit, Madhya Pradesh 9. Jamshedpur Unit, Jharkhand 10. Faridabad Unit - 1 Ballabgarh, Haryana 11. Faridabad Unit - 2 Ballabgarh, Haryana 12. Pune Unit – 2, Sanaswadi, Pune, Maharashtra 13. Pune Unit – 3, Sanaswadi, Pune, Maharashtra 14. Pune Unit – 4, Pimple Jagtap, Pune, Maharashtra 15. Pune Unit -5 , Koregoen Bhima, Pune, Maharashtra Upcoming Units: 4 1. Nagpur, Maharashtra 2. Faridabad - Unit 3 Ballabgarh, Faridabad, Haryana 3. Kothavadi Unit 1, Kinathukadavu Taluk, Coimbatore 4. Bhiwadi Unit 1, Salarpur, Rajasthan	
p)	Address for correspondence The Registered Office: Mr. Shainshad Aduvanni Company Secretary & Compliance Officer Krishna Towers, 4th & 5th Floor, 1087, Avinashi Road, Coimbatore – 641 037 CIN: L28991TZ1986PLC001816 Website: https://www.craftsmanautomation.com/ Email id: investor@craftsmanautomation.com	
q)	Credit Ratings: During the FY 2023-24, CRISIL Limited, a credit rating agency registered with the Securities and Exchange Board of India has upgraded the credit rating assigned to the long term loan facilities from A+/Positive to AA-/Stable and for the short term loan facilities from rating A1 to A1+ vide letter dated 20th July, 2023.	

X. OTHER DISCLOSURES:

- There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given in note number 3.5 of the standalone financial statements of the Annual Report.
- BSE and NSE have issued notice dated 21st November, 2022 levying fine for Non-compliance with respect to composition of Risk Management Committee based on the Corporate Governance Report under Regulation 21(2) for the quarter ended September 2022. The Company has filed its reply and made Waiver application on 30th November 2022 stating that the company has not violated such regulation. Accepting the submission made by the company, the NSE have reversed the fines levied on 5th April, 2023. Waiver order is awaited from BSE. Other than the above, no penalty or strictures have been imposed on the Company by any Stock Exchange or Securities and Exchange Board of India or any Statutory Authority on any matter related to capital markets during the last three years.
- A Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee.
- All the mandatory requirements have been duly complied with and certain discretionary disclosure requirements were undertaken.

- The Company's Policy relating to determination of Material Subsidiaries is available at the Company website at web link: https://www.craftsmanautomation.com/investors/policies.
- The policy of the Company relating to Related Party Transaction is available at the Company's website at web link: https://www.craftsmanautomation.com/investors/policies.
- The Company does not have any significant exposure to commodity price risk. Hence, the Company is not undertaking any commodity hedging activities.
- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations.
- A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- During the year under review, the recommendations made by the different Committees have been accepted by the Board and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- The Company has paid a sum of ₹83 Lakhs as fees on consolidated basis to the Statutory auditors and all entities in the network firm / entity of which the Statutory auditors is a part for the services rendered by them.
- As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year,
  a) number of complaints filed during the financial year - Nil
  b) number of complaints disposed of during the financial year - Nil
  c) number of complaints pending as on end of the financial year – Nil
- Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount': None
- Details of Material Subsidiary of the Listed Entity
  a) Name of the Material Subsidiary: DR Axion India Private Limited
  b) Date of Incorporation: 27th December, 2006
  c) Place of Incorporation: No.7 Othappai Village, Uthukkottai Taluk, Thiruvallur, Tamilnadu – 602023.
  d) Name of the Statutory Auditors: PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai.
  a) Date of Appointment of the Statutory Auditors: 26th May, 2023
- Disclosure of certain types of agreements binding listed entities: There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

XI. All the requirements of corporate governance report of sub paragraphs (2) to (10) Para C of Schedule V of the Listing Regulations has been duly complied with.

XII. Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations:

Sl. No.	Requirements specified in Part E of Schedule II	Adoption by the Company
1.	**The Board:** A non-executive chairperson may be entitled to maintain a Chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	The Company does not have a non-executive Chairman.

Sl. No.	Requirements specified in Part E of Schedule II	Adoption by the Company
2.	**Shareholder Rights:** A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3.	**Modified opinion(s) in audit report:** The listed entity may move towards a regime of financial statements with unmodified audit opinion	The Statutory Auditors of the Company have issued Audit Report on Audited Financial Results for year ended 31st March, 2024 with unmodified opinion. A declaration has submitted to the stock exchanges as per Regulation 33(3)(d) of the Listing regulations.
4.	**Separate posts of Chairperson and the Managing Director or the Chief Executive Officer** The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall – (a) be a non-executive director; and (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.	Separation of Chairperson and Managing Director is not mandatory as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022.
5.	**Reporting of Internal Auditor:** The Internal auditor may report directly to the Audit Committee.	The Internal Auditors of the Company report directly to the Committee.

XIII. The Disclosures of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations are as follows:

Regulation	Particulars of Regulation	Compliance Status (Yes/No)
17	Board of Directors	Yes
17A	Maximum Number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Employees including Senior Management, Key Managerial Personnel, Directors and Promoters	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

For and on behalf of the Board of Directors

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
27th April, 2024

ANNEXURE -2A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V - Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Craftsman Automation Limited,
123/4, Sangothipalayam Road,
Arasur Post, Coimbatore – 641 407

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Craftsman Automation Limited having CIN L28991TZ1986PLC001816 and having its registered office at 123/4, Sangothipalayam Road, Arasur Post, Coimbatore – 641 407 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs:

Sl. No.	Name of the director	DIN	Date of appointment/ re-appointment in the Company
1	Mr. Srinivasan Ravi	01257716	18.07.1986/01.10.2021
2	Mr. Ravi Gauthamram	06789004	20.02.2014/01.10.2021
3	Mr. Chandrashekhar Madhukar Bhide*	00027967	31.01.2011/24.05.2018
4	Mrs. Vijaya Sampath	00641110	03.04.2018/30.04.2023
5	Mr. Sundararaman Kalyana Raman	01252878	24.05.2018/24.05.2023
6	Mr. Tamraparni Srinivasan Venkatarajagopal	07148250	19.03.2022/19.03.2022
7	Mrs. Rajeswari Karthigeyan	10051618	06.03.2023/06.03.2023

* Ceased to be Director 23rd May 2023 upon completion of second term as Independent Director.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co Company Secretaries LLP

Dr. C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)
UDIN: F005367F000257443

Date: 27th April, 2024
Place: Coimbatore

ANNEXURE - 3

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members,
Craftsman Automation Limited,
123/4, Sangothipalayam Road,
Arasur Post, Coimbatore – 641 407

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by **Craftsman Automation Limited** (CIN **L28991TZ1986PLC001816**) (the Company) for the year ended 31st March, 2024, as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co Company Secretaries LLP

Dr. C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)
UDIN: 3. F005367F000257454

Date: 27th April, 2024
Place: Coimbatore

ANNEXURE - 4

Annual Report on Corporate Social Responsibility (CSR) Activities

(as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)

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

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

CAL believes that creation of large societal capital is as important as wealth creation for its stakeholders. In order to achieve the same, every business entity must carry on its business in a responsible manner.

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

- **i. Promotion of Health care:** CAL may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections, families Below Poverty Line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, providing medical equipments, setting up of medical and diagnostic camps, free medical insurance for a group of people or families in the BPL category, projects or programs aimed at eradicating poverty or malnutrition of women and children, pain and palliative care etc.
- **ii. Old Age homes /Day Care facilities for senior Citizens:** CAL may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid, food and accommodation.
- **iii. Promotion of Education:** CAL may undertake projects or programs or activities aimed at the promotion of elementary to professional education and to support the students belonging to weaker sections of the society including SC/ST/OBCs by way of setting up schools, colleges, coaching centers, providing libraries, text books and other study materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognitions to successful candidates pursuing recognized examinations, scholarships or other forms of merit cum means assistance etc.
- **iv. Sanitation:** CAL may undertake construction of public toilets, toilets in government run schools and other places and promote sanitation in public places, rural areas including garbage clearing and disposal.

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

- i. Improving the livelihood, employability and income generation of the communities around units of CAL
- ii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- iii. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- iv. Measures for the benefit of armed forces veterans, war widows and their dependents;
- v. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sport;
- vi. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

vii. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

viii. Rural development projects

ix. Slum area development.

x. Contribution to disaster management, including relief, rehabilitation and reconstruction activities.

xi. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and Contribution to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation in the Committee	Designation / Nature of Directorship	Number of meetings of CSR Committee held during 2023-24	Number of meetings of CSR Committee attended during 2023-24
1.	Srinivasan Ravi	Chairman	Chairman and Managing Director	2	2
2.	Chandrashekhar Madhukar Bhide*	Member	Independent Director	1	1
3.	Tamraparni Srinivasan Venkata Rajagopal	Member	Independent Director	2	2
4.	Vijaya Sampath	Member	Independent Director	2	2

*During the FY 2023-24, Mr. Chandrasekar Madhukar Bhide, ceased to be an Independent Director of the Company w.e.f 23rd May, 2023 and Member of the CSR Committee w.e.f 8th May, 2023, upon completion of his tenure. Hence, the CSR Committee was reconstituted as above w.e.f 8th May, 2023.

3.	Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	CSR Composition: https://www.craftsmanautomation.com/investors/board-of-directors/#5 CSR Policy: https://www.craftsmanautomation.com/investors/wp-content/uploads/2022/08/1.-CAL-Policy-on-Corporate-Social-Responsibility-1.pdf CSR Projects : https://www.craftsmanautomation.com/investors/wp-content/uploads/2024/05/CSR-Projects_2023-24.pdf
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable

5.	(a) Average net profit of the company as per section 135(5)	₹24,231.90 Lakhs
	(b) Two percent of average net profit of the company as per section 135(5)	₹484.64 Lakhs
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
	(d) Amount required to be set off for the financial year, if any	NIL
	(e) Total CSR obligation for the financial year (b + c – d).	₹484.64 Lakhs
6.	(a) Amount spent on CSR Projects:	₹496.22 Lakhs
	(i) On going Project	NIL
	(ii) Other than On going Project	As below

(a)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Laying of paver blocks and painting at Govt.Hr.Sec. School, Arasur	Promotion of Education	Yes	Tamil Nadu	Coimbatore	3.49	Yes		Nil
2.	Promoting Road safety and monitoring	Rural development projects	Yes	Tamil Nadu	Coimbatore	29.72	Yes		Nil
3.	Promoting Road safety education / awareness and promoting preventive health care to Govt. and Corporation schools	Rural development projects	Yes	Tamil Nadu	Coimbatore	0.50	Yes		Nil
4.	Fixing up of hand wash basin facilities at Govt Schools under Preventive Health Care, Coimbatore	Rural development projects	Yes	Tamil Nadu	Coimbatore	4.00	Yes		Nil
5.	Renovation of school building at Govt. High school, Chellappampalayam, Coimbatore	Promotion of Education	Yes	Tamil Nadu	Coimbatore	16.54	Yes		Nil
6.	Fixing up of water tank, construction of septic tank, painting and other civil works, electrical work and distribution of Uniform, shoes and socks etc., at Government Tribal residential primary school, Mannar, Coimbatore	Promotion of Education	Yes	Tamil Nadu	Coimbatore	32.61	Yes		Nil

(a)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
7.	Plantation of trees, fencing, drip irrigation under environmental sustainability at Pothiyampalayam, Coimbatore	Environment	Yes	Tamil Nadu	Coimbatore	17.38	Yes	Nil	
8.	Fixing up of incinerator at Kaniyur, Coimbatore	Environment	Yes	Tamil Nadu	Coimbatore	15.69	Yes	Nil	
9.	Construction of Sports facilities at Pollachi, Coimbatore	Promotion of sports	Yes	Tamil Nadu	Coimbatore	250.50	Yes	Nil	
10.	Distribution of Note Books and etc., at Govt. Middle School, Mambakkam, Sriperumbudur	Promotion of Education	Yes	Tamil Nadu	Kanchipuram	1.59	Yes	Nil	
11.	Levelling of football ground, construction of football goal post, Drinking water facility, Canopy and sitting arrangements at Srirampur Village, Saraikela Kharsawan, Jamshedpur	Promotion of sports	Yes	Jamshedpur	Saraikela Kharsawan	5.58	Yes	Nil	
12.	Installation of 5000 liters water tanker at Dugdha, Saraikela Kharsawan, Jamshedpur	Rural development projects	Yes	Jamshedpur	Saraikela Kharsawan	2.63	Yes	Nil	
13.	Construction of community hall at Ranjivanpur Village, Dudgha, Saraikela Kharsawan, Jamshedpur	Rural development projects	Yes	Jamshedpur	Saraikela Kharsawan	8.20	Yes	Nil	
14.	Digital board at Middle school Hariharpur, Saraikela Kharsawan, Jamshedpur	Promotion of Education	Yes	Jamshedpur	Saraikela Kharsawan	2.42	Yes	Nil	
15.	Construction of compound wall with concrete slab & gate at Uttkramik Madhya Vidyalaya, Gamharia Block I, Saraikela Kharsawan, Jamshedpur	Promotion of Education	Yes	Jamshedpur	Saraikela Kharsawan	3.06	Yes	Nil	
16.	Eye check-up / eye surgery / spectacles for needy people, preventive medical assistance	Health care	Yes	Jamshedpur	Saraikela Kharsawan	7.54	Yes	Nil	
17.	Construction of class room at Panchayat Union Middle School, Kothavadi, Coimbatore	Promotion of Education	Yes	Tamil Nadu	Coimbatore	34.81	Yes	Nil	
18.	Sponsored to Participate in Asian Masters Athletics Championship 2023	Promotion of sports		Jamshedpur	Saraikela Kharsawan	1.41	Yes	Nil	
19.	Contributed grocery items to people of Chennai & South Tamil Nadu districts during flood	Disaster Management		Tamil Nadu	Coimbatore	3.61	Yes	Nil	
20.	Amount allotted for laying road at Kothavadi village, Coimbatore	Rural development projects		Tamil Nadu	Coimbatore	54.94	Yes	Nil	
		Total				496.22			

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a)+(b) +(c)]: 496.22

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

Total Amount Spent for the Financial Year (in Lakhs)	Amount Unspent (in Lakhs.)				
	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
₹496.22	NIL				

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	484.64
(ii)	Total amount spent for the Financial Year	496.22
(iii)	Excess amount spent for the financial year ((ii)-(i))	11.58
(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))	11.58

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

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in Lakhs)	Balance amount in unspent CSR amount under section 135(6) (in Lakhs)	Amount spent in the Financial Year (in Lakhs)	Amount transferred to a fund as specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (in Lakh)	Deficiency, if any
					Amount (in Lakhs)	Date of transfer		
1	2020-21	101.96	-	-	-	-	-	-
2	2021-22	NIL						
3	2022-23	NIL						
	TOTAL	101.96	-	-	-	-	-	-

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

Asset-wise details

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ in Lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
					6		
1	2	3	4	5	CSR Registration Number, if applicable	Name	Registered address
1.	Renovation of school building at Govt. High school, Chellappampalayam, Coimbatore	641659	07-08-2023	16.54	NA	Government High School Chellappampalayam, Coimbatore – 641 659	
2.	Construction of community hall at Ramjivanpur Village, Dudgha, Saraikela Kharsawan, Jamshedpur	832108	16-03-2024	8.20	NA	Ramjivanpur Village, Dudgha Panchayat, Saraikela Kharsawan, Jamshedpur – 832 108	
3.	Construction of compound wall with concrete slab & gate at Uttkramit Madhya Vidyalaya, Gamharia Block I, Saraikela Kharsawan, Jamshedpur	832108	07-03-2024	3.06	NA	Uttkramit Madhya Vidyalaya, Gamharia Block I, Saraikela Kharsawan, Jamshedpur - 832 108	
4.	Construction of class room at Panchayat Union Middle School, Kothavadi, Coimbatore	642109	30-03-2024	34.81	NA	Panchayat Union Middle School, Kinathukadavu Taluk, Kothavadi – 642 109	

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

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

Date: 27th April, 2024
Place: Coimbatore

Srinivasan Ravi
Chairman of CSR Committee
DIN:01257716

ANNEXURE - 5

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or associate companies or joint ventures

Part - A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

Sl. No	Particulars	1	2
1	Name of the subsidiary	DR Axion India Private Limited	Craftsman Europe B.V
2	The date since when subsidiary was acquired/incorporated	Incorporated on 27.12.2006 Acquired on 01.02.2023	03.06.2008
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	01.04.2023 to 31.03.2024
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	EURO (Exchange Rate as on 31.03.2024 ₹90.2178 per EUR)
5	Share Capital	11,285	2,264
6	Reserves and Surplus	27,642	312
7	Total Assets	71,328	2,921
8	Total Liabilities	32,401	345
9	Investments	47	Nil
10	Turnover	1,24,615	2,001
11	Profit before taxation	17,575	275
12	Provision for taxation	3,886	60
13	Profit after taxation	13,689	215
14	Proposed Dividend	-	-
15	Extent of shareholding (in percentage)	76%	100%

Note :

1. Names of subsidiaries which are yet to commence operations : Nil

2. Names of subsidiaries which have been liquidated or sold during the year : Nil

For and on behalf of the Board of Directors

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
27th April, 2024

Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B" Associates and Joint Ventures

Sl No	Name of Associates/Joint Ventures	Carl Stahl Craftsman Enterprises Private Limited
1	Latest audited Balance Sheet Date	31.03.2024
2	Date on which the Associate/ Joint Venture was associated or acquired	22.06.2007
3	Shares of Associate / Joint Ventures held by the Company on the year end	
	i. No. of shares	6,00,000
	ii. Amount of Investment in Associates / Joint Venture	₹60 Lakhs
	iii. Extend of Holding (in %)	30%
4	Description of how there is significant influence	Joint Venture - Associate Company
5	Reason why the Associate/ Joint Venture is not consolidated	Not Applicable
6	Net worth attributable to shareholding as per latest audited Balance Sheet	₹368 Lakhs
7	Profit /Loss for the year	
	i. Considered in Consolidation	₹85 Lakhs
	ii. Not Considered in Consolidation	₹197 Lakhs

For and on behalf of the Board of Directors

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
27th April, 2024

ANNEXURE - 6

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year ended 31st March, 2024

To,
The Members,
Craftsman Automation Limited
123/4, Sangothipalayam Road,
Arasur Post, Coimbatore – 641 407.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Craftsman Automation Limited** (CIN L28991TZ1986PLC001816) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2024 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit. We hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 and the Rules made there under.

(ii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.

(iii) The Foreign Exchange Management Act, 1999 and Rules and Regulations framed thereunder.

(iv) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.

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

   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

   (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

   (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011

   (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

(vi) Considering the nature of business of the Company, we are of the opinion that no specific law, regulations, directions or orders are applicable specifically to the Company.

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

(i) the Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

(ii) Listing Agreement for equity entered into with BSE Limited and National Stock Exchange of India Limited with effect from 25th March, 2021.

Based on the information and explanation provided, the Company had no transactions during the period covered under the Audit requiring the compliance of the provisions of:

a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

c) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes made to the composition of the Board of Directors was duly carried out during the period covered under the Audit.

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

Majority decision is carried through and recorded as part of the minutes. We understand that there were no dissenting members' views requiring to be captured in the minutes.

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

a) The Company completed the acquisition of 76% of equity stake in D R Axion India Private Limited on 01st February, 2023.

b) The Company shifted its registered office outside the local limits of Coimbatore City duly approved by the members.

For KSR & Co Company Secretaries LLP

Dr. C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)
UDIN: F005367F000257399

Date: 27th April, 2024
Place: Coimbatore

KSR/CBE/C-67/073/2024-25

To
The Members,
Craftsman Automation Limited
123/4, Sangothipalayam Road,
Arasur Post, Coimbatore – 641 407.

Our Secretarial Audit Report of even date Craftsman Automation Limited (CIN L28991TZ1986PLC001816) (hereinafter called "the Company") is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We had conducted our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the company. We state that we have not done a physical verification of the original documents and records. The management has confirmed that the records provided to us for audit through electronic mode are final, true and correct.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the Financial Year ended on 31st March, 2024.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co Company Secretaries LLP

Dr. C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)
UDIN: F005367F000257399

Date: 27th April, 2024
Place: Coimbatore

ANNEXURE - 6.2

FORM NO. MR-3
Secretarial Audit Report

(For the Financial Year: 2023-24)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DR AXION INDIA PRIVATE LIMITED
CIN: U50300TN2006PTC061870
(Subsidiary of Craftsman Automation Ltd)
No.7 Othappai Village Uthukkottai Taluk,
Thiruvallur, Tamil Nadu -602023.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the Financial year ended on 31st March, 2024, the company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder **- Not applicable**
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **- Not applicable**
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowing;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **- Not applicable**
   b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **- Not applicable**
   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **- Not applicable**
   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **- Not applicable**
   e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **- Not applicable**
   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **- Not applicable**

g) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client **- Not applicable**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **- Not applicable**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998 **- Not applicable**

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

a. Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India (“ICSI”);

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

I further also report that:

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

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

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

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

Signature:
Name of Company Secretary in practice: **V. Sudarsan Babu**
V. Sudarsan Babu & Associates
ACS No : 55465
C P No: 20590
UDIN: A055465E000171471

Place:Chennai
Date: 22nd April, 2024

ANNEXURE - 7

INFORMATION PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Particulars		
1.	Ratio of remuneration of each director to the median remuneration of employees:		
	Name of the Directors	**Designation**	**Ratio**
	Mr.Srinivasan Ravi #	Chairman and Managing Director	167.93
	Mr.Ravi Gauthamram #	Whole Time Director	55.01
	Mr.Chandrashekhar Madhukar Bhide*	Independent Director	2.37
	Mr. Sundararaman Kalyanaraman	Independent Director	2.37
	Mrs.Vijaya Sampath	Independent Director	2.37
	Mr.Tamraparni Srinivasan Venkata Rajagopal*	Independent Director	2.37
	Mrs. Rajeswari Karthigeyan	Independent Director	2.37
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year:		
	Name of the Directors, Chief Financial Officer, Company Secretary	**Designation**	**Ratio**
	Mr. Srinivasan Ravi #	Chairman and Managing Director	-21%
	Mr. Ravi Gauthamram #	Whole Time Director	-23%
	Mr. Chandrashekhar Madhukar Bhide	Independent Director	67%
	Mr. Sundararaman Kalyanaraman	Independent Director	67%
	Mrs.Vijaya Sampath	Independent Director	67%
	Mr.Tamraparni Srinivasan Venkata Rajagopal	Independent Director	67%
	Mrs. Rajeswari Karthigeyan*	Independent Director	67%
	Mr.C.B.Chandrasekar	Chief Financial Officer	7%
	Mr.Shainshad Aduvanni	Company Secretary	0%
3.	The percentage increase in the median remuneration of employees in the financial year		8%
4.	The number of permanent employees on the rolls of company		2,500
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year		11%
6.	Affirmation that the remuneration is as per the remuneration policy of the company		Yes

Remuneration also includes Commission payable for the FY 2023-24.

* Mr. Tamraparni Srinivasan Venkata Rajagopal ceased to be an Independent Director of the Company w.e.f 23rd May, 2023 upon completion of his tenure.

Note: Sitting fees paid to the Directors have not been considered as remuneration.

ANNEXURE - 8

Business Responsibility & Sustainability Report

(Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Listed Entity	L28991TZ1986PLC001816
2.	Name of the Listed Entity	Craftsman Automation Limited
3.	Year of incorporation	1986
4.	Registered office address	123/4, Sangothipalayam Road, Arasur Post, Coimbatore – 641407 Tamil Nadu, India.
5.	Corporate address	Krishna Towers, 4th & 5th Floor, 1087, Avinashi Road, Coimbatore – 641037 Tamil Nadu, India.
6.	E-mail	investor@craftsmanautomation.com
7.	Telephone	0422-7165000
8.	Website	www.craftsmanautomation.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹10,56,41,555
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Shainshad Aduvanni, Company Secretary and Compliance Officer Telephone: 0422 7165000 Email:shainshad@craftsmanautomation.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone Basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sl. No..	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Powertrain	Manufacturing engine parts such as cylinder block and cylinder head, camshafts, transmission parts, gear box housings, turbo charges and bearing caps.	49%
2	Aluminium Products	Key products in Aluminium Products segment include highly engineered and include crank case and cylinder blocks for two wheelers, engine and structural parts for passenger vehicles and gear box housing for heavy commercial vehicle and Aluminium - Casting for power transmission	29%
3	Industrial & Engineering	Industrial & Engineering vertical is essentially a non-automotive business vertical which cater to diverse user sectors. The Company has divided it into two sub segments: **Storage Solutions:** Key products in storage solutions sub-segment include stationary racking for warehouses, V-store, roll form products and Automated Storage and Retrieval Systems ("ASRS"). Our products in this sub-segment cater to warehousing and industrial sectors **High-end sub assembly, contract manufacturing and Others:** SPM, Material handling, Gear and Gear boxes, Tool room, mould base & sheet metal.	23%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

Sl. No..	Product/Service	NIC Code	% of Turnover of the entity
1	Metal and Metal Products	2,930	9.29%
2	Electricals or electronic machinery, Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signalling equipment's of all kind and Other machinery and Mechanical Appliances;		46.90%
3	Other Manufacturing activities including Machining Services		43.81%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

National Location	Number of offices: 5 1. Corporate Office at Coimbatore, Tamil Nadu 2. Registered Office and Headquarters at Coimbatore, Tamil Nadu 3. Chennai office at Chennai, Tamil Nadu 4. Delhi office at Gurgaon, Haryana 5. Mumbai Office at Vikroli West, Mumbai, Maharashtra Number of plants :15 1. Unit -2 Kurichi, Coimbatore, Tamil Nadu 2. Unit - 3 Headquarter, Arasur, Coimbatore, Tamil Nadu 3. Unit - 3 Sheet Metal Division, Arasur, Coimbatore, Tamil Nadu 4. Sriperumbudur Unit -1, Chennai, Tamil Nadu 5. Sriperumbudur Unit - 2, Chennai, Tamil Nadu 6. Bangalore Unit - 1, Karnataka. 7. Bangalore Unit - 2, Karnataka 8. Pithampur Unit, Madhya Pradesh 9. Jamshedpur Unit, Jharkhand 10. Faridabad Unit - 1 Ballabgarh, Haryana 11. Faridabad Unit - 2 Ballabgarh, Haryana 12. Pune Unit – 2, Sanaswadi, Pune, Maharashtra 13. Pune Unit – 3, Sanaswadi, Pune, Maharashtra 14. Pune Unit – 4, Pimple Jagtap, Pune, Maharashtra 15. Pune Unit -5, Koregoen Bhima, Pune, Maharashtra

	Upcoming Units: 4 1. Nagpur, Maharashtra 2. Faridabad - Unit 3 Ballabgarh, Faridabad, Haryana 3. Kothavadi Unit 1, Kinathukadavu Taluk, Coimbatore 4. Bhiwadi Unit 1, Salarpur, Rajasthan
International Location	Nil The Company has a Wholly Owned Subsidiary named Craftsman Europe B.V. (Formerly known as Craftsman Marine B.V) at The Netherlands

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	18 Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

6.54%

c. A brief on types of customers

1) Automotive – Powertrain and Others:

- Commercial Vehicles
- Special Utility Vehicles
- Tractors
- Off-highway Vehicles

2) End-user sectors for Aluminium Products:

- Two-Wheelers
- Passenger Vehicles
- Commercial vehicles
- Power transmission & Distribution

3) Industrial & Engineering:

- High end sub-assembly, contract manufacturing & others:
- Automotive, Foundries, Railways, Textile & Printing Machines manufacturers, Engineering
- Storage Solutions:
- FMCG, E-commerce, Food & beverages, Logistics, Pharmaceuticals and Electronics

IV. Employees

18. Details as at the end of Financial Year:31st March, 2024

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B / A)	No. (C)	% (C / A)
a) Employees						
1.	Permanent (D)	799	769	96.25%	30	3.75%
2.	Other than Permanent (E)	21	19	90.48%	2	9.52%
3.	**Total employees (D + E)**	820	788	96.10%	32	3.90%
b) Workers						
4.	Permanent (F)	1,701	1701	100%	Nil	-
5.	Other than Permanent (G)	208	207	99.52%	1	0.42%
6.	**Total workers (F + G)**	1,909	1908	99.95%	1	0.05%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
a) Differently Abled Employees						
1.	Permanent (D)	1	1	100%	-	
2.	Other than Permanent (E)	Nil	Nil	Nil		
3.	**Total differently abled employees (D + E)**	1	1	100%		
b) Differently Abled Workers: Nil						

19. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and Percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	5	Nil	Nil

20. Turnover rate for permanent employees and workers

Particulars	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.16	22.64	18.40	12.77	13.33	12.79	12.97	17.65	13.09
Permanent Workers	6.47	0	6.47	7.78	0	7.78	7.55	0	7.55

V. Holding, Subsidiary and Associate companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the Holding/ Subsidiary / associate companies/ joint ventures (A)	Indicate Whether holding/ subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicate at column A, Participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	Craftsman Europe B.V. The Netherlands	Wholly Owned Subsidiary	100%	No
2	Carl Stahl Craftsman Enterprises Private Limited	Associate Company (Joint Venture)	30%	No
3	DR Axion India Private Limited	Subsidiary	76%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

    (ii) Turnover: ₹ 3,20,779 Lakhs

    (iii) Net worth: ₹ 1,49,056 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

<table>
<tr><th rowspan="2">Stakeholder group from whom complaint is received</th><th rowspan="2">Grievance Redressal Mechanism in Place (Yes/No)</th><th colspan="3">FY 2023-24</th><th colspan="3">FY 2022-23</th></tr>
<tr><th>Number of complaints filed during the year</th><th>Number of complaints pending resolution at close of the year</th><th>Remarks</th><th>Number of complaints filed during the year</th><th>Number of complaints pending resolution at close of the year</th><th>Remarks</th></tr>
<tr><td>Investors (other than shareholders)</td><td>Yes</td><td>2</td><td>0</td><td rowspan="2">Complaints resolved</td><td>1</td><td>0</td><td>Complaints resolved</td></tr>
<tr><td>Shareholders</td><td>Yes</td><td>2</td><td>0</td><td>1</td><td>0</td><td>Nil</td></tr>
<tr><td>Employees and Workers</td><td rowspan="5">Yes, Separate Grievance Handling Procedure CAL/ IMS/P38 available and Grievance register followed</td><td colspan="6" rowspan="5">Nil</td></tr>
<tr><td>Communities</td></tr>
<tr><td>Customers</td></tr>
<tr><td>Value Chain Partners</td></tr>
<tr><td>Other (please specify)</td></tr>
</table>

Weblink https://www.craftsmanautomation.com/investors/#verticalTab2

24. Overview of the entity's material responsible business conduct issues

    The Company has structured an internal mechanism for identifying the risks on ESG matters and the same is being reviewed by the Risk Management Committee of the Company. The Company believes that a materiality assessment on sustainability issues will help to analyse and prioritize the issues that have the biggest impact from the Environment, Social and Governance (ESG) perspective. Further, the Company is in the process of enhancing this methodology by conducting this exercise on periodical basis and by engaging external agencies for material assessment.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

PRINCIPLE 1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
PRINCIPLE 2	Businesses should provide goods and services in a manner that is sustainable and safe
PRINCIPLE 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
PRINCIPLE 4	Businesses should respect the interests of and be responsive to all its stakeholders
PRINCIPLE 5	Businesses should respect and promote human rights
PRINCIPLE 6	Businesses should respect and make efforts to protect and restore the environment
PRINCIPLE 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
PRINCIPLE 8	Businesses should promote inclusive growth and equitable development
PRINCIPLE 9	Businesses should engage with and provide value to their consumers in a responsible manner

<table>
<tr><th>DISCLOSURE QUESTIONS</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td colspan="10">Policy and Management processes</td></tr>
<tr><td>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>b. Has the policy been approved by the board? (Yes/No)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>c. Web link of the policies, if available</td><td colspan="9">https://www.craftsmanautomation.com/investors/</td></tr>
<tr><td>2. Whether the entity has translated the policy into procedures. (Yes//No)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</td><td colspan="9">Yes. The Company expects its value chain partners to adhere to the policies.</td></tr>
<tr><td>4. Name of the National and International codes/ Certifications/ labels/ standards (e.g Forest Stewardship council, fairtrade, Rainforest Allaince, Trustea) Standards(e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle</td><td colspan="9">ISO 9001: 2015
IATF 16949: 2016
ISO 14001: 2015
AEO CERTIFICATE
Export House Certificate
CE Certification</td></tr>
<tr><td>5. Specific commitments, goals and targets set by the entity with defined timelines, if any</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met</td><td colspan="9">Department wise specific commitments, goals and targets has been derived and working towards accomplishment of the same</td></tr>
<tr><td colspan="10">Governance, leadership and oversight</td></tr>
<tr><td colspan="10">7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)
Please refer 'Statement from the Chairman's Desk' in the Annual Report</td></tr>
<tr><td>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</td><td colspan="9">Board of Directors</td></tr>
<tr><td>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details</td><td colspan="9">Yes. The Board of Directors and the Risk management Committee of the Company is reviewing the sustainability related issues on regular basis. The CSR committee also reviews the activities undertaken as CSR on regular basis</td></tr>
</table>

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Audit Committee, Risk Management Committee, CSR Committee and Board									Half yearly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Audit Committee, Risk Management Committee, CSR Committee and Board									Half yearly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No. The Company has evaluated the working of its policies internally.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

DISCLOSURE QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	For Principle 7: The Company through associations/ institutions/ trade and industry chambers strives to advocate and pursue various causes that are in larger interest of the industry, economy, society and public.								

The company is continuously reviewing its policies to align with the BR principles in full spirit. The assessment for adoption/ implementation of specific policies is under process which will be continued in next financial year.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by awareness programmes
Board of Directors	2 Sessions	Familiarisation Programme for the Board of Directors of the Company are being organised on regular basis about the business segments, operations of the Company, regulatory requirements and other matters. The details of Familiarisation Programme can be accessed through the weblink: https://www.craftsmanautomation.com/investors/corporate-governance/#2	100%
Key Managerial Personnel	4 Sessions	On Business continuity and risk mitigation plans	100%
Employees other than BOD and KMPs	35 Sessions	1. 5'S Awareness Training 2. NDT - Level 2 Training Program (Ultrasonic Testing, Magnetic Particle Testing & Penetrant Testing) 3. Design of Quieter Machinery 4. ISO 9001 - 2015 Awareness Training 5. MAGMA Stress Training 6. Safety Conclave 7. Emergency Fire Mock Drill 8. Application Development Training 9. Aluminium Castings Technology 10. V-Store Service Training 11. 5S Certified Auditor Training 12. ISO 14064 Series Carbon Foot Print Lead Implement Course 13. BORN to WIN 14. SPC & MSA Training 15. ISO-14001:2015 EMS Awareness, IFMEA, OCP, EMP & Training 16. International Yoga Day – Session 17. Introduction to ESG & GHG Accounting Awareness Training 18. ISO 14001 : 2015 Awareness Training 19. Advance Excel Training Awareness Training 20. ISO 27001 Awareness & Internal Audit Training 21. ISO / IEC 27032 : 2023 Cyber Security Training 22. Sexual Harassment of Women Workplace (Prevention, Prohibition & Redressal) Act 2013 23. National Seminar on Energy Efficiency 24. Geometric Dimensioning & Tolerance (GD&T) Training 25. Karakuri Workshop 26. First Aid Responder Training 27. AIAG-VDA PFMEA Training 28. Safety and Security in Industries	100%

Segment	Total Number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by awareness programmes
Workers	48 sessions	1. 5'S Awareness Training 2. LOTO Awareness Training 3. Environmental Noise Control 4. PPE Usage & Work Place Safety Training 5. Emergency Fire Mock Drill 6. Application Development Training 7. V-Store Service Training 8. 5S Certified Auditor Training 9. STP Breakdown Mock drill training 10. ETP Breakdown Mock drill training 11. BORN to WIN 12. SPC & MSA Training 13. International Yoga Day – Session 14. Panassonic Tech Day 15. Mitsubishi - Maintenance& Service 16. Innovations in Die Casting - Unleashing Future Possibilities 17. AB-PLC Training(From Multivisia) 18. Health & Safety 19. Forklift Operation 20. OTT – Jacob 21. GDC Die Casting Parts and Defects Remedies 22. SEW PLC & DRIVE 23. Thermal Management in Diecasting Industry 24. First Aid Responder Training 25. Regloplas 26. Awareness Training Program for Migrant Workers 27. SIEMENS S120 Drive Training 28. Safety and Security in Industries 29. Material Safety Data Sheet (MSDS) Training 30. Hazardous Waste Handling & Storage Methods training 30. Hazardous Waste Handling & Storage Methods training	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

   Nil. There are no fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings by the Company during the financial year which are material as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

   Not Applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes. The Company has an anti-corruption and anti-bribery policy which is applicable to all the stakeholders of the company. Further, Internal stakeholders at the time of onboarding are well informed about the policy and adherence to the same. External Stakeholders are informed about the applicability and compliance of policy at the time of business association/engagement

   Weblink: https://www.craftsmanautomation.com/investors/

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

   Nil. There is no such disciplinary action taken by any law enforcement agency against the Directors/KMPs/ employees/workers for bribery/ corruption.

6. Details of complaints with regard to conflict of interest:

   No complaints were received in relation to issues of Conflict of Interest of the Directors/KMP.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Not Applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

   Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?

   Yes. The Company has formulated "Code of Conduct for Board of Directors and Senior Management" which specifies the role and function of the Board and Senior Management and they must act within the authority conferred upon them and in the best interests of the Company.

   The Code enumerates that the Directors and Senior Management shall always act in good faith to promote the business and objects of the company for the members as a whole and in the best interests of the Company, its employees, shareholders, the community and shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. Further, in case there is likely to be a conflict of interest, he/ she should make full disclosure of all the facts and circumstances thereof to the Board of Directors and the prior approval of the Audit Committee and that of the Board is required to be obtained.

PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

   Nil

2. a. Does the entity have procedures in place for sustainable sourcing?

   Yes. Craftsman Automation Limited having suppliers with sustainable results, main sourcing of supplies are categories as Ingots, Castings, Fasteners, Electrical and service providers. All supplies comply environmental aspects by communicating the Craftsman Supplier manual to all suppliers in which all the Environmental policy, RoHS & REACH Policy are considered.

   Craftsman strives to procure components without compromising on quality. It has been encouraging and supporting its suppliers towards all Regulatory compliances as well as successfully completed with Non-disclosure agreement with suppliers

   b. If yes, what percentage of inputs were sourced sustainably?

   30%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste based on the material nature.

For all our own products, Craftsman maintains Products and Service manuals which are released during the product dispatch and commissioning. Manual consists of product life cycle assessment details along with all applicable disposal methodologies.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   With respect to ISO 14001 :2015, all the applicable statutory and regulatory compliances are followed. Further, the Company maintain OCP's (Operational control procedure) for all type of wastes handling.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details

   Yes.

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
2511	Storage Systems	27%	Guidelines for life cycle assessment for products followed as per CAL/IMS/Design/ F461 Rev 01	No	No
2822	Special Purpose Machines				

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

   Nil

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Aluminium ingots	Recycled aluminium return material used as an input material for the production around 25%.	Recycled aluminium return material used as an input material for the production around 30% to 35%.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-Waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	11.50 Metric tonnes	Nil	Nil	9.27 Metric tonnes
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

Products are not reclaimed at the end of life of products, however, disposal mechanism is available in product manual.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

   Nil

PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	769	Nil		769	100%	-	-	Nil			
Female	30			30	100%	1	3.33%				
Total	**799**			**799**	100%	-	-				
Other than Permanent employees											
Male	19	Nil		19	100%	-	-	Nil			
Female	2			2	100%	-	-				
Total	**21**			**21**	100%	-	-				

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	1,701			1,701	100%	Nil					
Female	Nil			Nil	Nil						
Total	**1,701**			**1,701**	**100%**						
Other than Permanent Workers											
Male	207			207	100%	Nil					
Female	1			1	100%						
Total	**208**			**208**	**100%**						

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a %of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ N.A.)	No. of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ N.A.)
PF	98.78%	99.94%	Y	99.21%	99.92%	Y
Gratuity	98.78%	99.94%	Y	99.21%	99.92%	Y
ESI	2.43%	11.74%	Y	2.26%	18.39%	Y
Others - Please specify	Nil					

3. **Accessibility of workplaces**

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   Yes. The Policy has been published in the intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

   Nil

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. The Company has a grievance module in the internal ERP software, which can be accessed by all the employees and workers using their login credentials
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

   No Unions existing.

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022 -23				
	Total (A)	On Health and Safety Measures		On Skill upgradation		Total (D)	On Health and Safety Measures		On Skill upgradation	
		No. (B)	% (B/A)	No (C)	%(C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	788	740	93.90%	680	86.30%	769	750	97.52%	650	84.50%
Female	32	32	100%	32	100%	24	24	100%	24	100%
Total	**820**	**772**	**94.15%**	**712**	**83.83%**	**793**	**774**	**97.60%**	**674**	**85%**
Workers										
Male	1,908	1,840	96.43%	1,580	82.80%	1,848	1,820	98. 48%	1,530	82.79%
Female	1	1	100%	1	100%			-		
Total	**1,909**	**1,841**	**96.44%**	**1,581**	**82.82%**	**1,848**	**1820**	**98.48%**	**1,530**	**82.79%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	788	654	83%	769	484	62.93%
Female	32	22	68.75%	24	10	41.66%
Total	**820**	**676**	**82.44%**	**793**	**494**	**62.29%**
Workers						
Male	1,908	1,686	88.36%	1,848	1,614	87.33%
Female	1	0	0		Nil	
Total	**1,909**	**1,686**	**88.32%**	**1,848**	**1,614**	**87.33%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity?

   Yes. Occupational Health and Safety Management System exists.

   Occupational Health and Safety protection is a integral component of the business. The Company's goal is to treat the environment gently and use the natural resources sparingly without hampering the employees occupational Health and Safety by

   a) Establishing incident free work environment;

   b) Minimising wastage to prevent natural resources;

   c) Encouraging innovation for prevention of pollution, injury and ill health;

   d) Complying with all applicable legal, statutory & regulatory and other required related to Environmental Occupational Health and Safety;

   e) Ensuring proper disposal of waste/ pollutant/ to minimise impact on environment and risk to employees;

   f) Continually improving the environmental Occupational Health and Safety performance.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

   Failure Modes and Effects Analysis (FMEA) model

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

   Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

   Yes (GAINS insurance)

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR)	Employees		
(per one million-person hours worked)	Workers	1.2	1.8
Total recordable work-related injuries	Employees		
	Workers	32	29
No. of fatalities	Employees		
	Workers	Nil	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place

   SAFETY MEASURES

   Safety has been a core value and our Management always gives top priority to safety after quality. Craftsman has a structured safety organization that is monitoring and implementing continuously and taking corrective actions for safety improvements. The Company has taken the following safety measures during this financial year.

   1. All the Legal requirements are complied with the Factories Act 1948 and Rules 1950.

   2. As per plastic waste management rules 2016, We have complied the EPR (Extended producer responsibility) certification.

3. Machine guarding with an interlock system and emergency switch restoration done. Handrail system provided in the machine platforms with colour coding.
4. New Occupational Health Center constructed and it's in operation.
5. Implementation of QR Code scan system to report Unsafe act/ Unsafe condition, and all Near miss Incidents.
6. Installed LNG (Liquified Natural Gas) system instead of LPG, comparatively LNG is low safety risk and also environmentally friendly. The aspect and Impact of the same is very low, when we compare with LPG, LNG minimizes carbon emission.
7. As per TNPCB Kurungadual scheme requirement we have created the same in the nearby village and planted 1170 trees and 13 verity of saplings around 26304.6 Sq.m area.
8. CMS (Coolant Management System) plant is installed and through this system usage of coolant and wastage of coolant is drastically reduced and it is cost-effective and Low environmental Aspect and Impact and help to maintain the shop floor neat and clean.
9. 110 KV Power station work is in progress for uninterrupted power supply and also usage of DG & Carbon emission will be reduced (Low environmental Aspect and Impact).
10. Instead of Air conditioners introduced common AHU (Air Handling units) system implemented.
11. In Faridabad 2&3 Diesel Gensets upgraded to PNG for Low environmental Aspect and Impact.
12. We have Upgraded 120 KLD Common STP and it's in operation.
13. The following safety measures are taken care of to ensure the safety
    A. Safety Walk through
    B. Safety Inspection
    C. Behavioural Observation
    D. Incident Investigation and analysis
    E. HIRA (Hazard Identification and Risk Assessment)
    F. Internal Audit
    G. Compliance on Statutory Requirements
    H. 5S monitoring
    I. Motivating employees to participate in various continual improvement activities,
    J. kaizen competition, Quiz competitions, Internal Sports competitions, Safety
    K. committee meetings for employee engagement.
14. Poka yoke methods to prevent incidents in the machine
15. Emergency escape route plan updated and fixed in all the plants
16. New Fire hydrant system installation work is under and progress.
17. Periodic mock drills and training are conducted as per the requirement.
18. PPE's are provided to all hazardous work and regular monitoring is done to achieve the compliance of zero accident.
19. Hygiene monitoring is being conducted monthly/quarterly basis for Noise level, Lux level, Air monitoring - (O_2, CH_4, H_2S, CO) & (CO_2, Temperature, Humidity) and fire extinguishers are being checked in all units.
20. Cold work, Hot work, Elevated work, Excavation work, Confined space entry work permits and LOTO system are introduced to all types of Non-routine activities to ensure ZERO accident.
21. All unsafe Act & Conditions monitored and CAPA closed as per the time line.

13. Number of Complaints on the Working Conditions and Health & Safety made by employees and workers:

    Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or Statutory Authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

    The Company has been making continual improvement activities based on the risk value.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   The Company has provided compensation of 18 months salary, Educational fees of ₹25,000/- per year for 2 children upto Higher Secondary education, Family Health insurance for 3 years only to the employees family who were passed away on need basis.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   The Company is making a due diligence check on periodical basis which includes ensuring compliance for various applicable laws of value chain partners and defaults in Statutory dues if any.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2023-24	2022-23	2023-24	2022-23
Employees	NIL	1	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% Supplier Evaluation
Working Conditions	100% Supplier Evaluation

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   Not Applicable.

PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicator

1. Describe the processes for identifying key stakeholder groups of the entity

   The Company has identified all the individuals, organisations and Institutions who are associated with the Company as its Stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers, Service Providers	Email, Meetings, Phone calls, Websites	Regularly	Business/Project related
Customers	Email, Meetings, Websites, Phone calls, Social Media	Regularly	Business/Project related
Investors	Quarterly publication of results, Newspaper advertisements, Email, Website, Analysts/ Investor Calls, Annual General Meetings, Stock Exchange intimations.	Annually/Half yearly/ Quarterly/ Event basis	Compliance, Governance practices
Creditors	Emails, Phone Calls, Meetings	Annually/Half yearly/ Quarterly/ Event basis	Banking facilities
Employees	Email, Phone calls, SMS, Meetings, Notice Board, ERP system.	Regularly	Day to day activities / Conduct of business
Regulatory Bodies	Emails, Meetings, Submission forms / returns / intimations/ letters etc.	Annually/Half yearly/ Quarterly/ Event basis	In relation to Compliances with applicable laws
Auditors	Emails, Meetings, Phone Calls	Annually/Half yearly/ Quarterly/ Event basis	Audit purposes
Local Community	Newspaper advertisements/ Physical Meetings / Reviews/ Assessments	Event basis	CSR Programmes and other initiatives

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   Consultation with the Stakeholders are being submitted by the internal team to the Board of Directors and the Board is made aware of all the initiatives, targets and projects on ESG.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   The Company believes that the consultation from Stakeholders and implementation of the same will be carried out and continuous improvement of the policies will be made accordingly.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   Nil

PRINCIPLE 5 - Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No of employees /workers covered (B)	% (B / A)	Total (C)	No of employees / workers Covered (D)	% (D / C)
Employees						
Permanent	799	799	100%	765	765	100%
Other than permanent	21	21	100%	28	28	100%
Total Employees	**820**	**820**	**100%**	**796**	**796**	**100%**
Workers						
Permanent	1,701	799	100%	1,389	1,389	100%
Other than permanent	208	21	100%	459	459	100%
Total Workers	**1,909**	**820**	**100%**	**1,848**	**1,848**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	769			769	100%	742			742	100%
Female	30			30	100%	23			23	100%
Other than Permanent		-					-			
Male	19			19	100%	27			27	100%
Female	2			2	100%	1			1	100%
Workers										
Permanent										
Male	1,701			1,701	100%	1,389			1,389	100%
Female	-			-	-	-			-	-
Other than Permanent		-					-			
Male	207			207	100%	459			459	100%
Female	1			1	100%	-			-	-

3. Details of remuneration/salary/wages, in the following format:

(₹ in Lakhs)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Director (BoD)	2	15	2	15
Key Managerial Personnel	5	113	-	N.A.
Employees other Than BoD and KMP	663	9	17	6
Workers	1,310	6	-	N.A.

Note: Considered only employees who were employed during the entire financial year

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Complaints Committee is constituted. The Board of Directors will periodically review the grievances received, pending and resolved during the quarter/year and the Employees are conveyed about the internal mechanisms in place to address human rights issues at the time of Induction training program.

6. Number of Complaints made by employees and workers on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other human rights related issues.

   Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   An appropriate complaint mechanism in the form of "Complaints Committee" has been created in the Company for time-bound redressal of the complaint made by the victim.

8. Do human rights requirements form part of your business agreements and contracts?

   Yes

9. Assessments for the year

	% of your plants and offices that were assessed (by entity or Statutory Authorities or third parties)
Child labour	100 %
Forced/involuntary labour	100 %
Sexual harassment	100 %
Discrimination at workplace	100 %
Wages	100 %
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

    No significant risks / concerns arose.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   No

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   Nil

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Not Applicable.

PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total electricity consumption (A)	42,55,85,570.7 MJ	343,435,834.8 MJ
Total fuel consumption (B)	1,03,39,377.3 MJ	12,279,099.6 MJ
Energy consumption through other sources (C)	11,97,96,399.7 MJ	109,686,776.4 MJ
Total energy consumption (A+B+C)	55,57,21,347.7 MJ	465,401,710.8 MJ
Energy intensity per rupee of Turnover *(Total energy consumption/ turnover in rupees)*	17.32 MJ per thousand turnover	15.62 MJ per thousand turnover

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	41,686	84,170
(iii) Third party water	1,44,018.33	1,28,002
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,85,704.33	2,12,172
Total volume of water consumption (in kilolitres)	1,85,550.33	2,12,022
Water intensity Wper rupee of turnover (Water consumed / turnover)	0.57 Kilo Litre per Lakh turnover	0.71 Kilo Litre per Lakh turnover

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   The Company has Effluent treatment plants (ETP) of 75 KLD Capacity to purify waste water for its reuse.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	μg/m³	22.83	14.7
SOx	μg/m³	17.12	7.6
Particulate matter (PM)	μg/m³	55.55	12.6
Persistent organic pollutants (POP)	μg/m³	<0.1	<0.1
Volatile organic compounds (VOC)	μg/m³	Not Detected	Not Detected
Hazardous air pollutants (HAP)	Nil	Nil	Nil
Others – please specify	Nil	Nil	

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

   No such requirement from Govt bodies.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

   The Company initiated to convert from using diesel to natural gas generator sets at Faridabad unit 2 and 3.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-2024	FY 2022-2023
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	6.85 metric tonnes	4.978 metric tonnes
E-waste **(B)**	1.25 metric tonnes	1.63 metric tonnes
Bio-medical waste **(C)**	NA	NA
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	Recycled	Recycled
Radioactive waste **(F)**	NA	NA
Other Hazardous waste. Please specify, if any. **(G)**	Used oil, Oil soaked cotton waste, Paint sludge, Phosphate sludge, Grinding sludge & ETP Sludge	Used oil, Oil soaked cotton waste, Paint sludge, Phosphate sludge, Grinding sludge & ETP Sludge
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Metal burr (Cast iron + Aluminium scrap)	Metal burr (Cast iron + Aluminium scrap)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	ETP & STP	ETP & STP
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	Used oil soaked cotton waste & gloves, ETP Sludge, Paint sludge, Phosphate sludge, Grinding slude	Used Cotton, ETP Paint, Phosphate, Oil waste, Waste sludge
(i) Pre processing and Co processing in Cement Kilns	24.42 metric tonnes	6.954 metric tonnes 2.978 metric tonnes
(ii) Other disposal operations	Recycling	Recycling

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Operational Control Procedures (OCPs) are available for each type of waste categories

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

    Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

    Not applicable (The Company's units are not located in Eco-logically sensitive areas)

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

    The Company has complied with all the applicable environmental law/ regulations/ guidelines in India.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	11,97,96,399.7 MJ	109,686,776.4 MJ
Total energy consumed from renewable sources (A+B+C)	11,97,96,399.7 MJ	109,686,776.4 MJ
Total electricity consumption (D)	42,55,85,570.7 MJ	343,435,834.8 MJ
Total fuel consumption (E)	1,03,39,377.3 MJ	12,279,099.6 MJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	43,59,24,948 MJ	355,714,934.4 MJ

2. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	
- With treatment – please specify level of treatment		
(ii) To Groundwater	41,686	84,170
- No treatment	24,717	63,128
- With treatment – please specify level of treatment	50,193	21,042
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) in to third-party Water		
- No treatment		-
- With treatment – please specify level of treatment	ETP, STP & CRS	ETP
(v) Others		
- No treatment		
- With treatment – please specify level of treatment	-	
Total water discharged (in kilolitres)		

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area: LPDC, HPDC, Heat Treatment & Induction Hardening

   (ii) Nature of operations: Cooling Tower

   (iii) Water withdrawal, consumption and discharge in the following table: Please refer table in Essential Indicators

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

   No such requirements

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

   The Company has taken initiatives like OCP, EMP, Tree Plantation and Protection of Water reservoir. Please refer the Company website for further details.

7. Does the entity have a business continuity and disaster management plan?

   Emergency Response plan

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   Nil

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   Nil

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   18

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

The following are the list of trade and industry chambers/ associations in which the entity is a member:

Sl. No..	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Indo-German Chamber of Commerce	India & German
2.	The Institute of Indian Foundrymen	National
3.	Indian Management Association	
4.	Indian Machine Tool Manufacturing Association	
5.	Confederation of Indian Industry	
6.	National Safety Council of India	
7.	Aluminium Caster Association of India	
8.	Tool and Gauge Manufacturers Association (Tagma)	
9.	GDC Tech	
10.	Indian Machine Tool Manufacturer Association -IMTMA	
11.	Material Recycling Association of India	
12.	Indian Pharma Machinery Manufacturers' Association	
13.	The Southern India Engineering Manufactures Association (SIEMA)	South India
14.	The Coimbatore Productivity Council	State
15.	Industrial Waste management Association	
16.	Tamilnadu Waste Management Association	
17.	Co-India	Coimbatore
18.	Coimbatore Corporate Connections	

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

   Not Applicable. The Company has not received any adverse orders from regulatory authorities.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

   The Company through the Industry Associations and Chambers of Commerce at National, State and Local levels works to advocate and pursue various causes that are in the larger interests of industry, economy, society and the public.

Principle 8 - Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

   The Company has not undertaken Social Impact Assessments. Necessity for Environment impact assessment did not arise.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

   Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

   The Company has internal grievance redressal mechanism in place to address the grievance raised by the stakeholders. The Board reviews the status of the grievance raised, pending, disposed during every quarter.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	3%	3%
Sourced directly from within the district and neighbouring districts	The Company has its plants at various districts. Materials are sourced from within the district and neighbouring districts for the concerned plants to the extent possible.	

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the social Impact Assessments (Reference: Question 1 of Essential Indicators above):

   Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

   The Company has spent an amount of Rs 496.22 Lakhs during FY 2023-24 towards CSR Projects identified at the local areas of the location of Company's plants/units.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

   No

   (b) From which marginalized /vulnerable groups do you procure?

   Not Applicable

   (c) What percentage of total procurement (by value) does it constitute?

   Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

   Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

   Not Applicable

6. Details of beneficiaries of CSR Projects

Sl. No..	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Amount spent on laying paver blocks and painting at Govt. Hr.Sec. School, Arasur, Coimbatore	1200 Approx	Beneficiaries of the CSR Projects also includes vulnerable and marginalized groups
2	Promoting Road safety and monitoring	Mooperipalayam & surrounding area people	
3	Promoting Road safety education / awareness and promoting preventive helath care to Govt. and Corporation schools	In thousands	
4	Fixing up of hand wash basin facilities at Govt Schools under Preventive Health Care, Coimbatore	5534 Students	
5	Renovation of school building at Govt. High school, Chellappampalayam, Coimbatore	500 students	

Sl. No..	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
6	Fixing up of water tank, construction of septic tank, painting and other civil works, electrical work and distribution of Uniform, shoes and socks etc., at Government Tribal Residential Primary School, Mannar, Coimbatore	50 Students per year	Beneficiaries of the CSR Projects also includes vulnerable and marginalized groups
7	Plantation of trees, fencing, drip irrigation under environmental sustainability, Pothiyampalayam, Coimbatore	Pothiyampalayam & nearby Village people	
8	Fixing up of incinerator at Kaniyur, Coimbatore	Kaniyur Village Panchayat people	
9	Construction of Sports facilities at Pollachi, Coimbatore	School Students & near by village people	
10	Distribution of Note Books and etc., at Govt. Middle School, Mambakkam, Sriperumbudur	124 Students	
11	Levelling of football ground, construction of football goal post, drinking water facility, Canopy and sitting arrangements at Srirampur Village, Saraikela Kharsawan, Jamshedpur	Sriram & nearby Village people	
12	Installation of 5000 liters water tanker at Dugdha, Saraikela Kharsawan, Jamshedpur	Dugdha Panchayat Village people	
13	Construction of community hall at Ranjivanpur Village, Dudgha, Saraikela Kharsawan, Jamshedpur	Ramjivanpur Panchayat Village people	
14	Digital board at Middle school Hariharpur, Saraikela Kharsawan, Jamshedpur	168 Students	
15	Construction of compound wall with concrete slab & gate at Uttkramik Madhya Vidyalaya, Gamharia Block I, Saraikela Kharsawan, Jamshedpur	178 Students	
16	Eye check-up / eye surgery / spectacles for needy people, preventive medical assistance	108 persons	
17	Construction of class room at Panchayat Union Middle School, Kothavadi, Coimbatore	44 students	
18	Sponsored to Participate in Asian Masters Athletics Championship 2023	1	
19	Contributed grocery items to people of Chennai & South Tamil Nadu districts during flood	Needy people	
20	Amount allotted for laying road at Kothavadi village	Village people in and around Kothavadi	

PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company is receiving complaints through mail, phone calls and for some customers through customer portals. Our customer representative person will analyze the complaints and respond to the customer with appropriate corrective actions.

   Customer Monitoring Tracking System is available and Customer can make service complaints through the customer

monitoring tracking system. The Company is continuously surveiling the complaints and take appropriate action within the target time internally fixed by the Company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

   Packing materials contains information about Environmental and social parameters. Industrial & Engineering products such as SPM, Storage products and material handling products carry information about the Safe and responsible usage. Details on Recycling and safe disposal is mentioned in the product manual and recycling symbols are also displayed in the products.

3. Number of consumer complaints in respect of Data privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive Trade Practices, unfair Trade Practices and other.

   Nil

4. Details of instances of product recalls on account of safety issues.

   Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?

   Yes. Web-link: https://www.craftsmanautomation.com/investors/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   https://www.craftsmanautomation.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Product Manual consists of safety and usage procedures about products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Service complaints are communicated through mail.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. After the installation of the every product, customer feedback form and customer satisfactory survey form are received for understanding the customers satisfaction. For low scores, the Company has taken action on priority basis.

   The Company's plants are strategically located near the key customers for their satisfaction.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact: Nil

   b. Percentage of data breaches involving personally identifiable information of customers: Nil

ANNEXURE - 9

CEO AND CFO CERTIFICATION

[As per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Board of Directors,
Craftsman Automation Limited.

In compliance with Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that,

(a) We have reviewed financial statements and the cash flow statement for the quarter and year ended 31st March, 2024 and that to the best of their knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the quarter and year ended 31st March, 2024 which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have not observed any deficiencies in the design or operation of such internal controls.

(d) We have indicated to the Auditors and the Audit committee that there are:

   i. No significant changes in internal control over financial reporting during the quarter and year ended 31st March, 2024;

   ii. No significant changes in accounting policies during the quarter and year ended 31st March, 2024; and

   iii. No instances of significant fraud where the involvement of the management or an employee having a significant role in the company's internal control system over financial reporting have been observed.

Coimbatore	**Srinivasan Ravi**	**C B Chandrasekar**
27th April, 2024	Chairman and Managing Director	Chief Financial Officer

ANNEXURE - 10

Declaration by the MANAGING DIRECTOR / CEO under the SECURITIES AND EXCHANGE BOARD OF INDIA (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the compliance with the Code of Conduct

In accordance with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended 31st March, 2024.

(By Order of the Board)
for CRAFTSMAN AUTOMATION LIMITED

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
27th April, 2024

Independent Auditors' Report

To the members of Craftsman Automation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Craftsman Automation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("Standards" or "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key audit matter description and principal audit procedures
1	**Accounting for derivative contracts** Refer Notes E-e, 1.7, 1.15, 1.21, 1.27 and 3.4 in standalone financial statements A significant source of the Company's funds is borrowings, denominated in Indian rupee and foreign currency with a combination of fixed and floating interest rates. The Company's cost of borrowings will be impacted by fluctuations in foreign exchange rates and movements in interest rates. The Company's mitigation plan for risk of foreign currency fluctuation and interest rate fluctuation includes using derivative instruments as per its risk management policy. These hedges taken using derivative instruments are designated as either cashflow or fair value hedge. Estimating future cash flows is a significant factor in determining the mark to market gain or loss, accounting of such forward contracts and in the determination of its fair value. Significant judgement is applied in making these estimates by the management of the Company for which an expert is used. As at March 31, 2024, the carrying value of the Company's derivatives included derivative assets amounting to ₹943 Lakhs and derivative liabilities of ₹259 Lakhs.

S. No	Key audit matter description and principal audit procedures
	Accounting for derivative contracts is considered as a key audit matter because of the significant judgement and estimates used in the fair valuation and the complex compliance framework for determining the accounting & disclosure of these transactions in accordance with Ind AS 109 'Financial Instruments' – Accounting (including recognition and derecognition of financial assets or liabilities). These classes of transactions are material with respect to the standalone financial statements. Our procedures related to audit of accounting for derivative contracts include the following: • understanding and evaluating the design, implementation and operating effectiveness of internal controls over the completeness, existence and valuation of derivative instruments and management's documentation of the hedge effectiveness, accounting of derivative and hedging transactions; • examining the derivative contracts; • testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including: - understanding the risk management objectives and strategies for different types of hedge instruments; - evaluating that the relationship between the underlying liability and the hedge instrument; - using an expert for checking the valuation and reviewing the hedge effectiveness test carried out by management as per Ind AS 109, including the economic relationship between the hedged item and the hedging instrument; • evaluating competence and capabilities of the auditor's expert and ensuring independence; • involving the auditor's expert for testing the appropriateness of hedge accounting to qualified hedge relationships i.e., cash flow or fair value hedges; • testing on sample basis the valuation of derivative instruments by management expert; • for selected samples, checking the confirmations from counterparties to the derivative contracts for the valuation as at the year-end; • checking the presentation and disclosures in the financial statements for compliance with Ind AS 109.
2	**Accounting for Property, Plant and Equipment** Refer Notes E-a, E-c, F-a, 1.1, 1.2, 1.3 and 2.6 in standalone financial statements Property, plant and equipment including capital work in progress ('PPE') represents 48% of the Company's total assets. The capitalisation of PPE includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable costs of bringing the asset to working condition for its intended use (inclusive of non-refundable purchase taxes and duties). Depreciation is generally charged as per Schedule II to Companies Act, 2013. In respect of certain classes of PPE, the useful life has been ascertained based on technical review by a Chartered Engineer and assessment by the management of the Company. The Company carries out physical verification of PPE on an annual basis as per their physical verification policy. The Company uses estimates and assumptions to determine the useful life of assets, residual value, assess impairment loss (if any). The useful life of property, plant and equipment is determined by the technical team of the Company's management taking into consideration the industry practice, the application and usage factors and past historical trend. The residual value at the end of the useful life of property, plant and equipment is estimated in determining the depreciable value of the asset. Impairment assessment of property, plant and equipment involves identification of Cash Generating Unit ('CGU') and estimating future cash flows arising of out of such CGUs. Due to the material value of PPE to total assets and estimates/judgements involved in their valuation, the audit of accounting of Property, Plant and Equipment has been considered as a Key Audit Matter in the audit of the standalone financial statements Our procedures relating to audit of accounting for Property, Plant and Equipment includes the following: • evaluating of design and implementation of controls and testing the operating effectiveness of the internal controls over: - measurement of initial recognition costs including costs of self-constructed PPE; - valuation of PPE and review of useful lives including depreciation rates applied; - periodic physical verification of property, plant and equipment by the management;

S. No	Key audit matter description and principal audit procedures
	• testing on sample basis the value of self-constructed assets with underlying documentation to assess compliance with applicable accounting standards; • wherever the useful life of a PPE considered is different from the useful life indicated in the Act, obtain confirmation from management's technical team for the useful life for the same; • reviewing the residual value of PPE considered by the management for consistency and appropriateness; • understanding the basis behind identification of Cash Generating Units by the management and review the future cash flow projections for the same; • checking the computation and correctness of the discounting factor applied for arriving at value in use and impairment thereof, if any; • checking the reasonableness of the assumptions made by the management in identifying CGUs, assessing the future cash flows, discount factor and impairment loss; • physically inspecting a sample of assets at the main units of the Company during the year to ensure existence of PPE; • reviewing the physical verification reports of the management and the treatment of discrepancies in the books of accounts / Fixed Asset Register, wherever applicable.

Information other than the standalone financial statements and Auditor's Report thereon

The Board of Directors of the Company is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Annexures to Board's Report including the report on Corporate Governance, but does not include the standalone financial statements and our report thereon.

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

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

Responsibilities of management and Those Charged with Governance for the standalone financial statements

The Board of Directors of the Company is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 Ind AS and other accounting principles generally accepted in India. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- identify and assess the risks of material misstatement of the standalone 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 over financial reporting and the operating effectiveness of such controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 section 143(11) of the Act, we give in Annexure 'A' to this report, a statement on the matters specified in para 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

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

(b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed 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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act;

(f) with respect to the adequacy of internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) with respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. the Company, as detailed in Note 3.6 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

iv.(a) the management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) the management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The amount of dividend is in accordance with Section 123 of the Act.

(a) 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 Companies Act 2013 to the extent it applies to payment of dividend.

(b) As stated in Note 1.18 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

vi Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRMK4320

Place: Coimbatore
Date: April 27, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Craftsman Automation Limited ("the Company") of even date, we report the following:

(i) (a) (A) the Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and relevant details of Right-of-Use Assets;

(B) the Company has maintained proper records showing full particulars of intangible assets;

(b) the Company has a regular programme of physical verification of its property, plant and equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with this programme, certain property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification;

(c) according to the information and explanations given to us and the records examined by us, we report that, the title deeds of all the immovable properties of land and buildings which are freehold and included under the head 'Property, plant and equipment' are held in the name of the Company;

(d) the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;

(e) no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

(ii) (a) in our opinion, the management of the Company has conducted physical verification of inventories at reasonable intervals during the year and the coverage and procedures of such verification by the management is appropriate. The discrepancies noticed on such verification were not material and these have been properly dealt with in the books of account;

(b) the Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company;

(iii) based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has made investments in companies during the year. Accordingly, paragraph 3(iii)(a),(c),(d),(e) and (f) of the Order is not applicable to the Company;

With respect to paragraph 3(iii)(b) of the Order, in our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest;

(iv) according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments made;

(v) according to the information and explanations given to us, the Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at March 31, 2024 and hence the provisions of the paragraph 3(v) of the Order is not applicable to the Company;

(vi) the Central Government has specified maintenance of cost records under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;

(vii) (a) according to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to the Company during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess or other material statutory dues outstanding as at March 31, 2024 for a period of more than six months from the date they became payable

(b) according to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, service tax, goods and services tax as at March 31, 2024 which have not been deposited with statutory authorities on account of a dispute pending are as under:

Name of the statute	Nature of dues	Amount involved in dispute (₹ in Lakhs)	Unpaid disputed amount (₹ in Lakhs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994 (Service Tax)	Service Tax	67.17	60.47	April 2016 to June 2017	Customs Excise and Service Tax Appellate Tribunal
Goods and Services Tax Act, 2017	Tax	15.96	15.96	July 2017 to July 2018	Commissioner of Central Excise & GST, Appeals, Coimbatore
Income Tax Act, 1961	Tax, Interest & penalty	104.16	8.84	Assessment Year (AY) 2008-09	High Court
Income Tax Act, 1961	Tax, Interest & penalty	226.30	181.04	Assessment Year (AY) 2020-21	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax, Interest & penalty	273.94	273.94	Assessment Year (AY) 2013-14	Principal Commissioner of Income Tax (Revision)
Income Tax Act, 1961	Tax, Interest & penalty	228.80	228.20	Assessment Year (AY) 2014-15	Principal Commissioner of Income Tax (Revision)
Income Tax Act, 1961	Tax, Interest & penalty	162.43	129.94	Assessment Year (AY) 2021-22	Commissioner of Income Tax (Appeals)

There are no dues in respect of sales tax / value added tax, duty of excise, duty of customs as at March 31, 2024 which have not been deposited with the statutory authorities on account of a dispute;

(viii) based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company;

(ix) (a) according to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or bank during the year. The Company did not have any loans or borrowing from government or dues to debenture holders during the year;

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

(c) according to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;

(d) on an overall examination of the standalone financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company;

(e) on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries;

(f) on an overall examination of the standalone financial statements of the Company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

(x) (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

(xi) (a) to the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year;

(b) no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) according to the information and explanation given to us, no whistle blower complaints were received by the Company during the year;

(xii) the Company is not a Nidhi Company. Accordingly, reporting on paragraph 3(xii) of the Order is not applicable to the Company;

(xiii) in our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties undertaken during the year and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards;

(xiv) (a) in our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business;

(b) we have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;

(xv) according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year and hence provisions of section 192 of the Act is not applicable to the Company;

(xvi) (a) in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(b) in our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

(xvii) the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;

(xviii) there has been no resignation of the statutory auditors of the Company during the year;

(xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable;

(b) there are no unspent amounts towards Corporate Social Responsibility (CSR) pursuant to any ongoing project, and hence transferring unspent amount to a special account in compliance with provisions of sub-section 6 of Section 135 of the Act is not applicable to Company. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable

(xxi) there have been no qualifications or adverse remarks by the auditors in the Companies (Auditor's Report) Order (CARO) report of the companies included in the consolidated financial statements.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRMK4320

Place: Coimbatore
Date: April 27, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Craftsman Automation Limited of even date)

Independent Auditors' Report on the Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Craftsman Automation Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRMK4320

Place: Coimbatore
Date: April 27, 2024

Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	1.1	184,235	153,171
Capital Work in progress	1.2	16,452	8,164
Intangible assets	1.3	429	313
Right-of-use Asset	1.4	23,799	9,075
Financial assets			
Investments	1.5	40,319	40,297
Security Deposits	1.6	4,488	3,068
Other Financial assets	1.7	84	138
Current tax assets (Net)	1.8	496	-
Other non-current assets	1.9	11,410	5,860
		281,712	**220,086**
Current assets			
Inventories	1.10	83,886	66,064
Financial assets			
Trade receivables	1.11	40,450	36,871
Cash and cash equivalents	1.12	2,411	1,489
Other bank balances	1.13	1,951	1,997
Security Deposits	1.14	97	30
Other Financial assets	1.15	957	846
Other Current assets	1.16	6,443	5,563
		136,195	**112,860**
Total Assets		**417,907**	**332,946**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	1.17	1,056	1,056
Other Equity	1.18	153,542	136,082
		154,598	**137,138**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	1.19	101,856	77,810
Lease Liabilities	1.20	16,395	7,435
Other Non-Current Financial Liabilities	1.21	211	377
Provisions	1.22	23	16
Deferred tax liabilities (Net)	1.23	12,004	12,289
		130,489	**97,927**
Current liabilities			
Financial Liabilities			
Borrowings	1.24	38,447	21,404
Lease Liabilities	1.25	4,340	1,201
Trade payables			
(a) total outstanding dues of micro enterprises & small enterprises	1.26	519	1,070
(b) total outstanding dues of creditors other than micro enterprises & small enterprises		66,226	55,501
Other current Financial Liabilities	1.27	13,493	7,205
Current tax liabilities (Net)	1.28	349	3,156
Other current liabilities	1.29	8,584	7,760
Provisions	1.30	862	584
		132,820	**97,881**
Total Equity and Liabilities		**417,907**	**332,946**

The accompanying notes form an integral part of the standalone financial statements

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

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue From Operations	2.1	320,779	298,024
Other Income	2.2	1,461	1,209
Total Income (A)		**322,240**	**299,233**
EXPENSES			
Cost of materials consumed	2.3	170,115	151,734
Changes in inventories of finished goods and work-in-progress	2.4	(10,611)	(3,029)
Employee benefits expense	2.5	24,876	22,698
Depreciation, amortization and impairment expense	2.6	23,605	21,497
Other expenses	2.7	72,243	60,697
Finance costs	2.8	15,462	11,691
Total expenses (B)		**295,690**	**265,288**
Profit before tax (C = A-B)		**26,550**	**33,945**
Tax expense:			
(1) Current Tax	3.1	7,102	11,964
(2) Deferred tax		(311)	(1,795)
		6,791	**10,169**
Profit for the year (D)		**19,759**	**23,776**
Other Comprehensive Income ('OCI')			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(216)	(19)
(ii) Income tax relating to items that will not be reclassified to profit or loss		54	5
B (i) Items that will be reclassified to profit or loss			
- The effective portion of gains or loss on hedging instruments in a cash flow hedge		320	2
(ii) Income tax relating to items that will be reclassified to profit or loss		(80)	(53)
Other Comprehensive Income for the year, net of tax (E)		**78**	**(65)**
Total Comprehensive Income for the year (Comprising Profit for the year and Other Comprehensive Income for the year) (D+E)		**19,837**	**23,711**
Earnings per equity share Basic & Diluted (Face value of ₹5/-)	3.3	93.52	112.53

The accompanying notes form an integral part of the standalone financial statements

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

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Statement of Cash Flow
for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Profit before taxation ('PBT')	**26,550**	**33,945**
Adjustments to reconcile PBT to net cash flows:		
Depreciation, amortization and impairment expense	23,605	21,497
Gain on sale of assets	(57)	(41)
Exchange difference on transaction/translation (loss/(gain))	(832)	998
Provision for :		
Doubtful debts	(94)	5
Warranty & Rejection	38	73
Slow moving inventory	393	188
Interest income (including fair value changes in financial instruments)	(294)	(708)
Government grant income	(3,120)	(1,783)
Assets no longer receivable written off	-	73
Interest expense (including fair value changes in financial instruments)	15,349	10,293
Operating cash flow before changes in working capital	**61,538**	**64,540**
Adjustments for:		
Increase/ (Decrease) in provisions	31	36
Increase/ (Decrease) in other financial liabilities	41	805
Increase/ (Decrease) in other current liabilities	824	644
Increase/ (Decrease) in Trade Payables and other Payables	10,176	10,034
(Increase)/ Decrease in other financial assets	(1,498)	(920)
(Increase)/ Decrease in other current assets	(300)	(96)
(Increase)/ Decrease in trade and other receivables	(2,540)	(7,134)
(Increase)/ Decrease in inventories	(18,215)	(4,188)
Cash generated from operations	**50,057**	**63,721**
Income taxes paid	(10,405)	(7,139)
Net cash from operating activities - A	**39,652**	**56,582**
Cash flows from investing activities		
Purchase of property, plant and equipment	(57,382)	(34,122)
Purchase of Intangible Assets	(195)	(57)
Proceeds from sale of equipment	90	566
Purchase of investment in Equity Shares	(22)	(37,480)
Interest received	228	628
Net cash used in investing activities - B	**(57,281)**	**(70,465)**

Statement of Cash Flow (Contd.)
for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from financing activities		
Proceeds from long-term borrowings	46,192	57,631
Repayment of long term borrowings	(20,047)	(24,802)
Net proceeds from / (repayments of) short-term borrowings	14,955	(6,942)
Principal payments towards lease liability	(4,984)	(2,052)
Interest paid (incl. interest on lease liability)	(15,188)	(9,936)
Dividend Paid	(2,377)	(793)
Net cash from/ (used in) financing activities- C	**18,551**	**13,106**
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	922	(777)
Cash and cash equivalents at beginning of year	1,489	2,266
Cash and cash equivalents at end of year	**2,411**	**1,489**

Notes:

1. **Reconciliation of Cash & Cash equivalents as per Cash Flow Statement**

(₹ in Lakhs)

Cash & cash equivalents consists of:	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents (note : 1.12)	2,411	1,489
Total	**2,411**	**1,489**

2. **Refer to note: 1.19 for Net Debt Reconciliation**

The accompanying notes form an integral part of the standalone financial statements

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

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895
Place : Coimbatore
April 27, 2024

C. B. Chandrasekar
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

(₹ in Lakhs)

a. Equity Share Capital	Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
	1,056	-	1,056

(₹ in Lakhs)

b. Other Equity	Reserves and Surplus			Other Reserves		Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	
Balance as at April 1, 2022	**28,123**	**9,662**	**76,142**	**(321)**	**(442)**	**113,164**
Profit for the year	-	-	23,776	-	-	23,776
Other Comprehensive Income	-	-	-	-	(51)	(51)
- Defined Benefit Plan	-	-	(14)	-	-	(14)
Total Comprehensive Income for the year	**-**	**-**	**23,762**	**-**	**(51)**	**23,711**
Dividends	-	-	(793)	-	-	(793)
Balance as at March 31, 2023	**28,123**	**9,662**	**99,111**	**(321)**	**(493)**	**136,082**
Profit for the year	-	-	19,759	-	-	19,759
Other Comprehensive Income	-	-	-	-	240	240
- Defined Benefit Plan	-	-	(162)	-	-	(162)
Total Comprehensive Income for the period	**-**	**-**	**19,597**	**-**	**240**	**19,837**
Dividends	-	-	(2,377)	-	-	(2,377)
Balance as at March 31, 2024	28,123	9,662	116,331	(321)	(253)	153,542

The accompanying notes form an integral part of the standalone financial statements

This is the Statement of Changes in Equity referred to in our report of even date

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Notes to Standalone Financial Statements

for the year ended March 31, 2024

A. CORPORATE INFORMATION

Craftsman Automation Limited (the Company) was incorporated under the Companies Act, 1956 on July 18, 1986. The Company became a public limited Company from May 4, 2018. The Company is engaged in the business of manufacturing engineering components, sub-assemblies, products and rendering of contract manufacturing services to various industries.

B. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under the Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015. The presentation of the financial statements is based on the requirements of the Companies Act, 2013.

C. RECENT ACCOUNTING DEVELOPMENTS:

The following Indian Accounting Standards have been modified on miscellaneous issues with effect from April 1, 2023. Such changes include clarification/ guidance on:

(i) Ind AS 101 – First time adoption of Ind AS – Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with right-of-use assets, lease liabilities, decommissioning / restoration / similar liabilities.

(ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

(iii) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(iv) Ind AS 8 – Accounting policies, changes in accounting estimate and errors – Clarification on what constitutes an accounting estimate provided.

(v) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

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

D. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are presented in Indian Rupees which is the functional currency and presentation currency of the Company and all values are rounded to the nearest Lakhs, except where otherwise indicated.

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

a) Certain financial assets and liability measured at fair value (refer note. 3.4(d))

b) Derivative financial instruments

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation

E. MATERIAL ACCOUNTING POLICIES

S. No	Material Accounting Policies	E.	Reference In Balance Sheet & Profit And Loss Notes
1	Property Plant and Equipment	a.	1.1
2	Inventory	b.	1.10
3	Impairment of assets	c.	1.1, 1.2,1.3, 1.5 & 2.6
4	Revenue recognition	d.	2.1
5	Financial Instruments	e.	1.7,1.15,1.21, 1.27,3.4
6	Segment reporting	f.	3.11

a. Property Plant and Equipment

All property, plant and equipment except land is recognised at historical cost less depreciation. Freehold land is carried at historical cost.

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. If Company makes similar assets for sale in the normal course of business, the cost of the asset is usually the same as the cost of constructing an asset for sale. Internal margins are eliminated in arriving at such costs. Similarly, the cost of abnormal amounts of wasted material, labour, or other resources incurred in self-constructing an asset are not included in the cost of the asset. Borrowing Costs are recognized as a component of the carrying amount of a self-constructed item of PPE if its meets the recognition criteria under Ind AS.

Depreciation on Plant Property and Equipment

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

In respect of certain classes of PPE, the Company uses different useful life other than those prescribed in Schedule II to the Act. The useful life of such class of PPE has been ascertained based on technical review by a Chartered Engineer and assessment by the management as detailed in the following table

Classes of PPE	Useful life and basis of depreciation
New Plant and Machinery	20 Years
Used Plant and Machinery	10 Years
Tool holder, jigs, fixtures, patterns, dies, moulds & instruments and gauges	5 Years
Lease hold improvements	Over lease period

b. Inventory

The cost of inventory items is determined by using weighted average cost formula.

Tools are valued at cost till they are issued for usage in production process. In respect of issued tools which can be refurbished, the Company depending upon its useful life amortizes on a straight line basis over its useful life. Useful life determined for certain classes of tools is two to three years. Tools which are not refurbishable are charged off to Statement of Profit and Loss upon issue for usage. The "tools in use" are carried at cost less accumulated amortization.

The Company regularly assesses whether there is any indication of a diminution in the value of inventories. Such indications may include, but are not limited to, evidence of obsolescence, damage, changes in market conditions, or significant declines in selling prices. This policy applies to all inventories held by the company, including raw materials, work in progress, and finished goods. If there is objective evidence of a diminution in the value of inventories, the carrying amount of the inventories is reduced to their net realizable value.

c. Impairment of assets

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

d. Revenue recognition

i. Sale of Goods & Rendering of Services

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

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed as at the reporting date.

ii. Other Operating revenues

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

e. Financial Instruments

i. Derivative financial instruments:

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

ii. Hedge accounting:

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk either as fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are also accounted for as cash flow hedges.

iii. Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

iv. Cash flow hedges

In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under Equity as 'cash flow hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in Statement of Profit and Loss, and is included in the "Other Income".

Amounts previously recognised in Other Comprehensive Income and accumulated in equity (relating to effective portion) are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same financial statement line item as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion

The cash flow hedges are allocated to the forecast transactions on gross exposure basis. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the Statement of Profit and Loss from that date.

f. Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of the reportable segments. The Company's reportable segments have been identified based on end consumption of the products sold or services rendered. The reportable segments are as follows:

Powertrain : This segment develops, manufactures, sells its goods and services of powertrain and related products to the manufacturers of commercial/ passenger vehicles, farm equipment, mining and construction equipment.

Aluminium Products : This segment develops, manufactures, sells its goods and services consisting of aluminium products to the manufacturers of two wheelers, passenger vehicles and commercial vehicles and products for power transmission and other industrial usage.

Industrial & Engineering : This segment develops, manufactures, sells its goods and services such as castings, gears, material handling equipment, special purpose machines, other general engineering products (together broadly termed as "High End Sub-assembly, Contract Manufacturing & Others") and storage products to various end user industries.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment and as well as those which can be allocated on a reasonable basis. Operating segments are reported in a manner consistent with the internal reporting to the CODM of the Company.

F. OTHER ACCOUNTING POLICIES

a. Property, Plant & Equipment

Recognition and Measurement

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

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

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

Foreign exchange gain /loss arising on foreign currency denominated borrowing which are not hedged that were incurred to acquire PPE are recorded as part of the cost of asset as per Ind AS 101 and depreciated over their remaining useful life. In respect of exchange gain or loss arising from foreign currency denominated borrowings which are hedged accounting has been done based on Hedge effectiveness either as derivative or cash flow hedge as per Ind AS 109.

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

The import duty waived on capital assets which are purchased under the Export Promotion Capital Goods ('EPCG') schemes and which are recognized are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

b. Intangible assets

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

An intangible asset with finite useful life that are acquired separately and where the useful life is 2 years or more is capitalised and carried at cost less accumulated amortization. Amortization is recognised on a straight line basis over the useful life of the asset. The class of asset and the estimated useful life is as follows

Description of the asset	Useful life and basis of amortization
Software – Acquired	5 Years
Technical Know - Acquired	2.5 years

Internally generated intangible assets

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

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

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Development Expenditure recognized as intangible assets are amortized over a period of 3 years.

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

c. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. The Company as a lessee:

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

ii. Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

d. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification of financial assets

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

After initial recognition:

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

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

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

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

i. Investments in equity instruments of subsidiaries and joint venture

The Company measures its investments in equity instruments of subsidiaries and joint venture at cost in accordance with Ind AS 27. The Company has elected to value its investments in subsidiaries and Joint venture at cost as per Ind AS and these are being tested for impairment at each reporting period.

ii. Investments in equity instruments other than subsidiaries and joint venture

The Company has valued the investments in equity instruments other than subsidiaries and joint venture at fair value through Other Comprehensive Income. Fair value of unquoted instrument has been valued at book value of that Company based on Level 2 input.

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

iii. Cash and cash equivalents:

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and net off bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

iv. Trade receivables

Trade receivables are initially recognised at transaction value. Subsequently, these assets are held at amortized cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to life time expected losses.

v. Impairment of financial assets:

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

vi. De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the assets' carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments:

vii. Classification as debt or equity

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

viii. Equity instruments

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

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

ix. Financial liabilities

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

x. De-recognition of financial liabilities

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

e. Inventories

The Company determines the cost for items that are not interchangeable or that have been segregated for specific contracts on an individual-item basis as per Ind AS 2, 'Inventories'.

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

Inventories are initially recognised at the lower of cost and net realizable value ('NRV'). Cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

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

The Company selects a reasonable basis for allocating overhead costs to inventory items. Common allocation bases include direct labor hours, machine hours, or direct material costs. Overheads refer to indirect costs incurred in the production process that cannot be directly traced to specific inventory items. These costs include, but are not limited to, factory overheads, utilities, depreciation of production equipment, and indirect labor costs. Overhead costs are allocated to inventory items using the above mentioned allocation basis.

f. Provisions

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

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

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

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

A contingent liability is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

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

Provision for Warranty

Provisions for expected cost of warranty obligations are recognised based on management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Provision for Rejection

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

g. Revenue recognition - Dividend and Interest Income

i. Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

ii. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

h. Government Grant

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

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

Import duty waivers for capital assets purchased under Export Promotion Capital Goods schemes are recorded as deferred revenue and recognised in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

i. Employee Benefits

i. Defined contribution plans

Provident fund (PF)

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

Employee State Insurance (ESI)

Payments to defined contribution plans i.e., Company's contribution employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

ii. Defined benefit plans

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

Where defined benefit plans are funded, the plan assets are measured at fair value. At each balance sheet date, the plan assets and the defined benefit obligations are remeasured. The Statement of Profit and Loss reflects the change in the surplus or deficit, except for contributions made to the plan and benefits paid by the plan, along with business combinations and remeasurement gains and losses.

Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognised in Other Comprehensive Income.

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

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

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

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

iii. Short-term employee benefits

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

iv. Compensated leave absences

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

j. Foreign Currency Transactions:

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

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- Exchange differences on translation or settlement of long term foreign currency monetary items in respect of loans borrowed, which are not hedged, before April 1, 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets, are adjusted to the cost of the assets and depreciated over remaining useful life of such assets. Where the borrowal is after April 1, 2016, such exchange difference is recognised in Statement of Profit and loss. In other cases, where it has been hedged the same has been restated and adjusted against cash flow hedge of the respective derivative instruments.
- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note E .e for hedging accounting policies).

k. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

i. Current Tax

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

ii. Deferred Tax

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

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

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

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

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

l. Statement of Cash Flows

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

(i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

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

G. Critical Accounting judgement and key sources of estimation uncertainty

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

i. Useful life of Property, Plant and Equipment and Intangible assets

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

ii. Tools in use

The assessment of useful life of tools in use has been done considering the historical experience and estimated refurbishment cycle and operating environment.

iii. Income Tax & Deferred Tax

The calculation of income taxes requires judgement in interpreting tax rules and regulations. Management judgement is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognised.

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

iv. Fair Value

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

v. Measurement of defined benefit obligations

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

vi. Measurement and likelihood of occurrence of provisions and contingencies

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

vii. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

1.1 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Asset Category	Freehold land	Building*	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Property, Plant & Equipment Total
Gross Block							
At April 1, 2022	**8,452**	**22,391**	**209,321**	**2,030**	**516**	**155**	**242,865**
Additions	407	2,043	24,824	376	25	57	27,732
Disposals	-	-	1,398	463	-	45	1,906
At March 31, 2023	**8,859**	**24,434**	**232,747**	**1,943**	**541**	**167**	**268,691**
Additions	2,076	6,934	41,679	1,482	26	25	52,222
Disposals	-	159	2,084	-	-	-	2,243
At March 31, 2024	**10,935**	**31,209**	**272,342**	**3,425**	**567**	**192**	**318,670**
Depreciation							
At April 1, 2022	-	**5,326**	**90,306**	**1,533**	**266**	**63**	**97,494**
Additions	-	812	18,330	209	44	12	19,407
Disposals	-	-	875	463	-	43	1,381
At March 31, 2023	-	**6,138**	**107,761**	**1,279**	**310**	**32**	**115,520**
Additions	-	960	19,812	295	40	18	21,125
Disposals	-	159	2,051	-	-	-	2,210
At March 31, 2024	-	**6,939**	**125,522**	**1,574**	**350**	**50**	**134,435**
At April 1, 2022	8,452	17,065	119,015	497	250	92	145,371
At March 31, 2023	8,859	18,296	124,986	664	231	135	153,171
At March 31, 2024	**10,935**	**24,270**	**146,820**	**1,851**	**217**	**142**	**184,235**

*Includes Written Down Value of improvements on leasehold buildings worth ₹737 Lakhs as on March 31, 2023 (WDV of ₹499 Lakhs as on March 31, 2023)

1.2 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Asset Category	Tangible - CWIP	Intangible - CWIP	Total Capital Work in Progress
Gross Block			
At April 1, 2022	**4,198**	-	**4,198**
Additions	8,111	-	8,111
Disposals	4,134	-	4,134
At March 31, 2023	**8,175**	-	**8,175**
Additions	16,452	-	16,452
Disposals	8,120	-	8,120
At March 31, 2024	**16,507**	-	**16,507**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

1.2 CAPITAL WORK IN PROGRESS (Contd.)

(₹ in Lakhs)

Asset Category	Tangible - CWIP	Intangible - CWIP	Total Capital Work in Progress
Depreciation	Impairment of CWIP		
At April 1, 2022	**-**	**-**	**-**
Additions	120	-	120
Disposals	109	-	109
At March 31, 2023	**11**	**-**	**11**
Additions	44	-	44
Disposals	-	-	-
At March 31, 2024	**55**	**-**	**55**
At April 1, 2022	**4,198**	**-**	**4,198**
At March 31, 2023	**8,164**	**-**	**8,164**
At March 31, 2024	**16,452**	**-**	**16,452**

1.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Asset Category	Computer Software	Product Development	Technical know-how	Intangible Assets Total
Gross Block				
At April 1, 2022	**2,129**	**636**	**430**	**3,195**
Additions	57	-	-	57
Disposals	5	-	-	5
At March 31, 2023	**2,181**	**636**	**430**	**3,247**
Additions	195	-	-	195
Disposals	-	-	-	-
At March 31, 2024	**2,376**	**636**	**430**	**3,442**
Depreciation				
At April 1, 2022	**1,704**	**636**	**430**	**2,770**
Additions	169	-	-	169
Disposals	5	-	-	5
At March 31, 2023	**1,868**	**636**	**430**	**2,934**
Additions	79	-	-	79
Disposals	-	-	-	-
At March 31, 2024	**1,947**	**636**	**430**	**3,013**
At April 1, 2022	**425**	**-**	**-**	**425**
At March 31, 2023	**313**	**-**	**-**	**313**
At March 31, 2024	**429**	**-**	**-**	**429**

Note:

1. Additions to PPE & CWIP include exchange loss aggregating to ₹NIL for the year 2023-24 (exchange loss of ₹39 Lakhs for the year 2022-23) capitalised under Plant & Machinery
2. Refer Note no. 3.7 for details of charge on PPE of the Company

Notes to Standalone Financial Statements
for the year ended March 31, 2024

(a) CWIP ageing schedule

As on March 31, 2024 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Lessthan 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	16,452	-	-	-	16,452
Projects temporarily suspended	-	-	-	-	-
	16,452	**-**	**-**	**-**	**16,452**

As on March 31, 2023 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Lessthan 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	8,107	57	-	-	8,164
Projects temporarily suspended	-	-	-	-	-
	8,107	**57**	**-**	**-**	**8,164**

(b) For CWIP whose completion is overdue or has exceeded its cost compared to its original plan

As on March 31, 2024 - Nil

As on March 31, 2023 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Lessthan 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Various machines	57	-	-	-	57
	57	**-**	**-**	**-**	**57**

1.4 RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening	9,075	8,583
Additions	17,088	2,293
Amortisation expense	(2,358)	(1,801)
Deletions	(6)	-
Closing	**23,799**	**9,075**

Refer note: F.c & 3.8a for detailed disclosures

Notes to Standalone Financial Statements
for the year ended March 31, 2024

FINANCIAL ASSETS
1.5 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Equity Share of Subsidiary Companies		
Craftsman Europe B.V. Netherlands		
(Wholly owned subsidiary of the Company)		
28,900 equity shares of Euro 100 each fully paid up - at cost ₹22,64,15,848	2,264	2,264
DR Axion India Private Limited		
(76% stake holding w.e.f 01 Feb 2023)		
8,57,65,631 equity shares of ₹10 each fully paid up - at cost ₹375,00,00,000	37,500	37,500
Investment in Equity Shares of Joint Venture		
Carlstahl Craftsman Enterprises Private Ltd (30% stake)		
600,000 equity shares of ₹10 each fully paid up	60	60
Investment in Equity instruments (at Fair Value through OCI)		
Unquoted		
iEnergy Wind Farm (Theni) Private Ltd		
5,975 equity shares of ₹10 each fully paid up	1	1
TAGMA Centre of Excellence and Training		
15 equity shares of ₹10 each fully paid up	5	5
Hurricane Windfarms Pvt Limited (26% stake)*	4	4
39,000 equity shares of ₹10 each fully paid up		
Sulur Maharaja Solar Green Project Private Limited	22	-
218,700 equity shares of ₹10 each fully paid up		
Other Investments at fair value		
Deemed Equity (Refer note 3.4b)	463	463
Craftsman Europe B.V. Netherlands		
Total	**40,319**	**40,297**

*Note: The Company holds 26% equity stake in Hurricane Windfarms Pvt Ltd. As the shareholders agreement entered into with the promoters of Hurricane Windfarms Pvt Ltd contains restrictive covenants, the Company cannot exercise "Significant influence" in terms of Ind AS 28 and therefore is not classified under "Investments in Associates" and accordingly is not considered as a component for consolidated financial statements

	As at March 31, 2024	As at March 31, 2023
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments including deemed equity	40,319	40,297
Aggregate amount of impairment in value of investments	-	-

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Details of Significant Investments:

Name of the entity	Relationship	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest	
				As at March 31, 2024	As at March 31, 2023
DR Axion India Private Limited (from February 1, 2023)	Subsidiary	Manufacturing - Aluminium Products for Automotive Sector	India	76%	76%
Craftsman Europe B.V.	Wholly owned subsidiary	Trading - Marine Engines	Netherlands	100%	100%
Carl Stahl Craftsman Enterprise Private Limited	Joint Venture	Trading - Hoists & Cranes	India	30%	30%

1.6 SECURITY DEPOSITS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Rent Deposit	1,767	1,440
Other Deposits	2,721	1,628
Total	**4,488**	**3,068**

1.7 OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Currency swap & Interest Rate Swap Derivative	**84**	**138**

1.8 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance payment of income tax less provisions	**496**	**-**

1.9 OTHER NON CURRENT ASSETS
Unsecured, considered good unless otherwise stated

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	11,438	5,888
Less: Provision for doubtful advances	(28)	(28)
Total	**11,410**	**5,860**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

1.10 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials and Components	31,275	31,203
Work-in-progress	24,909	14,303
Finished goods	1,683	1,678
Consumable Stores	5,181	4,317
Tools in use	3,689	3,512
Machinery Spares	15,667	9,735
Packing Materials	707	596
Stock in transit	775	720
Total	**83,886**	**66,064**

Inventory valued at Net Realisable Value	355	302
Amount written down to arrive at Net Realisable Value*	93	196

*These were recognised as an expense during the year and included in changes in value of inventories of WIP in Statement of Profit and Loss

Provision for slow moving inventory made in the current year is ₹393 Lakhs (previous year is ₹188 Lakhs)

1.11 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good - Secured	-	-
Considered good - Unsecured	40,450	36,871
Significant increase in Credit Risk	597	691
Credit impaired	40	40
Less: Expected Credit Loss allowance	(637)	(731)
Total	**40,450**	**36,871**

Receivables from related parties - refer note 3.5

Movement in Expected Credit Loss allowance is as follows :

	Opening	Allowance made during the year	write off during the year	Closing
2023-24	731	(94)	-	637
2022-23	726	78	(73)	731

Particulars	Ageing as on March 31, 2024					
	a. Less than 6 Months	b. 6 months - 1 year	c. 1 - 2 years	d. 2 - 3 years	e. More than 3 years	Grand Total
Undisputed						
(i) Considered good	38,288	1,830	332	-	-	40,450
(ii) Significant increase in credit risk	-	-	332	132	121	585
(ii) Credit impaired	-	-	-	-	-	-
Disputed						
(iv) Considered good	-	-	-	-	-	-
(v) Significant increase in credit risk	-	-	-	-	12	12
(vi) Credit impaired	-	-	-	-	40	40
Gross Total						**41,087**
Less: Expected Credit Loss						**(637)**
Total						**40,450**

Particulars	Ageing as on March 31, 2023					
	a. Less than 6 Months	b. 6 months - 1 year	c. 1 - 2 years	d. 2 - 3 years	e. More than 3 years	Grand Total
Undisputed						
(i) Considered good	35,496	1,156	219	-	-	36,871
(ii) Significant increase in credit risk	-	-	443	69	167	679
(ii) Credit impaired	-	-	-	-	-	-
Disputed						
(iv) Considered good	-	-	-	-	-	-
(v) Significant increase in credit risk	-	-	8	4	-	12
(vi) Credit impaired	-	-	-	-	40	40
Gross Total						**37,602**
Less: Expected Credit Loss						**(731)**
Total						**36,871**

1.12 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Balances with banks	2,407	1,487
b. Cash on hand	4	2
Total	**2,411**	**1,489**

1.13 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Margin money deposits against Letter of Credit & Guarantee	1,887	1,996
Other Deposits	64	1
Total	**1,951**	**1,997**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

1.14 SECURITY DEPOSIT-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	**97**	**30**

1.15 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Currency swap, Interest Rate Swaps ('IRS') & Forward cover derivative	859	798
Interest receivable	98	48
Total	**957**	**846**

1.16 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Balances with Government Authorities	1,349	597
Advance to Suppliers (Other than Capital Goods)	3,667	3,685
Prepaid Expenses	1,000	1,042
Advance to Employees	150	66
Contract assets - Unbilled Revenue	143	127
Others	134	46
Total	**6,443**	**5,563**

1.17 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Authorised				
Equity Shares of ₹5 each	40,000,000	2,000	40,000,000	2,000
Issued, called, subscribed & Paid Up				
Equity Shares of ₹5 each	21,128,311	1,056	21,128,311	1,056
Total	**21,128,311**	**1,056**	**21,128,311**	**1,056**

(a) The movement of equity shares is as below

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	21,128,311	1,056	21,128,311	1,056
Additions due to issue of shares	-	-	-	-
Shares outstanding at the end of the year	**21,128,311**	**1,056**	**21,128,311**	**1,056**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

(b) Rights, Preferences and Restrictions to equity shares

The Company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share.

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

(c) Details of equity shareholders holding more than 5% shares in the Company

(₹ in Lakhs)

Name of the equity shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S Ravi	10,500,000	49.70%	10,500,000	49.70%
S Murali	1,117,413	5.29%	1,917,413	9.08%
Total	**11,617,413**	**54.99%**	**12,417,413**	**58.76%**

(d) Details of Promoter's shareholding

(₹ in Lakhs)

Name of the Promoter	As at March 31, 2024			As at March 31, 2023		
	No. of Shares held	% of Holding	% Change	No. of Shares held	% of Holding	% Change
Promoter						
S Ravi	10,500,000	50%	0%	10,500,000	50%	0%
Promoter Group						
Murali S	1,117,413	5%	-4%	1,917,413	9%	-1%
Chithra Ravi	200	0%	0%	200	0%	0%
Gautham Ram R	200	0%	0%	200	0%	0%
Mirthula R	200	0%	0%	200	0%	0%
Total	**11,618,013**	**55%**	**-4%**	**12,418,013**	**59%**	**-1%**

(e) For the period of five years immediately preceding the balance sheet date

(i) Details of number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

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

(ii) Details of number and class of shares allotted as fully paid up by way of bonus shares:

- The Company has not allotted any shares as fully paid up by way of bonus shares

(iii) Details of number and class of shares bought back:

- The Company has not bought back any shares during the period of 5 years immediately preceding the balance sheet date

(iv) Sub-division of shares:

The shareholders of the Company at the Extra ordinary General Meeting held on April 30, 2018 approved the subdivision of equity shares of ₹100/- each into equity shares having a face value of ₹5/- each. Consequently the total number of equity shareholding has changed to 20,121,600 equity shares of face value ₹5/- each from that date.

(v) Initial Public Offering of shares:

The equity shares of the Company have been listed on BSE Limited and National Stock Exchange of India Limited on March 25, 2021 upon successful completion of the Initial Public Offer ('IPO' or 'the Public Offer'). The IPO involved (a) Fresh Issue of 10,06,711 equity shares and (b) Offer for Sale of 45,21,450 equity shares of face value of ₹5 each at an offer price of ₹1,490 per share.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

1.18 OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Reserves & Surplus			
Securities Premium	(i)	28,123	28,123
General Reserves	(ii)	9,662	9,662
Retained Earnings	(iii)	116,331	99,111
Total Reserves & Surplus		154,116	136,896
Cash Flow Hedging Reserve	(iv)	(253)	(493)
Equity instruments through Other Comprehensive Income	(v)	(321)	(321)
Total		**153,542**	**136,082**

Additions and Deductions since the last balance sheet date:

(i) Securities Premium Account

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	28,123	28,123
Premium on fresh issue of shares	-	-
Issue expenses adjusted	-	-
Closing balance	**28,123**	**28,123**

(ii) Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	99,111	76,142
Profit for the year	19,759	23,776
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of defined benefit obligation (net of tax)	(162)	(14)
Dividend (including dividend distribution tax)	(2,377)	(793)
Closing balance	**116,331**	**99,111**

(iii) Cash Flow Hedging Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(493)	(442)
Changes in fair value of hedging instruments	320	2
Deferred Tax	(80)	(53)
Closing balance	**(253)**	**(493)**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(iv) Equity instruments through Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(321)	(321)
Changes in fair value of FVTOCI equity instruments	-	-
Closing balance	**(321)**	**(321)**

Refer "Statement of Changes in Equity" for additions/deletions in each of these items

A. Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

B. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc.

C. Retained Earnings includes ₹5,542 lacs of revaluation reserve created due to Land revaluation on transition to Ind AS (April 1, 2015), which will not be available for distribution of profits

D. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

E. The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in General Reserve is not entirely distributable.

In respect of the year ended March 31, 2024, the Board of Directors has proposed a final dividend of ₹11.25 per share of face value ₹5 each to be paid on fully paid equity shares. This dividend is subject to approval by shareholders at the forth coming Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all holders of fully paid equity shares. The total estimated dividend to be paid is ₹2377 Lakhs.

1.19 LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current *	Non-Current	Current *
Secured				
From Banks				
Rupee Term Loans	59,295	5,285	28,434	3,478
Foreign Currency Term Loans	8,725	4,663	13,194	4,588
	68,020	**9,948**	**41,628**	**8,066**
From NBFC				
Rupee Term Loans	33,836	478	36,182	290
Total	**101,856**	**10,426**	**77,810**	**8,356**

Notes:

1. The above long term borrowings are carried at amortised cost.

	March 31, 2023	March 31, 2022
Loans at amortised cost as at the end of the year (Current + Non-Current)	112,282	86,166
Add : Unamortised upfront fee paid as at the end of year	134	183
Gross loan outstanding as at the end of the year	**112,416**	**86,349**

2. Refer note no 3.7 for security and terms of borrowings.

* Taken to short term borrowings (Note 1.24)

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Net Debt Reconciliation:

For the year ended March 31, 2024

Particulars	Cash and cash equivalents	Instrument to hedge the finance liability**	Current Borrowing	Non - Current Borrowing plus current maturity of long term debt*	Lease Liability	Total
Balance as at April 1, 23	1,489	561	(13,097)	(86,747)	(8,636)	(106,430)
Acquisition of RoU asset	-	-	-	-	(17,089)	(17,089)
Pre-closure of leases	-	-	-	-	6	6
Cash Flows	922	-	(14,955)	(26,145)	4,984	(35,194)
Fair Value changes	-	123	-	-	-	123
Foreign exchange adjustments	-	-	(18)	103	-	85
Interest expense & other charges	-	-	(4,887)	(8,687)	(1,276)	(14,850)
Interest & charges paid	-	-	4,879	8,600	1,276	14,755
Balance as at March 31, 2024	**2,411**	**684**	**(28,078)**	**(112,876)**	**(20,735)**	**(158,594)**

For the year ended March 31, 2023

Particulars	Cash and cash equivalents	Instrument to hedge the finance liability**	Current Borrowing	Non - Current Borrowing plus current maturity of long term debt*	Lease Liability	Total
Balance as at April 1, 2022	2,266	317	(19,339)	(52,700)	(8,395)	(77,851)
Acquisition of RoU asset	-	-	-	-	(2,293)	(2,293)
Pre-closure of leases	-	-	-	-	-	-
Cash Flows	(777)	-	6,942	(32,829)	2,052	(24,612)
Fair Value changes	-	244	-	-	-	244
Foreign exchange adjustments	-	-	(668)	(1,011)	-	(1,679)
Interest expense & other charges	-	-	(3,290)	(5,497)	(849)	(9,636)
Interest & charges paid	-	-	3,258	5,290	849	9,397
Balance as at March 31, 2023	**1,489**	**561**	**(13,097)**	**(86,747)**	**(8,636)**	**(106,430)**

*Includes the portion of "interest accrued but not due" pertaining to borrowings.

**does not include foreign currency forward contracts that are used for hedging liabilities that are operating cash flows

1.20 LEASE LIABILITIES - NON-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities - Non-current	16,395	7,435
Total	**16,395**	**7,435**

1.21 NON-CURRENT FINANCIAL LIABILITIES- OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Currency swap & Interest Rate Swap Derivative	209	375
Rent Advance	2	2
Total	**211**	**377**

Notes:

1. Currency swaps are for principal only and are cash flow hedge and hence are carried at fair value through OCI
2. Interest Rate Swap & Interest Rate Collar derivatives that are hedge effective are carried at fair value through OCI & others are carried at fair value through Statement of Profit & Loss
3. Rent advance is carried at amortized cost as it is not material to be fair valued

Notes to Standalone Financial Statements
for the year ended March 31, 2024

1.22 LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Provisions		
Provision for Warranty Cost	23	16

Note: Movement in Provision for product warranties is as follows :

	Opening	Transferred to Short Term	Warranty provided for current year	Closing
2023-24	16	1	8	23
2022-23	15	4	5	16

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future obligations. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges from 2 to 5 years.

1.23 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities	13,549	13,728
Deferred Tax Assets	(1,545)	(1,439)
Total	**12,004**	**12,289**

Note : Refer Note No 3.1 for detailed deferred tax working and effective tax rate reconciliation

1.24 SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Loans repayable on demand from banks		
Rupee Loans	27,187	6,404
Foreign Currency Loans	834	1,644
Sub-total (A)	**28,021**	**8,048**
Unsecured		
Rupee Loans	-	5,000
Sub-total (B)	-	**5,000**
Current maturities of long-term debt (C)	10,426	8,356
Total (A + B + C)	**38,447**	**21,404**

Short Term Borrowings from banks are secured by

a. first pari passu charge on current assets of the Company.
b. second pari passu charge on fixed assets of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

1.25 LEASE LIABILITIES - CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities - Current	4,340	1,201
Total	**4,340**	**1,201**

1.26 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Due to Micro and Small Enterprises-(MSE)	519	1,070
Sub-total (A)	**519**	**1,070**
Due to Other Suppliers	64,512	53,675
Accrued Expenses	1,714	1,826
Sub-total (B)	**66,226**	**55,501**
Total	**66,745**	**56,571**

Payables to related parties - refer note 3.5

Particulars	Ageing as on 31-Mar-2024				
	a. Less than 1 year	b. 1 - 2 years	c. 2 - 3 years	d. More than 3 years	Grand Total
(i) MSE	519	-	-	-	519
(ii) Others	63,946	219	113	234	64,512
(iii) Disputed dues - MSE	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Gross Total					**65,031**
Accrued Expenses					**1,714**
Total					**66,745**

Particulars	Ageing as on 31-Mar-2023				
	a. Less than 1 year	b. 1 - 2 years	c. 2 - 3 years	d. More than 3 years	Grand Total
(i) MSE	1,070	-	-	-	1,070
(ii) Others	53,190	243	138	104	53,675
(iii) Disputed dues - MSE	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Gross Total					**54,745**
Accrued Expenses					**1,826**
Total					**56,571**

1.27 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	651	630
Currency swap , Interest Rate Swap & Forward cover derivative	50	-
Creditors for capital goods and services	9,284	3,102
Employee related liabilities	2,385	1,942
Dues to directors	6	-
Others	1,117	1,531
Total	**13,493**	**7,205**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

1.28 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax provisions less advance payment	**349**	**3,156**

1.29 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	6,433	5,069
Statutory Dues	2,151	2,691
Total	**8,584**	**7,760**

1.30 SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity	505	258
Other Provisions		
Provision for Warranty Cost	230	196
Provision for Rejection	127	130
Total	**862**	**584**

Movement in Provision for product warranties is as follows : (₹ in Lakhs)

	Opening	Expired during the year	Warranty provided for current year	Closing
2023-24	196	196	230	230
2022-23	144	144	196	196

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future obligations. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges upto one year.

Movement in Provision for Rejection is as follows : (₹ in Lakhs)

	Opening	Expired during the year	Rejection provided for current year	Closing
2023-24	130	130	127	127
2022-23	110	110	130	130

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

Notes to Standalone Financial Statements
for the year ended March 31, 2024

2.1 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Sale of products;		
Domestic Sales	206,458	185,490
Export Sales	20,976	22,032
A.	**227,434**	**207,522**
Sale of services;		
Machining Charges	67,632	63,678
Service Charges	593	1,166
B.	**68,225**	**64,844**
Other operating revenues;		
Sale of swarf & others	22,000	23,875
Duty Drawback	333	350
EPCG income on fulfilling obligation	2,540	1,270
Export Incentive under RoDTEP	247	163
C.	**25,120**	**25,658**
Revenue from operations (A+B+C)	**320,779**	**298,024**

Refer Note no: 3.11 "Segment Reporting" for breakup of revenue from operations.

2.2 OTHER INCOME

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Interest Income from deposits measured at amortised cost	228	628
Interest Income due to unwinding of fair valued assets		
-Rent Advance	66	80
Net gain on sale of assets	57	41
Rental income	34	31
Exchange rate Gain/(Loss) on Transaction & Translation	945	400
Others - Other Income	131	29
Total	**1,461**	**1,209**

2.3 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Cost of goods sold	167,029	149,167
Carriage inward	1,808	1,271
Sub Contract Charges	1,278	1,296
Total	**170,115**	**151,734**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

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

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Inventory at the end of the year		
Work in Progress	24,909	14,303
Finished Goods	1,683	1,678
Sub total	**26,592**	**15,981**
Inventory at the beginning of the year		
Work in Progress	14,303	10,758
Finished Goods	1,678	2,194
Sub total	**15,981**	**12,952**
(Increase) / decrease in inventory	**(10,611)**	**(3,029)**

2.5 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Salaries and wages	19,641	17,529
Contributions to Provident Fund & Employee State Insurance	562	523
Contribution to Gratuity fund	289	239
Managerial Remuneration	1,456	1,819
Staff welfare expenses	2,928	2,588
Total	**24,876**	**22,698**

2.6 DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Depreciation on Property, Plant & Equipment	20,845	19,407
Amortization of Intangible Assets	79	169
Amortization- Right-of-use Asset	2,358	1,801
Write off	279	109
Impairment expense / (reversal) of Capital Work in Progress	44	11
Total	**23,605**	**21,497**

2.7 OTHER EXPENSES

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Manufacturing Expenses		
Stores, Spares & tool consumed	20,696	18,140
Power & Fuel	17,710	15,033
Repairs & Maintenance		
- Machinery	8,852	7,370
- Building	963	694
- Others	2,730	1,851
Payment to contractors	5,849	4,849
Other manufacturing expenses	775	674
A.	**57,575**	**48,611**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Administrative Expenses		
Professional and Consultancy charges	1,412	1,098
Insurance Charges	448	461
Rates & Taxes	221	161
Software Licenses	692	574
General Administrative Expenses	782	728
Printing & Stationary	243	186
Postage & Telegrams	70	61
Rent	192	128
Telephone Expenses	162	159
Travelling Expenses	1,382	958
Directors' Sitting Fees	22	24
Remuneration to auditors	83	74
Corporate Social Responsibility Expenses	496	310
Amounts written off		
Bad debts	-	73
Provisions for the year		
Warranty	41	53
Rejections	(3)	20
Doubtful debts	(94)	5
B.	**6,149**	**5,073**
Selling expenses		
Packing material consumed	3,629	2,626
Carriage Outward	4,430	4,011
Sales Promotion Expenses	460	376
C.	8,519	7,013
Total (A+B+C)	**72,243**	**60,697**

Payment to Auditors

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Audit fee	63	56
Taxation Matters	10	10
Company Law Matter	-	-
Other Services- Certification	2	3
Reimbursement of Expenses	8	5
Total	**83**	**74**

2.8 FINANCE COSTS

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Interest expenses		
On Short Term Borrowings	4,887	3,290
On Long Term Borrowings at Amortised Cost	8,613	5,409
Others	188	213
Other Borrowing costs		
Unwinding of discounted Upfront fee on loans	74	88
Interest unwind - lease liability	1,276	849
Unwinding of Rent Advance	66	80
Bank charges	245	364
Net (gain)/loss on foreign currency transactions and translation	113	1,398
Total	**15,462**	**11,691**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

3.1 Income taxes

Income tax expense for the year reconciled to accounting profit

(₹ in Lakhs)

		Year Ended March 31, 2024	Year Ended March 31, 2023
Profit before tax	a	26,550	33,945
Income tax rate	b	25.168%	25.168%
Income tax expenses	a*b	6,682	8,543
Effect of			
i) Effect of expenses inadmissible for tax		109	131
ii) Effect of MAT Credit written off		-	2,348
iii) Effect of change in tax rate *		-	(853)
Income tax expense recognised in Statement of Profit & loss		6,791	10,169

Note: The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961. Accordingly, the Company has recognised income tax expense for the financial year ended March 31, 2023 and remeasured its deferred tax liabilities (net) at the tax rate prescribed in the said section. The impact of the change in the Statement of Profit and Loss for the year ended March 31, 2023 are:

a. reduction of tax expense by ₹3730 Lakhs.

b. one-time gain of ₹853 Lakhs arising from reversal of deferred tax liability as at April 1, 2022

c. charging off of MAT credit of ₹2348 Lakhs which is unavailable on adoption of the reduced rate

Movement of deferred tax assets/ liabilities

(₹ in Lakhs)

Movement during the year ended March 31, 2024	As at March 31, 2023	Recognised in P&L	Recognised in OCI	MAT utilisation	As at March 31, 2024
Depreciation & Amortization	(12,705)	124	-	-	(12,581)
Provision for doubtful debts	184	(24)	-	-	161
Other Temporary Differences	232	210	(26)	-	416
MAT Credit Entitlement- Unused tax credit	-	-	-	-	-
	(12,289)	**311**	**(26)**	**-**	**(12,004)**

(₹ in Lakhs)

Movement during the year ended March 31, 2023	As at March 31, 2022	Recognised in P&L	Recognised in OCI	MAT utilisation	As at March 31, 2023
Depreciation & Amortization	(15,222)	2,517	-	-	(12,705)
Provision for doubtful debts	254	(70)	-	-	184
Other Temporary Differences	932	(652)	(48)	-	232
MAT Credit Entitlement- Unused tax credit	2,359	-	-	(2,359)	-
	(11,677)	**1,795**	**(48)**	**(2,359)**	**(12,289)**

3.2 Employee Benefits

The Union Ministry of Labour issued draft rules under section 67 of the Code on Wages Act on July 7, 2020 in the Gazette and the Act is yet to be effective

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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

3.2 A Defined Contribution Plan

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

The total expenses recognised in Statement of Profit and Loss of ₹527 Lakhs (2022-23: ₹480 Lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

3.2 B Defined benefit plans

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

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

Investment risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Liquidity Risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company there can be strain on the cash flows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

b. The principal assumptions used for the purposes of the actuarial valuations were as follows

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.23%	7.55%
Expected rate of salary increase	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimate of future salary increase, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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

(₹ in Lakhs)

	2023-2024	2022-2023
Current Service Cost	280	231
Net interest expense/ (income)	9	8
Component of defined benefit cost recognised in P&L	**289**	**239**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain)/loss arising from changes in financial assumptions	82	(12)
Actuarial (Gain)/ Losses due to Experience on Defined Benefit Obligation	129	24
Actuarial (Gain)/Loss arising from changes in financial assumptions due to demographic assumption changes in Defined Benefit Obligation	0	0
Return on Plan Assets (Greater) / Less than Discount rate	5	7
Components of defined benefit costs recognised in other comprehensive income	**216**	**19**
Total Defined Benefit Cost	**505**	**258**

d. The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	2549	2031
Fair value of plan assets	2044	1774
Net liability arising from defined benefit obligation (funded)	(505)	(257)

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

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening defined benefit obligation	2031	1719
Current Service Cost	280	231
Interest Cost	142	126
Benefits paid	(116)	(57)
Actuarial (gain)/loss	212	12
Closing defined benefit obligation	**2549**	**2031**

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

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening fair value of plan assets	1774	1516
Interest income of the assets	133	119
Employer contribution	258	203
Benefits payout	(116)	(57)
Actuarial gain/(loss)	(5)	(7)
Closing fair value of plan assets	**2044**	**1774**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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

The actual return on plan assets was ₹129 Lakhs (2022-23: ₹112 Lakhs)

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

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would		
• Decrease by (March 24: (8.64%); March 23: (8.63%))	(220)	(175)
• Increase by (March 24: 10.04%; March 23: 10.03%)	256	204
If the expected salary is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (March 24: 8.46%; March 23: 8.64%)	216	176
• Decrease by (March 24: (7.63%); March 23: (7.88%))	(195)	(160)
If the attrition rate is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (March 24: 1.43%; March 23: 1.65%)	36	34
• Decrease by (March 24: (1.62%); March 23: (1.86%))	(41)	(38)

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

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

i. Funding arrangements

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

The Company expects to make a contribution of ₹349 Lakhs (as at March 31, 2023: ₹266 Lakhs) to the defined benefit plans for the next financial year.

Information on the maturity profile of the liabilities:

Particulars	March 31, 2024	March 31, 2023
Weighted average duration of the Defined Benefit Obligation	12.37 years	12.13 years
	₹ Lakhs	₹ Lakhs
Projected Benefit Obligation	2,549	2,031
Accumulated Benefits Obligation	1,750	1,388

Notes to Standalone Financial Statements

for the year ended March 31, 2024

j. Maturity Profile:

(₹ in Lakhs)

FUTURE PAYOUTS	Present Value
Year (i)	183
Year (ii)	157
Year (iii)	154
Year (iv)	130
Year (v)	126
Next 5 year pay-outs(6-10yrs)	565
Pay-outs above ten years	1236

3.3 Earnings per share ('EPS')

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹	₹
Earnings per share		
Basic earnings per share	93.52	112.53
Diluted earnings per share	93.52	112.53
Face value per share	5	5
Basic and diluted earnings per share	**₹ Lakhs**	**₹ Lakhs**
Profit for the year attributable to equity shareholders	19,759	23,776
	Nos.	**Nos.**
Total number of equity shares outstanding at the end of the year	2,11,28,311	2,11,28,311
Weighted average number of equity shares		
used in the calculation of basic earnings per share	2,11,28,311	2,11,28,311
after adjustment for effect of dilution	2,11,28,311	2,11,28,311

(refer note: 1.17 for movement in equity share capital during year)

3.4 Financial Instruments:

3.4a Capital Management:

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

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

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

Notes to Standalone Financial Statements
for the year ended March 31, 2024

The Debt to equity ratio as at end of the year is given below:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Debt (long-term and short-term borrowings including current maturities)	1,40,303	99,214
Equity	1,54,598	1,37,138
Debt Equity Ratio	0.91	0.72

3.4b Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

i. Market Risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realisable 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 rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy

A. Foreign currency risk management:

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

Assets	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)
Receivables	USD	37	3,108	43	3,561
	EUR	11	1,030	10	883
	GBP	0.04	4	0.44	44
Total Receivables (A)		-	4,142	-	4,488
Hedged by derivative contracts (B)		-	-	-	-
Unhedged receivables (C=A-B)		-	4,142	-	4,488

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Liabilities	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)
Payable (trade & other)	USD	41	3,382	54	4,411
	JPY	3,314	1,826	1,065	659
	EUR	32	2,887	4	367
	GBP	0.03	3	0.02	2
	CNY	-	-	0	1
Borrowings (ECB and Others)	USD	171	14,254	237	19,485
	EUR	-	-	-	-
Total Payables (A)		-	22,352	-	24,925
Hedges by derivative contracts (B)	USD	92	7,648	125	10,256
	JPY	-	-	559	346
	EUR	14	1,260	-	-
Unhedged payables (C=A-B)		-	13,444	-	14,323

Foreign currency sensitivity analysis:

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

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

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

(₹ in Lakhs)

Currency	1% Strengthening of FC	
	As at March 31, 2024	As at March 31, 2023
USD	(69)	(101)
GBP	0.01	0.42
EUR	(6)	5
JPY	(18)	(3)
CNY	-	(0)
	(93)	**(99)**

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

Notes to Standalone Financial Statements
for the year ended March 31, 2024

The following table details the forward foreign currency contracts outstanding at the end of the reporting year:

(₹ in Lakhs)

Cash Flow Hedges	Foreign Currency		Equivalent value		Fair value of contracts	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Sell EUR	14	-	1,310	-	1,260	-
Sell JPY	-	559	-	352	-	346

Note: The MTM of the above has been included in the balance sheet under 'Other Current Financial Asset' Note:1.15.

B. Interest rate risk management:

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk of floating interest rates in foreign currency loans is managed by the Company by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting year. For floating rate liabilities which are unhedged, the analysis is prepared assuming that the amount of the liability as at the end of the reporting year was outstanding for the whole year. An increase or decrease of 50 basis point in rupee interest rates and 25 basis points in USD SOFR rate is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

A decrease in interest rates would have the opposite effect to the impact in the table below.

(₹ in Lakhs)

Base Rate	Increase in Base rate	Effect of Change in interest rates		Outstanding as on	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD SOFR	25 bps	14	19	5,711	7,704
INR Baserate	50 bps	470	296	94,041	59,139
		484	**315**	**99,752**	**66,843**

Foreign currency and interest rate sensitivity analysis for swap contracts:

The Company has taken interest rate swaps ('IRS') to hedge the interest rate risks. The marked-to-market gain as at March 31, 2024 is ₹166 Lakhs (March 31, 2023 gain is ₹231 Lakhs). The amount of loss recognised in OCI for the year ended March 31, 2024 is ₹65 Lakhs (March 31, 2023 – gain ₹413 Lakhs) and the amount of gain recognised in Statement of Profit and Loss for the ineffective portion of cash flow hedge for the year ended March 31, 2024 is ₹ NIL (March 31, 2023: ₹ NIL).

In addition to the above, the Company has an Interest Rate Collar ('IRC'), to hedge the interest rate risks. The marked-to-market gain as at March 31, 2024 is ₹90 Lakhs (March 31, 2023: Gain ₹139 Lakhs). The amount of loss recognised in OCI for the year ended March 31, 2024 is ₹49 Lakhs (March 31, 2023 – Gain ₹102 Lakhs).

In case of currency swaps, the effective portion of cash flow hedges, is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in Statement of Profit and Loss. Amounts recognised as OCI are transferred to Statement of Profit and Loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs when the hedged item is the cost of a

Notes to Standalone Financial Statements
for the year ended March 31, 2024

non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability. The mark-to-market gain as at March 31, 2024 is ₹ NIL (March 31, 2023: ₹ NIL). The amount recognised in OCI for the year ended March 31, 2024 is ₹ NIL (March 31, 2023: loss of ₹218 Lakhs). Also, the effect given to OCI on account of restatement loss of the underlying foreign currency loans for the year ended March 31, 2024 is ₹198 Lakhs (March 31, 2023: loss of ₹242 Lakhs).

Further, the Company has call options for principal payments of two of its foreign currency loan which are designated as a cash flow hedge. The marked-to-market gain as at March 31, 2024 is ₹477 Lakhs (March 31, 2023: gain of ₹191 Lakhs). The amount of gain recognised in OCI for the year March 31, 2024 is ₹287 Lakhs (March 31, 2023 – loss of ₹52 Lakhs).

ii. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

- Trade receivables:

The Company periodically assesses the financial reliability of customers taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. These include customers, which have high credit-ratings assigned by international and domestic credit-rating agencies. Individual risk limits are set accordingly. The Company's trade and other receivables, including loans under customer financing activities, consists of a large number of customers, across geographies.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Movement in Credit loss allowance

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	731	726
Allowance for bad and doubtful debts during the year	(94)	78
Trade receivables written off during the year	-	(73)
Balance as at the end of the year	**637**	**731**

- Other financial assets:

a. Craftsman Europe BV- Netherlands - wholly owned subsidiary:

The Company had granted interest-free loans to Craftsman Europe B.V. Earlier, the Company fair valued the loan based on an estimated contractual repayment schedule, and the difference between the initial fair value and the amount of cash advanced was considered as an additional capital contribution in the subsidiary (deemed equity) and accounted in the books.

Further, the management based on the information available and considering the future business plan, cash flow projections & forecasts is of the view that the recoverable amount of investment is more than the carrying amount of investments and there has not been any significant increase in the credit risk & loan being credit impaired as the subsidiary is operating on a self-sustaining basis and generating profits.

b. DR Axion India Private Limited – subsidiary:

The Company has acquired 76% of the equity share capital of DR Axion India Private Limited (DRAIPL) (8,57,65,631 shares of ₹10 each) for a total consideration of ₹37,500 Lakhs. By virtue of the voting and other rights as per the share purchase agreement and shareholder agreement, DRAIPL has been assessed as a subsidiary of the Company in compliance with Ind AS 110 – 'Consolidated Financial Statements' with effect from February 1, 2023.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	As at March 31, 20242	As at March 31, 2023
Carrying amount of Investment in Subsidiaries	39,764	39,764

c. Bhatia Coke & Energy Limited

Bhatia Coke & Energy Limited is under "Corporate Insolvency resolution process" as per the MCA website. Also, the management of the Company is taken over by an insolvency professional appointed by the National Company Law Tribunal (NCLT)

Given this, the Company has fair valued the investment to NIL in FY 2020-21.

d. Others

None of the Company's other cash equivalents , including time deposits with banks as at March 31, 2024, are overdue or impaired.

Movement in Provision for advances:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	28	28
Allowance for doubtful advances made during the year	-	-
Advances written off during the year	-	-
Balance as at the end of the year	28	28

Refer Note 1.9 of the financial statements.

iii. Liquidity Risk:

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

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

(₹ in Lakhs)

As at March 31, 2024	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	38,447	86,145	15,711	1,40,303
Interest payments on borrowings	9,515	18,631	716	28,862
Lease liability	4,340	11,890	4,505	20,735
Trade Payables	66,745	-	-	66,745

Notes to Standalone Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

As at March 31, 2023	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	21,404	62,586	15,224	99,214
Interest payments on borrowings	7,464	15,277	1,125	23,866
Lease liability	1,201	4,756	2,679	8,636
Trade Payables	56,571	-	-	56,571

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

(₹ in Lakhs)

As at March 31, 2024	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Carrying Amount
Currency & Interest Rate - Swaps & Options	859	(125)	-	734
Foreign exchange forwards	(50)	-	-	(50)
	809	**(125)**	**-**	**684**

(₹ in Lakhs)

As at March 31, 2023	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Carrying Amount
Currency & Interest Rate - Swaps & Options	798	(237)	-	561
Foreign exchange forwards	-	-	-	-
	798	**(237)**	**-**	**561**

Company manages the Capital and debt by closely monitoring the bank covenants.

3.4c Categories of Financial assets and liabilities:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Financial Assets		
a. Measured at amortized cost:		
Investments (net)	39,824	39,824
Cash and cash equivalents	2,411	1,489
Other bank balances & Interest receivable	2,049	2,045
Trade Receivables	40,450	36,871
Security Deposit	4,585	3,098
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)		
Investments	32	10
Currency swaps & options and IRS & IRC	943	936
c. Deemed equity measured at fair value		
Investments	463	463

Notes to Standalone Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Financial Liabilities		
a. Measured at amortized cost:		
Borrowings	1,40,303	99,214
Lease Liability	20,735	8,636
Trade Payables	66,745	56,571
Other Financial Liabilities	13,445	7,207
b. Mandatorily maintained at fair value through other comprehensive		
income (FVTOCI)		
Currency Swaps & IRS	259	375

3.4d Fair value measurements:

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

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

The categories used are as follows:

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

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

(₹ in Lakhs)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Asset at fair value				
Investments measured at				
i) fair value through OCI	-	-	32	32
ii) fair value through P&L	-	463	-	463
Derivative Instruments measured at				
i) fair value through OCI	-	943	-	943
ii) fair value through P&L	-	-	-	-
Liabilities at fair value				
Derivative Instruments measured at				
i) fair value through OCI	-	259	-	259
ii) fair value through P&L	-	-	-	-

Notes to Standalone Financial Statements
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(₹ in Lakhs)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Asset at fair value				
Investments measured at				
i) fair value through OCI	-	-	10	10
ii) fair value through P&L	-	463	-	463
Derivative Instruments measured at				
i) fair value through OCI	-	936	-	936
ii) fair value through P&L	-	-	-	-
Liabilities at fair value				
Derivative Instruments measured at				
i) fair value through OCI	-	375	-	375
ii) fair value through P&L	-	-	-	-

Calculation of Fair Values:

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

3.5 Related party disclosure

a) List of parties where control exists
Subsidiaries
DR Axion India Private Limied (w.e.f February 1, 2023)
Craftsman Europe B.V – Netherlands

b) Other related parties
Joint Ventures
Carl Stahl Craftsman Enterprises Private Limited

Key Management Personnel
Mr. Srinivasan Ravi, Chairman and Managing Director
Mr. Ravi Gauthamram, Whole Time Director
Mr. Chandrashekar Madhukar Bhide, Independent Director (till May 23, 2023)
Mr. Sundararaman Kalyanaraman, Independent Director
Mrs. Vijaya Sampath, Independent Director
Mr. T S V Rajagopal, Independent Director
Mrs. Rajeswari Karthigeyan, Independent Director (from March 6, 2023)
Mr. C.B.Chandrasekar, Chief Financial Officer
Mr. Thiyagaraj Damodharaswamy, Chief Operating Officer
Mr. Shainshad Aduvanni, Company Secretary

Notes to Standalone Financial Statements

for the year ended March 31, 2024

c) Related Party Transactions – Summary:

(₹ in Lakhs)

Transactions during the year	Subsidiaries		Joint Ventures		Key Management Personnel	
	23-24	22-23	23-24	22-23	23-24	22-23
Purchase of Goods & Services	70	21	489	224	-	-
Sale of Goods & Services	2,150	1,545	5,597	3,946	-	-
Reimbursement of Expenditure to	-	6	-	-	-	-
Remuneration to key management personnel	-	-	-	-	692	680
Commission	-	-	-	-	1,000	1,353
Sitting Fee	-	-	-	-	22	24
Rental Income	4	-	2	2	-	-

(₹ in Lakhs)

Balances as at the end of the year	Subsidiaries		Joint Ventures		Key Management Personnel	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade Receivables	698	281	1,525	754	-	-
Trade Payables	298	223	55	-	-	-
Remuneration payable	-	-	-	-	6	-

d) Significant Related party transactions:

(₹ in Lakhs)

	Year Ended March 31, 2024	Year Ended March 31, 2023
Purchase of Goods & Services		
Carl Stahl Craftsman Enterprises Private Limited	489	224
Craftsman Europe BV - Netherlands	30	21
DR Axion India Private Limited	40	-
Sale of Goods & Services		
Carl Stahl Craftsman Enterprises Private Limited	5,597	3,946
Craftsman Europe BV - Netherlands	1,190	1,307
DR Axion India Private Limited	960	238
Reimbursement of Expenditure to		
DR Axion India Private Limited	-	6

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

	Year Ended March 31, 2024	Year Ended March 31, 2023
Remuneration to key management personnel		
Executive Directors	457	468
Chief Financial Officer	87	82
Chief Operating Officer	113	95
Company Secretary	35	35
Commission		
Executive Directors	963	1,329
Non-Executive Directors	37	24
Sitting Fee		
Non-Executive Directors	22	24
Rent Income		
Carl Stahl Craftsman Enterprises Pvt Ltd	2	2
DR Axion India Private Limited	4	-

Note: remuneration to KMP does not include gratuity contribution which is determined actuarially on an overall Company basis and accordingly has not been considered.

e) Balances of Related Parties

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade Receivable		
Carl Stahl Craftsman Enterprises Private Limited	1,525	754
Craftsman Europe BV - Netherlands	286	-
DR Axion India Private Limited	412	281
Trade Payable		
Carl Stahl Craftsman Enterprises Private Limited	55	-
Craftsman Europe BV - Netherlands	251	223
DR Axion India Private Limited	47	-
Remuneration payable		
Chairman and Managing Director	6	-

Notes to Standalone Financial Statements
for the year ended March 31, 2024

f) Details of advances in the nature of loans

(₹ in Lakhs)

Name of the Company	Year Ended March 31, 2024				Year Ended March 31, 2023			
	Status	Out-standing Amount	Maximum Loan out-standing	Investment in shares of the company	Status	Out-standing Amount	Maximum Loan out-standing	Investment in shares of the company
Craftsman Europe B.V	Subsidiary	-	-	2,264	Subsidiary	-	-	2,264

g) Disclosure as required under section 186(4) of the Companies Act, 2013

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023	Purpose
Loan Outstanding	NIL	NIL	
Investments			
Craftsman Europe B.V - Netherlands	2,264	2,264	
DR Axion India Private Limited	37,500	37,500	
Deemed Equity- Craftsman Europe B.V	463	463	

3.6 Contingent Liabilities and Commitments

a) Contingent Liabilities

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

(₹ in Lakhs)

Contingent Liabilities	As at March 31, 2024	As at March 31, 2023
a. Claims against the Company not acknowledged as debt		
Excise Duty	7	7
Value Added Tax	-	18
Service tax	67	67
Goods and Service Tax	16	16
Income tax	823	398
Stamp duty	-	56
b. Sales Bills discounted	**4,617**	**1,908**

b) Commitments

Commitment on capital account not provided as on March 31, 2024: ₹25,144 Lakhs and March 31, 2023: ₹17,555 Lakhs

Notes to Standalone Financial Statements
for the year ended March 31, 2024

3.7 Non-Current Borrowings:

(₹ in Lakhs)

Borrowings	As at March 31, 2024			Particulars of Repayment		As at March 31, 2023		
	Non-Current	Current Maturity	Total	Instalments	Amount/ Inst nos.	Non-Current	Current Maturity	Total
* IFC - ECB	7,683	3,831	11,514	Half-yearly	US$11.54 / 13	11,357	3,760	15,117
* SCB-ECB	1,041	832	1,873	Quarterly	US$2.50/ 20	1,846	819	2,665
* Indian Bank TL-1	-	-	-	Quarterly	₹156.25 / 48	1,092	1,901	2,993
* Bajaj TL-1	-	-	-	Quarterly	₹250.00/ 16	1,993	-	1,993
* Bajaj TL-2	2,749	-	2,749	Quarterly	₹175.00 / 20	3,748	-	3,748
* HDFC TL-1	2,103	-	2,103	Quarterly	₹350.88 / 20	3,504	-	3,504
# EXIM TL-1	9,712	1,606	11,318	Quarterly	₹541.67 / 24	11,860	1,060	12,920
# FEDERAL TL-1	9,892	-	9,892	Quarterly	₹520.83 / 24	11,976	520	12,496
# TCFSL TL-1	5,269	478	5,747	Quarterly	₹479.17 / 12	5,744	-	5,744
# ABFL TL-1	12,491	-	12,491	Quarterly	₹150/2, 550/4 625/20	14,690	296	14,986
# Bajaj TL-3	8,333	-	8,333	Quarterly	₹416.67 / 24	10,000	-	10,000
# SBI - TL1	9,439	556	9,995	Monthly	₹139/72	-	-	-
# Indian Bank TL-2	9,068	994	10,062	Monthly	₹185/54	-	-	-
# Axis TL-1	7,623	1,087	8,710	Quarterly	₹363/24	-	-	-
# HDFC TL-2	11,458	1,042	12,500	Quarterly	₹521/24	-	-	-
# Bajaj TL-4	4,995	-	4,995	Quarterly	₹250/20	-	-	-
Total	**1,01,856**	**10,426**	**1,12,282**			**77,810**	**8,356**	**86,166**

ECB – External Commercial Borrowings ; TL – Rupee Term Loans

The balances mentioned above are at amortized cost. Refer note 1.19

#: Loans are secured by first pari passu charge on moveable fixed assets and second pari passu charge on current assets of the Company.

All other term loans (*), both Rupee and Foreign Currency are secured by first pari passu charge on fixed assets and a second pari passu charge on current assets of the Company.

3.8 Lease arrangements

3.8a Company as lessee

(i) Following are the changes in the carrying value of right of use assets

For the year ended March 31, 2024:

(₹ in Lakhs)

Particulars	Machinery	Land & Buildings	Total
Balance as at April 1, 2023	-	9,075	9,075
Additions	-	17,088	17,088
Amortization/ expense	-	(2,358)	(2,358)
Deletion	-	(6)	(6)
Balance as of March 31, 2024	**-**	**23,799**	**23,799**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

For the year ended March 31, 2023:

(₹ in Lakhs)

Particulars	Machinery	Land & Buildings	Total
Balance as at April 1, 2022	315	8,268	8,583
Additions	-	2,293	2,293
Amortization/ expense	-315	(1486)	(1,801)
Deletion	-	-	-
Balance as of March 31, 2023	**-**	**9,075**	**9,075**

(ii) The aggregate amortization expense on ROU assets is included under 'Depreciation, amortization and impairment expense' in the Statement of Profit and Loss.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	4,340	1,201
Non-current lease liabilities	16,395	7,435
Total	**20,735**	**8,636**

(i) The following is the movement in lease liabilities during the year:

(₹ in Lakhs)

Particulars	2023-24	2022-23
Balance as at the beginning of the year	8,636	8,395
Additions	17,089	2,293
Finance cost accrued during the year	1,276	849
Deletion	(6)	-
Payment of lease liabilities	(6,260)	(2,901)
Balance as at the end of the year	**20,735**	**8,636**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	2,797	1,981
One to five years	8,738	6,718
More than five years	5,993	3,243
Total	**17,528**	**11,942**

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

(iv) Rental expense recorded for short-term leases was **₹192 Lakhs** for the year ended March 31, 2024. (March 31, 2023: ₹128 Lakhs)

(v) Total cash outflow for leases including short-term was **₹6,452 Lakhs** for the year ended March 31, 2024. (March 31, 2023: ₹3,028 Lakhs).

Notes to Standalone Financial Statements
for the year ended March 31, 2024

3.8b Company as lessor

Company has provided a portion of its building on operating lease to MC Machinery Systems India Private Ltd & Carlstahl Craftsman Enterprises Private Limited for a period of 3 years & 5 years, respectively.

Non-Cancellable Operating lease commitment	As at March 31, 2024	As at March 31, 2023
Not later than 1 year	36	18
Later than 1 year but not later than 5 years	52	7
Later than 5 years	-	-

3.9 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
The principal amount due to Micro and Small Suppliers under this Act	519	1,070
Interest accrued and due to suppliers on the above amount	Nil	15
Interest paid to suppliers under this Act (Section 16)	Nil	Nil
Interest due and payable for the delay (for payment during the year beyond due date)	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed date, during the year	Nil	Nil
Interest accrued and remaining unpaid at the end of year to suppliers under this Act	Nil	15
Interest due and payable to suppliers under this Act for payment already made	Nil	Nil

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

3.10 Corporate Social Responsibility Expenditure:

(₹ in Lakhs)

	Year Ended March 31, 2024	Year Ended March 31, 2023
(a) Gross amount required to be spent by the Company during the year as per section 135 of the Companies Act, 2013 read with Schedule VII	485	296
(b) Amount spent during the year	496	310
(c) Amount transferred to CSR on-going projects subsequently	NA	NA

(₹ in Lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	63	-	63
(ii) On purposes other than (i) above	433	-	433

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
(i) amount required to be spent by the Company during the year	485	296
(ii) amount of expenditure incurred	496	310
(iii) shortfall at the end of the year	Nil	Nil
(iv) total of previous years shortfall	Nil	Nil
(v) reason for shortfall	Not Applicable	Not Applicable
(vi) nature of CSR activities	1. Promotion of Health care/ Eradicating hunger 2. Promotion of education 3. Environment sustainability 4. Safety & Welfare	1. Promotion of Health care/ Eradicating hunger 2. Promotion of education 3. Environment sustainability 4. Safety & Welfare
(vii) details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

3.11 Segment Reporting:

The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (IND AS 108) read with SEBI's circular CIR/CFD/FAC/62/2016 dated July 5, 2016. Accordingly, the Company has identified the reportable segments based on end consumption of the products sold or services rendered and is consistent with performance assessment and resource allocation by the management. Segment revenue comprises sales and operational income allocable specifically to a segment. Un-allocable expenditure mainly includes corporate expenses, finance cost and other administrative expenses. Un-allocable income primarily includes Other Income.

During the year, the Chief Operating Decision Maker ('CODM') has, considering the increased prospects for non-automotive powertrain products, decided to rename "Automotive – Powertrain and others" segment as "Powertrain" segment. There have been no change in current or comparable period figures.

a. Segment disclosure

(₹ in Lakhs)

Segment Revenue	Year Ended March 31, 2024	Year Ended March 31, 2023
Powertrain	1,55,837	1,52,709
Aluminium Products	91,746	74,057
Industrial & Engineering	73,196	71,258
Total revenue as per Statement of Profit and Loss	**3,20,779**	**2,98,024**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

Segment Profit or Loss	Year Ended March 31, 2024	Year Ended March 31, 2023
Powertrain	29,163	38,204
Aluminium Products	12,902	6,451
Industrial & Engineering	4,673	6,230
Total Segments	**46,738**	**50,885**
Less: Unallocable Expenditure	(6,187)	(6,458)
Add: Other Income	1,461	1,209
Earnings Before Interest & Tax	**42,012**	**45,636**
Less: Finance Costs	(15,462)	(11,691)
Profit Before Tax	**26,550**	**33,945**

(₹ in Lakhs)

Segment Assets	As at March 31, 2024	As at March 31, 2023
Powertrain	1,54,572	1,29,532
Aluminium Products	1,09,219	78,448
Industrial & Engineering	86,324	69,333
Total Segments	**3,50,115**	**2,77,313**
Unallocable Assets	67,792	55,633
Total Assets as per Balance Sheet	**4,17,907**	**3,32,946**

(₹ in Lakhs)

Segment Liabilities	As at March 31, 2024	As at March 31, 2023
Powertrain	94,667	68,211
Aluminium Products	59,650	38,011
Industrial & Engineering	59,106	35,210
Total Segments	**2,13,423**	**1,41,432**
Unallocable Liabilities	49,886	54,376
Total Liabilities as per Balance Sheet	**2,63,309**	**1,95,808**

(₹ in Lakhs)

Geographical Information	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from operations		
India	2,97,240	2,74,480
Outside India	23,539	23,544
Total Revenue	3,20,779	2,98,024

Note: "Outside India" above does not include sales to SEZ and includes export incentives.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

b. Disclosure about major customers

Revenue from customers individually contributing more than 10% of total revenue of the Company across all the segments, amounts to ₹90,909 Lakhs (₹91,624 Lakhs for the year ended March 31, 2023) of the total revenue of the Company across all the segments.

Other Disclosures as required under schedule III to the Companies Act, 2013

3.12 Ratio Analysis

Ratios	As at March 31, 2024	As at March 31, 2023	% Variance
(a)Current Ratio	1.03	1.15	-11%
(b) Debt-Equity Ratio	0.91	0.72	25%
(c) Debt Service Coverage Ratio	1.45	1.48	-2%
(d) Return on Equity Ratio	14%	19%	-28%
(e) Inventory turnover ratio	4.28	4.65	-8%
(f) Trade Receivables turnover ratio	8.30	8.99	-8%
(g) Trade payables turnover ratio	3.37	3.41	-1%
(h) Net capital turnover ratio **	7	8	-13%
(i) Net profit ratio	6.2%	8.0%	-23%
(j) Return on Avg Capital employed	16%	23%	-28%
(k) Return on investment #	NA	NA	NA

Ratios	Formula (Numerator/Denominator)	Remarks for 25% change
(a) Current Ratio	Current Assets / Current Liabilities	NA
(b) Debt-Equity Ratio	Total Debt/Shareholders' Equity	Increase in borrowing in FY 23-24
(c) Debt Service Coverage Ratio	Earnings available for debt service /Debt Service Debt service = Interest & Lease Payments + Principal Repayments	NA
(d) Return on Equity Ratio	Net Profits after taxes/Average Shareholders' Equity	Decrease in profit after tax in FY 23-24
(e) Inventory turnover ratio	Sales/ Average Inventory	NA
(f) Trade Receivables turnover ratio	Sales / Average Accounts Receivable	NA
(g) Trade payables turnover ratio	Purchases / Trade Payables	NA
(h) Net capital turnover ratio **	Net Sales/Net Working Capital	NA
(i) Net profit ratio	Net Profit/ Net Sales	NA
(j) Return on Capital employed	Earning before interest and taxes/Avg. Capital Employed Avg. Capital employed = Avg.Total Assets- Avg. Current Liabilites	Decrease in EBIT in FY 23-24
(k) Return on investment #		

Note:

** Net working capital does not include short term borrowings of ₹38,447 Lakhs (March 31, 2023: 21,404 Lakhs)

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

3.13.a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder

Notes to Standalone Financial Statements
for the year ended March 31, 2024

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

3.13.c) As per the information available with the Company, there has been no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year (Previous Year – Nil)

3.13.d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period as at the end of the year.

3.13.e) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

1) 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)

2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

   i) 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

   ii) provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Previous Year – Nil)

3.13.f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2024 (Previous Year – Nil).

3.13 g) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts

3.14 Certain comparative figures have been reclassified to conform to the current year presentation.

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Independent Auditors' Report

To the members of Craftsman Automation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Craftsman Automation Limited (hereinafter referred to as the "Company" / "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income and Group's share of profit in joint venture), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and notes to the consolidated financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2024, the consolidated profit and consolidated total comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("Standards" or "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key audit matter description and principal audit procedures
1	Accounting for derivative contracts Refer Notes D-d, 1.9, 1.17, 1.24, 1.29 and 3.6 in consolidated financial statements A significant source of Company's funds is borrowings, denominated in Indian rupee and foreign currency with a combination of fixed and floating interest rates. The Company's cost of borrowings will be impacted by fluctuations in foreign exchange rates and movements in interest rates. The Company's mitigation plan for the risk of foreign currency fluctuation and interest rate fluctuation includes using derivative instruments as per its risk management policy. These hedges taken using derivative instruments are designated as either cashflow or fair value hedge. Estimating future cash flows is a significant factor in determining the mark to market gain or loss, accounting of such forward contracts and in the determination of its fair value. Significant judgement is applied in making these estimates by the management of the Company for which an expert is used.

S. No	Key audit matter description and principal audit procedures

	As at March 31, 2024, the carrying value of the Company's derivatives included derivative assets amounting to ₹943 Lakhs and derivative liabilities of ₹259 Lakhs.
	
	Accounting for derivative contracts is considered as a key audit matter because of the significant judgement and estimates used in the fair valuation and the complex compliance framework for determining the accounting & disclosure of these transactions in accordance with Ind AS 109 'Financial Instruments' – Accounting (including recognition and derecognition of financial assets or liabilities). These class of transactions are material with respect to the financial statements.
	
	Our procedures related to audit of accounting for derivative contracts include the following
	
	• understanding and evaluating the design, implementation and operating effectiveness of internal controls over the completeness, existence and valuation of derivative instruments and management's documentation of the hedge effectiveness, accounting of derivative and hedging transactions;
	• examining the derivative contracts;
	• testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including:
	  - understanding the risk management objectives and strategies for different types of hedge instruments;
	  - evaluating that the relationship between the underlying liability and the hedge instrument;
	  - using an expert for checking the valuation and reviewing the hedge effectiveness test carried out by management as per Ind AS 109, including the economic relationship between the hedged item and the hedging instrument;
	• evaluating competence and capabilities of the auditor's experts and ensuring independence;
	• involving the auditor's expert for testing the appropriateness of hedge accounting to qualified hedge relationships i.e., cash flow or fair value hedges;
	• testing on sample basis the valuation of derivative instruments by management expert;
	• for selected samples, checking the confirmations from counterparties to the derivative contracts for the valuation as at the year-end;
	• checking the presentation and disclosures in the financial statements for compliance with Ind AS 109.

2	Accounting for Property, Plant and Equipment
	
	Refer Notes D-a, D-b, E-a, 1.1, 1.2,1.3 and 2.6 in consolidated financial statements
	
	Property, plant and equipment including capital work in progress ('PPE') represents 49% of the Group's total assets.
	
	The capitalisation of PPE includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable costs of bringing the asset to working condition for its intended use (inclusive of non-refundable purchase taxes and duties).
	
	Depreciation is generally charged as per Schedule II to Companies Act, 2013. In respect of certain classes of PPE, the useful life has been ascertained based on technical review by a Chartered Engineer and assessment by the management.
	
	The Company carries out physical verification of PPE on an annual basis.
	
	The Company uses estimates and assumptions to determine the useful life of assets, residual value, assess impairment loss (if any). The useful life of property, plant and equipment is determined by the technical team of the management taking into consideration the industry practice, the application and usage factors and past historical trend. The residual value at the end of the useful life of property, plant and equipment is estimated in determining the depreciable value of the asset. Impairment assessment of property, plant and equipment involves identification of Cash Generating Unit ('CGU') and estimating future cash flows arising of out of such CGUs.
	
	Due to the material value of PPE to total assets and estimates/judgements involved in their valuation, the audit of accounting of Property, Plant and Equipment has been considered as a Key Audit Matter in the audit of these financial statements
	
	Our procedures relating to audit of accounting for Property, Plant and Equipment includes the following:
	
	• evaluating of design and implementation of controls and testing the operating effectiveness of the internal controls over:
	  - measurement of initial recognition costs including costs of self-constructed PPE;
	  - valuation of PPE and review of useful lives including depreciation rates applied;
	  - periodic physical verification of property, plant and equipment by the management;

S. No	Key audit matter description and principal audit procedures
	• testing on sample basis the value of self-constructed assets with underlying documentation to assess compliance with applicable accounting standards; • wherever the useful life of a PPE considered is different from the useful life indicated in the Act, obtain confirmation from management's technical team for the useful life for the same; • reviewing the residual value of PPE considered by the management for consistency and appropriateness; • understanding the basis behind identification of Cash Generating Units by the management and review the future cash flow projections for the same; • checking the computation and correctness of the discounting factor applied for arriving at value in use and impairment thereof, if any; • checking the reasonableness of the assumptions made by the management in identifying CGUs, assessing the future cash flows, discount factor and impairment loss; • physically inspecting a sample of assets at one of the main units of the Company during the year to ensure existence of PPE; • reviewing the physical verification reports of the management and the treatment of discrepancies in the books of accounts / Fixed Asset Register, wherever applicable.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Board of Directors of the Holding Company is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Annexures to Board's Report including the report on Corporate Governance, but does not include the consolidated financial statements and our report thereon.

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

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Board of Directors of the Holding Company is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and the joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and its joint venture and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture is responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal financial controls over financial reporting 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 Holding Company have adequate internal financial controls over financial reporting system in place with reference to the financial statements and the operating effectiveness of such controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Holding Company;
- 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group and its joint venture to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

The consolidated financial statements include the financial statements of two subsidiaries whose financial information reflect total assets of ₹74,581 Lakhs and net assets of ₹41,505 Lakhs as at March 31, 2024, total revenues of ₹1,26,883 Lakhs, net profit after tax of ₹13,906 Lakhs, total comprehensive income of ₹13,847 Lakhs for the year ended March 31, 2024 and net cash inflows amounting to ₹2,695 Lakhs for the year ended on that date and the Group's share of profit after tax of ₹85 Lakhs and total comprehensive income of ₹86 Lakhs for the year ended March 31, 2024 in respect of a joint venture. The financial statements of the two subsidiaries and a joint venture have not been audited by us. The financial statements of these subsidiaries and joint venture have been audited by other auditors whose reports have been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information, in so far as it relates to the aforesaid subsidiaries and joint venture entity, is based solely on the reports of such other auditors

Our opinion above on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

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

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

(e) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of subsidiaries and joint venture companies incorporated in India, none of the directors of the Holding Company and the subsidiaries and joint venture companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on our report of the Holding Company and subsidiaries and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting for those Companies;

(g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

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

i. the Group, as detailed in Note 3.8 to the consolidated financial statements, has disclosed the impact of pending litigations on its consolidated financial position of the Group;

ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or subsidiaries and joint venture companies incorporated in India;

iv. (a) the respective managements of the Holding Company and subsidiaries and joint venture companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiaries and joint venture companies incorporated in India to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) the respective managements of the Holding Company and subsidiaries and joint venture companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or subsidiaries and joint venture companies incorporated in India from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and subsidiaries and joint venture companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

v. The amount of dividend is in accordance with Sec 123 of the Act.

(a) 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 Companies Act 2013 to the extent it applies to payment of dividend.

(b) As stated in Note 1.20 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks and that performed by the respective auditors of a subsidiary and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, the Company, subsidiary and joint venture have used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiary and joint venture did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

(i) As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we report that there are no disqualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the subsidiaries and joint venture companies incorporated in India which are included in these Consolidated Financial Statements.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRML3405

Place: Coimbatore
Date: April 27, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Craftsman Automation Limited of even date)

Independent Auditors' Report on the Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Craftsman Automation Limited ("the Holding Company") and its subsidiaries and joint venture companies, which are incorporated in India, as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and subsidiaries and joint venture companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and subsidiaries and joint venture companies, which are incorporated in India, based on our audit. Our audit is conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls system over financial reporting of the Company and subsidiaries and joint venture companies, which are incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and subsidiaries and joint venture companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to a subsidiary company and a joint venture, which are companies incorporated in India, is based solely on the corresponding reports furnished to us by the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRML3405

Place: Coimbatore
Date: April 27, 2024

Cosolidated Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	1.1	213,344	183,878
Capital Work in progress	1.2	17,861	9,663
Intangible assets	1.3	432	315
Right-of-use Asset	1.4	23,896	9,196
Goodwill on Consolidation	1.5	18,999	18,999
Investments accounted for using equity method	1.6	368	282
Financial assets			
Investments	1.7	79	61
Security Deposits	1.8	4,919	3,328
Other Financial assets	1.9	94	148
Current tax assets (Net)	1.10	828	21
Other non-current assets	1.11	11,456	5,991
		292,276	**231,882**
Current assets			
Inventories	1.12	104,082	83,601
Financial assets			
Trade receivables	1.13	57,663	53,529
Cash and cash equivalents	1.14	6,349	2,732
Other bank balances	1.15	1,953	2,002
Security Deposits	1.16	97	30
Other Financial assets	1.17	961	856
Other Current assets	1.18	7,193	6,040
		178,298	**148,790**
Total Assets		**470,574**	**380,672**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	1.19	1,056	1,056
Other Equity	1.20	164,742	136,634
Equity attributable to owners		165,798	137,690
Non-controlling interest	1.21	9,368	6,100
		175,166	**143,790**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	1.22	112,484	90,617
Lease Liabilities	1.23	16,486	7,539
Other Non-Current Financial Liabilities	1.24	211	377
Deferred tax liabilities (Net)	1.25	13,148	14,112
		142,329	**112,645**
Current liabilities			
Financial Liabilities			
Borrowings	1.26	42,159	24,655
Lease Liabilities	1.27	4,353	1,212
Trade payables			
(a) total outstanding dues of micro enterprises & small enterprises		1,178	1,167
(b) total outstanding dues of creditors other than micro enterprises & small enterprises	1.28	78,886	69,995
Other current Financial Liabilities	1.29	14,595	12,264
Current tax liabilities (Net)	1.30	912	3,156
Other current liabilities	1.31	9,875	11,111
Provisions	1.32	1,121	677
		153,079	**124,237**
Total Equity and Liabilities		**470,574**	**380,672**

The accompanying notes form an integral part of the consolidated financial statements

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

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue From Operations	2.1	445,173	318,260
Other Income	2.2	1,724	1,254
Total Income (A)		**446,897**	**319,514**
EXPENSES			
Cost of materials consumed	2.3	252,153	169,964
Changes in inventories of finished goods and work-in-progress	2.4	(15,022)	(7,021)
Employee benefits expense	2.5	28,846	23,350
Depreciation, amortization and impairment expense	2.6	27,769	22,161
Other expenses	2.7	91,313	63,606
Finance costs	2.8	17,454	12,023
Total expenses (B)		**402,513**	**284,083**
Profit before share of profit from JV(C = A-B)		**44,384**	**35,431**
Share of profit from JV (D)		85	48
Profit before tax (E = D-C)		**44,469**	**35,479**
Tax expense:			
(1) Current Tax		11,702	12,259
(2) Deferred tax		(966)	(1,876)
	3.3	**10,736**	**10,383**
Profit for the year (F)		**33,733**	**25,096**
attributable to owners		30,447	24,839
attributable to non-controlling Interest		3,286	257
Other Comprehensive Income ('OCI')			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(316)	(13)
- Share of OCI of Joint Venture accounted for using equity method		1	(1)
(ii) Income tax relating to items that will not be reclassified to profit or loss		79	3
B (i) Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		16	132
- The effective portion of gains or loss on hedging instruments in a cash flow hedge		321	2
(ii) Income tax relating to items that will be reclassified to profit or loss		(81)	(53)
Other Comprehensive Income for the year, net of tax (G)		**20**	**70**
attributable to owners		38	69
attributable to non-controlling Interest		(18)	1
Total Comprehensive Income for the year (Comprising Profit for the year and Other Comprehensive Income for the year) (F+G)		**33,753**	**25,166**
attributable to owners		30,485	24,908
attributable to non-controlling Interest		3,268	258
Earnings per equity share Basic & Diluted (Face value of ₹5/-)	3.5	144.11	117.56

The accompanying notes form an integral part of the consolidated financial statements

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

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Profit before taxation ('PBT')	**44,469**	**35,479**
Adjustments to reconcile PBT to net cash flows:		
Depreciation, amortization and impairment expense	27,769	22,161
Gain on sale of assets	(107)	(41)
Exchange difference on transaction/translation (loss/(gain))	(1,042)	981
Share of Profit of Joint Venture	(85)	(48)
Provision for :		
Doubtful debts	(94)	5
Warranty & Rejection	88	71
Slow moving inventory	393	188
Interest income (including fair value changes in financial instruments)	(299)	(733)
Government grant income	(3,120)	(1,784)
Assets no longer receivable written off	-	73
Interest expense (including fair value changes in financial instruments)	17,349	10,623
Operating cash flow before changes in working capital	**85,321**	**66,975**
Adjustments for:		
Increase/ (Decrease) in provisions	8	33
Increase/ (Decrease) in other financial liabilities	(867)	889
Increase/ (Decrease) in other current liabilities	(1,251)	259
Increase/ (Decrease) in Trade Payables and other Payables	9,074	14,042
(Increase)/ Decrease in other financial assets	(1,661)	2,181
(Increase)/ Decrease in other current assets	(568)	195
(Increase)/ Decrease in trade and other receivables	(3,095)	(8,304)
(Increase)/ Decrease in inventories	(20,876)	(8,242)
Cash generated from operations	**66,085**	**68,028**
Income taxes paid	(14,754)	(7,262)
Net cash from operating activities - A	**51,331**	**60,766**
Cash flows from investing activities		
Purchase of property, plant and equipment	(62,905)	(34,467)
Purchase of Intangible Assets	(195)	(58)
Proceeds from sale of equipment	292	565
Consideration paid towards business combination	-	(37,500)
(Purchase)/ Sale of Equity Shares	(18)	16
Interest received	233	653
Net cash used in investing activities - B	**(62,593)**	**(70,791)**

Consolidated Statement of Cash Flow (Contd.)

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from financing activities		
Proceeds from long-term borrowings	47,716	57,631
Repayment of long term borrowings	(23,296)	(25,654)
Net proceeds from / (repayments of) short-term borrowings	14,955	(11,560)
Principal payments towards lease liability	(4,995)	(2,053)
Interest paid (incl. interest on lease liability)	(17,180)	(10,267)
Dividend Paid	(2,377)	(793)
Net cash from/ (used in) financing activities- C	**14,823**	**7,304**
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	3,561	(2,721)
Cash and cash equivalents at beginning of year	2,732	2,943
Cash and cash equivalents acquired through business combination	-	2,470
Effect of exchange rate changes on cash and cash equivalents	56	40
Cash and cash equivalents at end of year	**6,349**	**2,732**

Notes:

1. **Reconciliation of Cash & Cash equivalents as per Cash Flow Statement**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash & cash equivalents consists of:		
Cash and cash equivalents (note : 1.14)	6,349	2,732
Total	**6,349**	**2,732**

2. **Refer to note: 1.22 for Net Debt Reconciliation**

The accompanying notes form an integral part of the consolidated financial statements

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

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(₹ in Lakhs)

a. Equity Share Capital	Balance as at April 1,2023	Changes in equity share capital during the year	Balance as at March 31, 2024
	1,056	-	1,056

(₹ in Lakhs)

b. Other Equity	Reserves and Surplus			Other Reserves					
	Securities Premium Reserve	General Reserve	Retained Earnings	Share in Networth of Joint Venture	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve	Non-controlling Interest	Total
Balance as at April 1,2022	**28,123**	**9,662**	**75,136**	**175**	**(321)**	**(442)**	**185**	**-**	**112,518**
Profit for the year	-	-	24,791	48	-	-		257	25,096
Other Comprehensive Income	-	-	-	(1)	-	(51)	132	1	81
- Defined Benefit Plan	-	-	(10)		-	-			(10)
Total Comprehensive Income for the year	**-**	**-**	**24,781**	**47**	**-**	**(51)**	**132**	**258**	**25,167**
On Business Combination	-	-	-	-	-	-	-	5,842	5,842
Dividends	-	-	(793)	-	-	-	-	-	(793)
Balance as at March 31,2023	**28,123**	**9,662**	**99,124**	**222**	**(321)**	**(493)**	**317**	**6,100**	**142,734**
Profit for the year	-	-	30,362	85	-	-		3,286	33,733
Other Comprehensive Income	-	-	-	1	-	240	16	(18)	239
- Defined Benefit Plan	-	-	(219)		-	-			(219)
Total Comprehensive Income for the period	**-**	**-**	**30,143**	**86**	**-**	**240**	**16**	**3,268**	**33,753**
Dividends	-	-	(2,377)		-	-			(2,377)
Balance as at March 31,2024	28,123	9,662	126,890	308	(321)	(253)	333	9,368	174,110

The accompanying notes form an integral part of the consolidated financial statements

This is the Statement of Changes in Equity referred to in our report of even date

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

For and on behalf of the Board

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Notes annexed to and forming part of Consolidated Financial Statements:

A. CORPORATE INFORMATION

The Consolidated Financial Statements comprise of financial statements of Craftsman Automation Limited ('the Company or 'the holding Company') and its subsidiaries (collectively "the Group") and its joint venture for the year ended March 31, 2024. Craftsman Automation Private Limited was incorporated under the Companies Act, 1956 on July 18, 1986. The Company became a public limited Company from May 04, 2018. The Company is engaged in the business of manufacturing engineering components, sub-assemblies, products and rendering of contract manufacturing services to various industries.

B. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under the Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015. The presentation of the financial statements is based on the requirement of the Companies Act,2013.

C. BASIS OF PREPARATION

The items included in Consolidated Financial Statements of each of the entities consolidated are measured using the currency of the primary economic environment ('functional currency') in which each of the entities operates. The consolidated financial statements are presented in Indian Rupees ('INR') which is the functional and presentation currency of the Company and all values are rounded to the nearest Lakhs, except where otherwise indicated. In the Consolidated Financial Statements, all assets, liabilities and transactions of Group entities with a functional currency other than the INR are translated into INR upon consolidation.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liability which have been measured at fair value

i) Derivative financial instruments

ii) Certain financial assets and liability measured at fair value (refer note. 3.6)

iii) Defined Benefit Obligation.

D. MATERIAL ACCOUNTING POLICIES

S. No	Material Accounting Policies	D.	Reference In Balance Sheet & Profit And Loss Notes
1	Property Plant and Equipment	a.	1.1
2	Inventory	b.	1.12
3	Impairment of assets	c.	1.1, 1.2,1.3,1.6 & 2.6
4	Revenue recognition	d.	2.1
5	Financial Instruments	e.	1.9,1.17,1.24,1.29,3.6
6	Segment reporting	f.	3.13

a. Property Plant and Equipment

All property, plant and equipment except land is recognised at historical cost less depreciation. Freehold land is carried at historical cost.

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. If Company makes similar assets for sale in the normal course of business, the cost of the asset is usually the same as the cost of constructing an asset for sale. Internal margins are eliminated in arriving at such costs. Similarly, the cost of abnormal amounts of wasted material, labour, or other resources incurred in self-constructing an asset are not included in the cost of the asset. Borrowing Costs are recognized as a component of the carrying amount of a self-constructed item of PPE if its meets the recognition criteria under Ind AS.

Depreciation on Plant Property and Equipment

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

In respect of certain classes of PPE, the Group uses different useful life other than those prescribed in Schedule II to the Act. The useful life of such class of PPE has been ascertained based on technical review by a Chartered Engineer and assessment by the Management as detailed in the following table

Classes of PPE	Useful life and basis of depreciation
New Plant and Machinery	8 to 20 Years
Used Plant and Machinery	8 to 10 Years
Tool holder, jigs, fixtures, patterns, dies, moulds & instruments and gauges	5 Years
Lease hold improvements	Over lease period

b. Inventory

The cost of inventory items is determined by using weighted average cost formula.

Tools are valued at cost till they are issued for usage in production process. In respect of issued tools which can be refurbished, the Group depending upon its useful life amortizes on a straight line basis over its useful life. Useful life determined for certain classes of tools is two to three years. Tools which are not refurbishable are charged off to Statement of Profit and Loss upon issue for usage. The "tools in use" are carried at cost less accumulated amortization.

The Group regularly assesses whether there is any indication of a diminution in the value of inventories. Such indications may include, but are not limited to, evidence of obsolescence, damage, changes in market conditions, or significant declines in selling prices. This policy applies to all inventories held by the company, including raw materials, work in progress, and finished goods. If there is objective evidence of a diminution in the value of inventories, the carrying amount of the inventories is reduced to their net realizable value.

c. Impairment of assets

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

d. Revenue recognition

Sale of Goods & Rendering of Services

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

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed as at the reporting date.

Other Operating revenues

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

e. Financial Instruments

Group Derivative financial instruments:

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note 3.6.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit or Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit or Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting:

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6b sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit or Loss, and is included in the "Other Income".

Amounts previously recognised in Other Comprehensive Income and accumulated in equity (relating to effective portion as described above) are reclassified to Statement of Profit or Loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any gain or loss recognised in Other Comprehensive Income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit or Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit or Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

f. Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators of the reportable segments. The Group's reportable segments have been identified based on end consumption of the products sold or services rendered. The reportable segments are as follows:

Powertrain	This segment develops, manufactures, sells its goods and services of powertrain and related products to manufacturers of commercial / passenger vehicles, farm equipment, construction / mining equipment.
Aluminium Products	This segment develops, manufactures, sells its and goods and services consisting of aluminium products to the manufacturers of two wheelers, passenger vehicles and commercial vehicles and products for power transmission and other industrial usage.
Industrial & Engineering	This segment develops, manufactures, sells its goods and services such as castings, gears, material handling equipment, special purpose machines, other general engineering products (together broadly termed as "High End Sub-assembly, Contract Manufacturing & Others") and storage products to various end user industries.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment and as well as those which can be allocated on a reasonable basis. Operating segments are reported in a manner consistent with the internal reporting to the CODM of the Group.

E. OTHER ACCOUNTING POLICIES

a. Property, Plant & Equipment

Recognition and Measurement

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

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

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

Foreign exchange gain /loss arising on foreign currency denominated borrowing which are not hedged that were incurred to acquire PPE are recorded as part of the cost of asset as per Ind AS 101 and depreciated over their remaining useful life. In respect of exchange gain or loss arising from foreign currency denominated borrowings which are hedged accounting has been done based on Hedge effectiveness either as derivative or cash flow hedge as per Ind AS 109.

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

The import duty waived on capital assets which are purchased under the Export Promotion Capital Goods (EPCG) schemes and which are capitalized are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

De-recognition:

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

b. Intangible assets

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

An intangible asset with finite useful life that are acquired separately and where the useful life is 2 years or more is capitalized and carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over the useful life of the asset. The class of asset and the estimated useful life is as follows

Description of the asset	Useful life and basis of amortization
Software – Acquired	5 Years
Technical Know - Acquired	2.5 years

Internally generated intangible assets

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

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

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit or Loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Development Expenditure recognized as intangible assets are amortized over a period of 3 years.

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit or loss when the asset is derecognised.

Goodwill

Goodwill on acquisition of business is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses, if any.

c. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

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

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a Lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

d. INVENTORY

The Group determines the cost for items that are not interchangeable or that have been segregated for specific contracts on an individual-item basis as per Ind AS 2, 'Inventories'.

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

Inventories are initially recognized at the lower of cost and net realisable value (NRV). Cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

Raw materials, components, stores and spares of inventory are measured at weighted average cost. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Work in progress and finished goods are valued at cost or Net Realizable Value whichever is lower. Cost includes direct materials, labour and a portion of manufacturing overheads. Saleable scrap is valued at the lowest of the net realizable value in the last two months.

The Group selects a reasonable basis for allocating overhead costs to inventory items. Common allocation bases include direct labor hours, machine hours, or direct material costs. Overheads refer to indirect costs incurred in the production process that cannot be directly traced to specific inventory items. These costs include, but are not limited to, factory overheads, utilities, depreciation of production equipment, and indirect labor costs. Overhead costs are allocated to inventory items using the above mentioned allocation basis.

e. FINANCIAL INSTRUMENTS:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Classification of financial assets

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

After initial recognition:

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

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

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

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

Investments in equity instruments other than joint venture

The Group has valued the investments in equity instruments other than joint ventures at fair value through Other Comprehensive Income. Fair value of quoted instrument has been valued at market rate and in case of unquoted instrument it has been valued at book value of that Company based on Level 2 input.

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

Cash and cash equivalents:

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and net off bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade receivables

Trade receivables are initially recognised at transaction value. Subsequently, these assets are held at amortised cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e., expected cash shortfall.

Impairment of financial assets:

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Group applies the expected credit loss model for recognizing impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Group expects to receive).

De-recognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

De-recognition of financial liabilities

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

f. PROVISIONS

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

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

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

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

A contingent liability is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

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

Provision for Warranty

Provisions for expected cost of warranty obligations are recognized based on management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Provision for Rejection

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

g. REVENUE RECOGNITION:

Dividend and Interest Income

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

h. GOVERNMENT GRANT

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

Government grants are recognised in the Statement of Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Import duty waivers for capital assets purchased under Export Promotion Capital Goods schemes are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

i. EMPLOYEE BENEFITS

Defined contribution plans

Provident fund (PF)

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

Employee State Insurance (ESI)

Payments to defined contribution plans i.e., Group's contribution to employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

Defined benefit plans

Gratuity

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

Where defined benefit plans are funded, the plan assets are measured at fair value. At each balance sheet date, the plan assets and the defined benefit obligations are remeasured. The Statement of Profit & Loss reflects the change in the surplus or deficit, except for contributions made to the plan and benefits paid by the plan, along with business combinations and Re-measurement gains and losses.

Re-measurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Re-measurements are recognized in other comprehensive income.

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

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

The Group presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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

Short-term employee benefits:

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

Compensated leave absences:

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

j. FOREIGN CURRENCY TRANSACTIONS

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

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

- Exchange differences on translation or settlement of long term foreign currency monetary items in respect of loans borrowed, which are not hedged, before April 1, 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets, are adjusted to the cost of the assets and depreciated over remaining useful life of such assets. Where the borrowal is after April 1, 2016, such exchange difference is recognised in Statement of Profit and Loss. In other cases, where it has been hedged the same has been restated and adjusted against cash flow hedge of the respective derivative instruments.
- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note D.d for hedging accounting policies).

k. FOREIGN OPERATIONS

In the Group's Consolidated Financial Statements, all assets, liabilities and transactions of the Group entities with a functional currency other than the INR are translated into INR upon consolidation. The functional currency of Craftsman Europe BV is EURO.

On consolidation, assets and liabilities have been translated into INR at the closing rate at the reporting date. Income and expenses have been translated into INR at the average rate over the reporting period.
Exchange differences are charged or credited to Other Comprehensive Income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are re-classified to Statement of Profit and Loss and are recognised as part of the gain or loss on disposal.

l. INCOME TAXES

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

Current Tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

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

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

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

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

F Critical Accounting judgement and key sources of estimation uncertainty

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

i. Useful life of Property, Plant and Equipment and Intangible assets

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

ii. Tools in use

The assessment of useful life of tools in use has been done considering the historical experience and estimated refurbishment cycle and operating environment.

iii. Income Tax & Deferred Tax

The calculation of income taxes requires judgement in interpreting tax rules and regulations. Management judgement is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized.

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

iv. Fair Value

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

v. Measurement of defined benefit obligations

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

vi. Measurement and likelihood of occurrence of provisions and contingencies

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

G PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to Craftsman Automation Limited, its subsidiaries and joint venture. Subsidiaries are all entities over which the Company exercises control. The Company exercises control if and only if it has the following:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of its returns.

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-Group transactions and resulting unrealised profits, unrealised losses from intra-Group transactions are eliminated unless cost cannot be recovered.
- The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.
- An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in associates and joint ventures are accounted for using the equity method.
- Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition.
- The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's Standalone Financial Statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1.1 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Asset Category	Freehold land	Building*	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Property, Plant & Equipment Total
Gross Block							
At April 1, 2022	**8,451**	**22,395**	**209,333**	**2,065**	**518**	**154**	**242,916**
Acquired in business combination	615	7,018	21,266	108	32	21	29,060
Additions	407	2,043	27,002	505	25	57	30,039
Disposals	-	-	1,398	463	-	45	1,906
Translation reserve	-	-	1	(1)	-	-	-
At March 31, 2023	**9,473**	**31,456**	**256,204**	**2,214**	**575**	**187**	**300,109**
Additions	2,123	7,289	43,800	1,586	40	25	54,863
Disposals	-	159	2,252	-	-	-	2,411
Translation reserve	-	-	-	-	-	-	-
At March 31, 2024	**11,596**	**38,586**	**297,752**	**3,800**	**615**	**212**	**352,561**
Depreciation							
At April 1, 2022	**-**	**5,330**	**90,313**	**1,571**	**267**	**63**	**97,544**
Additions	**-**	859	18,935	216	45	13	20,068
Disposals	**-**	-	875	463	-	43	1,381
Translation reserve	**-**	-	1	(1)	-	-	-
At March 31, 2023	**-**	**6,189**	**108,374**	**1,323**	**312**	**33**	**116,231**
Additions	**-**	1,258	23,559	326	44	25	25,212
Disposals	**-**	159	2,067	-	-	-	2,226
Translation reserve	**-**	-	-	-	-	-	-
At March 31, 2024	**-**	**7,288**	**129,866**	**1,649**	**356**	**58**	**139,217**
At April 1, 2022	8,451	17,065	119,020	494	251	91	145,372
At March 31, 2023	9,473	25,267	147,830	891	263	154	183,878
At March 31, 2024	**11,596**	**31,298**	**167,886**	**2,151**	**259**	**154**	**213,344**

*Includes Written Down Value of improvements on leasehold buildings worth ₹737 Lakhs as on March 31, 2024 (WDV of ₹499 Lakhs as on March 31, 2023)

1.2 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Asset Category	Tangible - CWIP	Intangible - CWIP	Total Capital Work in Progress
Gross Block			
At April 1, 2022	**4,198**	**-**	**4,198**
Acquired in business combination	1,985	-	
Additions	9,637	-	9,637
Disposals	6,146	-	6,146
Translation reserve	-	-	
At March 31, 2023	**9,674**	**-**	**9,674**
Additions	16,452	-	16,452
Disposals	8,210	-	8,210
Translation reserve	-	-	
At March 31, 2024	**17,916**	**-**	**17,916**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

1.2 CAPITAL WORK IN PROGRESS (Contd.)

(₹ in Lakhs)

Asset Category	Tangible - CWIP	Intangible - CWIP	Total Capital Work in Progress
Depreciation	Impairment of CWIP		
At April 1, 2022	**-**	**-**	**-**
Additions	120	-	120
Disposals	109	-	109
Translation reserve	-	-	
At March 31, 2023	**11**	**-**	**11**
Additions	44	-	44
Disposals	-	-	-
Translation reserve	-	-	
At March 31, 2024	**55**	**-**	**55**
At April 1, 2022	**4,197**	**-**	**4,197**
At March 31, 2023	**9,663**	**-**	**9,663**
At March 31, 2024	**17,861**	**-**	**17,861**

Note:

1. Additions to PPE & CWIP include exchange loss aggregating to ₹ NIL for the year 2023-24 (exchange loss of ₹39 Lakhs for the year 2022-23) capitalised under Plant & Machinery
2. Refer Note no. 3.9 for details of charge on PPE of the Company

1.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Asset Category	Computer Software	Product Development	Technical know-how	Intangible Assets Total
Gross Block				
At April 1, 2022	**2,129**	**636**	**430**	**3,195**
Acquired in business combination	2	-	-	2
Additions	58	-	-	58
Disposals	5	-	-	5
Translation reserve	-	-	-	-
At March 31, 2023	**2,184**	**636**	**430**	**3,250**
Additions	197	-	-	197
Disposals	-	-	-	-
Translation reserve	-	-	-	-
At March 31, 2024	**2,381**	**636**	**430**	**3,447**
Depreciation				
At April 1, 2022	**1,705**	**636**	**430**	**2,771**
Additions	169	-	-	169
Disposals	5	-	-	5
Translation reserve	-	-	-	-
At March 31, 2023	**1,869**	**636**	**430**	**2,935**
Additions	80	-	-	80
Disposals	-	-	-	-
Translation reserve	-	-	-	-
At March 31, 2024	**1,949**	**636**	**430**	**3,015**
At April 1, 2022	**424**	**-**	**-**	**424**
At March 31, 2023	**315**	**-**	**-**	**315**
At March 31, 2024	**432**	**-**	**-**	**432**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

(a) CWIP ageing schedule

As on March 31, 2024 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Lessthan 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	16,452	1,409	-	-	17,861
Projects temporarily suspended	-	-	-	-	-
	16,452	**1,409**	**-**	**-**	**17,861**

As on March 31, 2023 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Lessthan 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	9,606	57	-	-	9,663
Projects temporarily suspended	-	-	-	-	-
	9,606	**57**	**-**	**-**	**9,663**

(b) For CWIP whose completion is overdue or has exceeded its cost compared to its original plan

As on March 31, 2024 - NIL

As on March 31, 2023 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Lessthan 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Various machines	57	-	-	-	57
	57	**-**	**-**	**-**	**57**

1.4 RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening	9,196	8,707
Additions	17,088	2,293
Amortisation expense	(2,382)	(1,804)
Deletions	(6)	-
Closing	**23,896**	**9,196**

Refer note: E.c 3.10a for detailed disclosures

1.5 GOODWILL ON CONSOLIDATION

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Goodwill	18,999	18,999
	18,999	**18,999**

Note: Refer note 3.12

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1.6 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Investment in Equity Shares of Joint Venture		
Carlstahl Craftsman Enterprises Private Ltd (30% stake)		
600,000 equity shares of ₹10 each fully paid up	60	60
Recognition of opening value of investment in Joint venture	222	175
Share of current year profits in Joint Venture	86	47
	368	**282**

FINANCIAL ASSETS

1.7 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Equity instruments (at Fair Value through OCI)		
Unquoted		
iEnergy Wind Farm (Theni) Private Ltd		
5,975 equity shares of ₹10 each fully paid up	1	1
TAGMA Centre of Excellence and Training		
15 equity shares of ₹10 each fully paid up	5	5
Hurricane Windfarms Pvt Limited (26% stake)*	4	4
39,000 equity shares of ₹10 each fully paid up		
Sulur Maharaja Solar Green Project Private Limited	22	-
218,700 equity shares of ₹10 each fully paid up		
Kamachi Industries Ltd	30	30
(298800 Equity Shares of ₹10 each fully paid-up)		
NSL Wind Power Company(Phoolwadi)Pvt Ltd	17	21
(1,68,905(2,06,905) Equity Shares of ₹10 each fully paid-up)		
Total	**79**	**61**

***Note:** The Company holds 26% equity stake in Hurricane Windfarms Pvt Ltd. As the shareholders agreement entered into with the promoters of Hurricane Windfarms Pvt Ltd contains restrictive covenants, the Company cannot exercise "Significant influence" in terms of Ind AS 28 and therefore is not classified under "Investments in Associates" and accordingly is not considered as a component for consolidated financial statements.

	As at March 31, 2024	As at March 31, 2023
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments including deemed equity	79	61
Aggregate amount of impairment in value of investments	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1.8 SECURITY DEPOSITS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Rent Deposit	1,791	1,467
Other Deposits	3,128	1,861
Total	**4,919**	**3,328**

1.9 OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Currency swap & Interest Rate Swap Derivative	84	138
Fixed Deposit	10	10
Total	**94**	**148**

1.10 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance payment of income tax less provisions	**828**	**21**

1.11 OTHER NON CURRENT ASSETS

Unsecured, considered good unless otherwise stated

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	11,484	6,019
Less: Provision for doubtful advances	(28)	(28)
Total	**11,456**	**5,991**

1.12 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials and Components	40,790	41,809
Work-in-progress	30,980	17,299
Finished goods	3,523	3,251
Consumable Stores	5,600	4,641
Tools in use	3,689	3,512
Machinery Spares	18,003	11,255
Packing Materials	714	599
Stock in transit	783	1,235
Total	**104,082**	**83,601**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1.13 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good - Secured	-	-
Considered good - Unsecured	57,663	53,529
Significant increase in Credit Risk	606	700
Credit impaired	40	40
Less: Expected Credit Loss allowance	(646)	(740)
Total	**57,663**	**53,529**

Receivables from related parties - refer note 3.7

Movement in Expected Credit Loss allowance is as follows :

	Opening	Allowance made during the year	write off during the year	Closing
2023-24	740	(94)	-	646
2022-23	734	79	(73)	740

Particulars	Ageing as on March 31, 2024					
	a. Less than 6 Months	b. 6 months - 1 year	c. 1 - 2 years	d. 2 - 3 years	e. More than 3 years	Grand Total
Undisputed						
(i) Considered good	55,042	2,277	346	-	-	57,665
(ii) Significant increase in credit risk	-	-	339	132	121	592
(ii) Credit impaired	-	-	-	-	-	-
Disputed						
(iv) Considered good	-	-	-	-	-	-
(v) Significant increase in credit risk	-	-	-	-	12	12
(vi) Credit impaired	-	-	-	-	40	40
Gross Total						**58,309**
Less: Expected Credit Loss						**(646)**
Total						**57,663**

Particulars	Ageing as on March 31, 2023					
	a. Less than 6 Months	b. 6 months - 1 year	c. 1 - 2 years	d. 2 - 3 years	e. More than 3 years	Grand Total
Undisputed						
(i) Considered good	52,163	1,156	210	-	-	53,529
(ii) Significant increase in credit risk	-	-	452	69	167	688
(ii) Credit impaired	-	-	-	-	-	-
Disputed						
(iv) Considered good	-	-	-	-	-	-
(v) Significant increase in credit risk	-	-	8	4	-	12
(vi) Credit impaired	-	-	-	-	40	40
Gross Total						**54,269**
Less: Expected Credit Loss						**(740)**
Total						**53,529**

1.14 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Balances with banks	6,345	2,730
b. Cash on hand	4	2
Total	**6,349**	**2,732**

1.15 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Margin money deposits against Letter of Credit & Guarantee	1,887	2,001
Other Deposits	66	1
Total	**1,953**	**2,002**

1.16 SECURITY DEPOSIT-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	**97**	**30**

1.17 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Currency swap, Interest Rate Swaps ('IRS') & Forward cover derivative	859	798
Interest receivable	98	58
Interest receivable	4	
Total	**961**	**856**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1.18 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Balances with Government Authorities	1,770	1,027
Advance to Suppliers (Other than Capital Goods)	3,782	3,698
Prepaid Expenses	1,214	1,078
Advance to Employees	150	66
Contract assets - Unbilled Revenue	143	127
Others	134	44
Total	**7,193**	**6,040**

1.19 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Authorised				
Equity Shares of ₹5 each	40,000,000	2,000	40,000,000	2,000
Issued, called, subscribed & Paid Up				
Equity Shares of ₹5 each	21,128,311	1,056	21,128,311	1,056
Total	**21,128,311**	**1,056**	**21,128,311**	**1,056**

(a) The movement of equity shares is as below

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	21,128,311	1,056	21,128,311	1,056
Additions due to issue of shares	-	-	-	-
Shares outstanding at the end of the year	**21,128,311**	**1,056**	**21,128,311**	**1,056**

(b) Rights, Preferences and Restrictions to equity shares

The Company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share.

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

(c) Details of equity shareholders holding more than 5% shares in the Company

(₹ in Lakhs)

Name of the equity shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S Ravi	10,500,000	49.70%	10,500,000	49.70%
S Murali	1,117,413	5.29%	1,917,413	9.08%
Total	**11,617,413**	**54.99%**	**12,417,413**	**58.78%**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(d) Details of Promoter's shareholding

(₹ in Lakhs)

Name of the Promoter	As at March 31, 2024			As at March 31, 2023		
	No. of Shares held	% of Holding	% Change	No. of Shares held	% of Holding	% Change
Promoter						
S Ravi	10,500,000	50%	0%	10,500,000	50%	0%
Promoter Group						
Murali S	1,117,413	5%	-4%	1,917,413	9%	-1%
Chithra Ravi	200	0%	0%	200	0%	0%
Gautham Ram R	200	0%	0%	200	0%	0%
Mirthula R	200	0%	0%	200	0%	0%
Total	**11,618,013**	**55%**	**-4%**	**12,418,013**	**59%**	**-1%**

(e) For the period of five years immediately preceding the balance sheet date

(i) Details of number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

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

(ii) Details of number and class of shares allotted as fully paid up by way of bonus shares:

- The Company has not allotted any shares as fully paid up by way of bonus shares

(iii) Details of number and class of shares bought back:

- The Company has not bought back any shares during the period of 5 years immediately preceding the balance sheet date

(iv) Sub-division of shares:

The shareholders of the Company at the Extra ordinary General Meeting held on April 30, 2018 approved the subdivision of equity shares of ₹100/- each into equity shares having a face value of ₹5/- each. Consequently the total number of equity shareholding has changed to 20,121,600 equity shares of face value ₹5/- each from that date.

(v) Initial Public Offering of shares:

The equity shares of the Company have been listed on BSE Limited and National Stock Exchange of India Limited on March 25, 2021 upon successful completion of the Initial Public Offer ('IPO' or 'the Public Offer'). The IPO involved (a) Fresh Issue of 10,06,711 equity shares and (b) Offer for Sale of 45,21,450 equity shares of face value of ₹5 each at an offer price of ₹1,490 per share.

1.20 OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Reserves & Surplus			
Securities Premium	(i)	28,123	28,123
General Reserves	(ii)	9,662	9,662
Retained Earnings	(iii)	126,890	99,124
Total Reserves & Surplus		164,675	136,909
Cash Flow Hedging Reserve	(iv)	(253)	(493)
Equity instruments through Other Comprehensive Income	(v)	(321)	(321)
Foreign currency translation reserve		333	317
Share of Networth in JV		308	222
Total		**164,742**	**136,634**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Additions and Deductions since the last balance sheet date:

(i) Securities Premium Account

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	28,123	28,123
Premium on fresh issue of shares	-	-
Issue expenses adjusted	-	-
Closing balance	**28,123**	**28,123**

(ii) Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	99,124	75,136
Profit for the year	30,362	24,791
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of defined benefit obligation (net of tax)	(219)	(10)
Dividend (including dividend distribution tax)	(2,377)	(793)
Closing balance	**126,890**	**99,124**

(iii) Cash Flow Hedging Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(493)	(442)
Changes in fair value of hedging instruments	321	2
Deferred Tax	(81)	(53)
Closing balance	**(253)**	**(493)**

(iv) Equity instruments through Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(321)	(321)
Changes in fair value of FVTOCI equity instruments	-	-
Closing balance	**(321)**	**(321)**

(v) Foreign currency translation reserve

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	317	185
Exchange differences in translating the financial statements of foreign operations	16	132
Closing balance	**333**	**317**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

(vi) Cash Flow Hedging Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	222	175
Share of current year profits in Joint Venture	85	48
Share of Other Comprehensive Income in Joint Venture	1	(1)
Closing balance	**308**	**222**

Refer “Statement of Changes in Equity” for additions/deletions in each of these items

A. Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

B. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc.

C. Retained Earnings includes ₹5,542 lacs of revaluation reserve created due to Land revaluation on transition to Ind AS (01.04.2015), which will not be available for distribution of profits

D. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

E. The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in General Reserve is not entirely distributable.

IIn respect of the year ended March 31, 2024, the Board of Directors has proposed a final dividend of ₹11.25 per share of face value ₹5 each to be paid on fully paid equity shares. This dividend is subject to approval by shareholders at the forth coming Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all holders of fully paid equity shares. The total estimated dividend to be paid is ₹2377 Lakhs.

1.21 NON-CONTROLLING INTEREST

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	6,100	-
On business combination	-	5,842
Profit attributable to non-controlling Interest for the year	3,286	257
Other comprehensive income attributable to non-controlling interest for the year	(18)	1
Closing balance	**9,368**	**6,100**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1.22 LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current *	Non-Current	Current *
Secured				
From Banks				
Rupee Term Loans	69,923	8,997	41,241	6,728
Foreign Currency Term Loans	8,725	4,663	13,194	4,588
	78,648	**13,660**	**54,435**	**11,316**
From NBFC				
Rupee Term Loans	33,836	478	36,182	290
Total	**112,484**	**14,138**	**90,617**	**11,606**

Notes:

1. The above long term borrowings are carried at amortised cost.

	March 31, 2023	March 31, 2022
Loans at amortised cost as at the end of the year (Current + Non-Current)	126,622	102,223
Add : Unamortised upfront fee paid as at the end of year	134	207
Gross loan outstanding as at the end of the year	**126,756**	**102,430**

2. Refer note no 3.9 for security and terms of borrowings.

* Taken to short term borrowings (Note 1.26)

Net Debt Reconciliation:

For the year ended March 31, 2024

Particulars	Cash and cash equivalents	Instrument to hedge the finance liability**	Current Borrowing	Non - Current Borrowing plus current maturity of long term debt*	Lease Liability	Total
Balance as at April 01, 2023	2,732	561	(13,097)	(102,929)	(8,751)	(121,484)
Acquisition of RoU asset	-	-	-	-	(17,088)	(17,088)
Pre-closure of leases	-	-	-	-	6	6
Cash Flows	3,561	-	(14,955)	(24,420)	4,995	(30,819)
Fair Value changes	-	123	-	-	-	123
Foreign exchange adjustments	56	-	(18)	103	-	141
Interest expense & other charges	-	-	(5,338)	(10,066)	(1,283)	(16,687)
Interest & charges paid	-	-	5,329	10,014	1,283	16,626
Balance as at March 31, 2024	**6,349**	**684**	**(28,079)**	**(127,298)**	**(20,838)**	**(169,182)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

For the year ended March 31, 2023

Particulars	Cash and cash equivalents	Instrument to hedge the finance liability**	Current Borrowing	Non - Current Borrowing plus current maturity of long term debt*	Lease Liability	Total
Balance as at April 01, 2022	2,943	317	(19,339)	(52,700)	(8,395)	(77,174)
Acquisition of RoU asset	-	-	-	-	(2,293)	(2,293)
Pre-closure of leases	-	-	-	-	(0)	(0)
Cash Flows	(2,721)	-	10,269	(30,674)	2,054	(21,072)
Fair Value changes	-	244	-	-	-	244
Foreign exchange adjustments	40	-	(668)	(1,012)	-	(1,640)
Acquired in business combination	2,470		(3,327)	(18,202)	(117)	(19,176)
Interest expense & other charges	-	-	(3,341)	(5,764)	(850)	(9,955)
Interest & charges paid	-	-	3,309	5,423	850	9,582
Balance as at March 31, 2023	**2,732**	**561**	**(13,097)**	**(102,929)**	**(8,751)**	**(121,484)**

*Includes the portion of "interest accrued but not due" pertaining to borrowings.

**does not include foreign currency forward contracts that are used for hedging liabilities that are operating cash flows

1.23 LEASE LIABILITIES - NON-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities - Non-current	16,486	7,539
Total	**16,486**	**7,539**

1.24 NON-CURRENT FINANCIAL LIABILITIES- OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Currency swap & Interest Rate Swap Derivative	209	375
Rent Advance	2	2
Total	**211**	**377**

Notes:

1. Currency swaps are for principal only and are cash flow hedge and hence are carried at fair value through OCI
2. Interest Rate Swap & Interest Rate Collar derivatives that are hedge effective are carried at fair value through OCI & others are carried at fair value through Statement of Profit & Loss
3. Rent advance is carried at amortized cost as it is not material to be fair valued

1.25 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities	14,755	15,551
Deferred Tax Assets	(1,607)	(1,439)
Total	**13,148**	**14,112**

Ref. Note 3.3

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

1.26 SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Loans repayable on demand from banks		
Rupee Loans	27,187	6,404
Foreign Currency Loans	834	1,644
Sub-total (A)	**28,021**	**8,048**
Unsecured		
Rupee Loans	-	5,000
Sub-total (B)	-	**5,000**
Current maturities of long-term debt (C)	14,138	11,607
Total (A + B + C)	**42,159**	**24,655**

Short Term Borrowings from banks are secured by

a. first pari passu charge on current assets of the Company.

b. second pari passu charge on fixed assets of the Company.

1.27 LEASE LIABILITIES - CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities - Current	4,353	1,212
Total	**4,353**	**1,212**

1.28 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Due to Micro and Small Enterprises-(MSE)	1,178	1,167
Sub-total (A)	**1,178**	**1,167**
Due to Other Suppliers	76,744	68,101
Accrued Expenses	2,142	1,894
Sub-total (B)	**78,886**	**69,995**
Total	**80,064**	**71,162**

Payables to related parties - refer note 3.7

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Particulars	Ageing as on March 31, 2024				
	a. Less than 1 year	b. 1 - 2 years	c. 2 - 3 years	d. More than 3 years	Grand Total
(i) MSE	1,178	-	-	-	1,178
(ii) Others	76,348	259	113	24	76,744
(iii) Disputed dues - MSE	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Gross Total					**77,922**
Accrued Expenses					**2,142**
Total					**80,064**

Particulars	Ageing as on March 31, 2023				
	a. Less than 1 year	b. 1 - 2 years	c. 2 - 3 years	d. More than 3 years	Grand Total
(i) MSE	1,167	-	-	-	1,167
(ii) Others	67,826	178	97	-	68,101
(iii) Disputed dues - MSE	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Gross Total					**69,268**
Accrued Expenses					**1,894**
Total					**71,162**

1.29 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	733	756
Currency swap , Interest Rate Swap & Forward cover derivative	50	-
Creditors for capital goods and services	9,463	6,284
Employee related liabilities	2,781	2,257
Dues to directors	8	3
Others	1,560	2,964
Total	**14,595**	**12,264**

1.30 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax provisions less advance payment	**912**	**3,156**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

1.31 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	6,433	8,042
Statutory Dues	3,442	3,069
Total	**9,875**	**11,111**

1.32 SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity	631	267
Other Provisions		
Provision for Warranty Cost	294	214
Provision for Rejection	196	196
Total	**1,121**	**677**

Movement in Provision for product warranties is as follows : (₹ in Lakhs)

	Opening	Expired during the year	Warranty provided for current year	Closing
2023-24	214	214	294	294
2022-23	158	158	214	214

Note : This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future obligations. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges upto one year.

Movement in Provision for Rejection is as follows : (₹ in Lakhs)

	Opening	Expired during the year	Rejection provided for current year	Closing
2023-24	196	196	196	196
2022-23	110	110	196	196

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

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

2.1 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Sale of products;		
Domestic Sales	327,570	206,421
Export Sales	19,786	20,487
A.	**347,356**	**226,908**
Sale of services;		
Machining Charges	67,632	63,678
Service Charges	593	1,166
B.	**68,225**	**64,844**
Other operating revenues;		
Sale of swarf & others	26,472	24,725
Duty Drawback	333	350
EPCG income on fulfilling obligation	2,540	1,270
Export Incentive under RoDTEP	247	163
C.	**29,592**	**26,508**
Revenue from operations (A+B+C)	**445,173**	**318,260**

Refer Note no: 3.13 "Segment Reporting" for breakup of revenue from operations.

2.2 OTHER INCOME

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Interest Income from deposits measured at amortised cost	234	653
Interest Income due to unwinding of fair valued assets		
-Rent Advance	66	80
Net gain on sale of assets	107	41
Rental income	30	31
Exchange rate Gain/(Loss) on Transaction & Translation	1,155	417
Others	132	32
Total	**1,724**	**1,254**

2.3 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Cost of goods sold	248,640	167,235
Carriage inward	2,185	1,340
Sub Contract Charges	1,328	1,389
Total	**252,153**	**169,964**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

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

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Inventory at the end of the year		
Work in Progress	30,980	17,299
Finished Goods	4,592	3,251
Sub total	**35,572**	**20,550**
Inventory at the beginning of the year		
Work in Progress	17,299	10,758
Finished Goods	3,251	2,771
Sub total	**20,550**	**13,529**
(Increase) / decrease in inventory	**(15,022)**	**(7,021)**

2.5 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Salaries and wages	22,226	18,040
Contributions to Provident Fund & Employee State Insurance	724	538
Contribution to Gratuity fund	313	241
Managerial Remuneration	1,506	1,831
Staff welfare expenses	4,077	2,700
Total	**28,846**	**23,350**

2.6 DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Depreciation on Property, Plant & Equipment	24,984	20,068
Amortization of Intangible Assets	80	169
Amortization- Right-of-use Asset	2,382	1,804
Write off	279	109
Impairment expense / (reversal) of Capital Work in Progress	44	11
Total	**27,769**	**22,161**

2.7 OTHER EXPENSES

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Manufacturing Expenses		
Stores, Spares & tool consumed	22,916	18,144
Power & Fuel	26,251	16,606
Repairs & Maintenance		
- Machinery	10,968	7,657
- Building	1,041	751
- Others	3,045	1,864
Payment to contractors	9,271	5,287
Other manufacturing expenses	943	705
A.	**74,435**	**51,014**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Administrative Expenses		
Professional and Consultancy charges	1,975	1,108
Insurance Charges	498	467
Rates & Taxes	217	161
Software Licenses	720	574
General Administrative Expenses	1,094	839
Printing & Stationary	258	188
Postage & Telegrams	70	61
Rent	268	176
Telephone Expenses	178	161
Travelling Expenses	1,443	1,020
Directors' Sitting Fees	28	25
Remuneration to auditors	106	74
Corporate Social Responsibility Expenses	576	315
Amounts written off		
Bad debts	-	73
Provisions for the year		
Warranty	83	52
Rejections	(1)	18
Doubtful debts	(94)	5
B.	**7,419**	**5,317**
Selling expenses		
Packing material consumed	4,159	2,691
Carriage Outward	4,834	4,071
Sales Promotion Expenses	466	513
C.	9,459	7,275
Total (A+B+C)	**91,313**	**63,606**

Payment to Auditors

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Audit fee	81	56
Taxation Matters	15	10
Company Law Matter	-	-
Other Services- Certification	2	3
Reimbursement of Expenses	8	5
Total	**106**	**74**

2.8 FINANCE COSTS

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Interest expenses		
On Short Term Borrowings	5,338	3,341
On Long Term Borrowings at Amortised Cost	10,066	5,674
Others	196	218
Other Borrowing costs		
Unwinding of discounted Upfront fee on loans	84	90
Interest unwind - lease liability	1,283	850
Unwinding of Rent Advance	66	80
Bank charges	308	372
Net (gain)/loss on foreign currency transactions and translation	113	1,398
Total	**17,454**	**12,023**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

3.1 Subsidiaries and Joint Venture considered in the Consolidated Financial Statements:

Following Subsidiaries are considered in the Consolidated Financial Statements:

S. No	Name of the Subsidiary	Country of Incorporation	% of Ownership Interest	
			March 31, 2024	March 31, 2023
1	DR Axion India Private Limited	India	76%	76%
2	Craftsman Europe B.V	Netherlands	100%	100%

Following Joint Venture is considered in the Consolidated Financial Statements:

S. No	Name of the Joint Venture	Country of Incorporation	% of Ownership Interest	
			March 31, 2024	March 31, 2023
1	Carl Stahl Craftsman Enterprises Private limited	India	30%	30%

3.2 Additional Information – Subsidiaries & Joint Ventures:

Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries & Joint Ventures

(₹ in Lakhs)

Name of the entity	March 31, 2024		March 31, 2023	
	As a % of consolidated Net Assets	Amount	As a % of consolidated Net Assets	Amount
Parent Company				
Craftsman Automation Limited	88.26%	1,54,598	95.37%	1,37,138
Domestic Subsidiary				
DR Axion India Private Limited	22.22%	38,927	17.60%	25,313
Foreign Subsidiaries				
Craftsman Europe B.V	1.47%	2,577	1.63%	2,344
Sub Total	**111.95%**	**1,96,102**	**114.61%**	**1,64,795**
Add/(Less): Intragroup eliminations / adjustments	-11.95%	(20,936)	-14.61%	(21,005)
Total	**100%**	**1,75,166**	**100%**	**1,43,790**

(₹ in Lakhs)

Name of the entity	March 31, 2024		March 31, 2023	
	As a % of consolidated Profit or Loss	Amount	As a % of consolidated Profit or Loss	Amount
Parent Company				
Craftsman Automation Limited	58.58%	19,759	94.74%	23,776
Domestic Subsidiary				
DR Axion India Private Limited	40.58%	13,690	4.27%	1,072
Foreign Subsidiaries				
Craftsman Europe B.V	0.64%	216	0.95%	238
Sub Total	**99.80%**	**33,665**	**99.96%**	**25,086**
Add/(Less): Intragroup eliminations / adjustments	0.20%	67	0.04%	10
Total	**100%**	**33,732**	**100%**	**25,096**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

Name of the entity	March 31, 2024		March 31, 2023	
	As a % of consolidated OCI	Amount	As a % of consolidated OCI	Amount
Parent Company				
Craftsman Automation Limited	390.00%	78	-92.86%	(65)
Domestic Subsidiary				
DR Axion India Private Limited	-380.00%	(76)	5.71%	4
Foreign Subsidiaries				
Craftsman Europe B.V	85.00%	17	187.14%	131
Sub Total	**95.00%**	**19**	**100.00%**	**70**
Add/(Less): Intragroup eliminations / adjustments	5.00%	1	0.00%	-
Total	**100%**	**20**	**100%**	**70**

(₹ in Lakhs)

Name of the entity	March 31, 2024		March 31, 2023	
	As a % of consolidated Total Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent Company				
Craftsman Automation Limited	58.78%	19,837	94.23%	23,711
Domestic Subsidiary				
DR Axion India Private Limited	40.35%	13,614	4.29%	1,076
Foreign Subsidiaries				
Craftsman Europe B.V	0.69%	233	1.47%	369
Sub Total	**99.82%**	**33,684**	**99.96%**	**25,156**
Add/(Less): Intragroup eliminations / adjustments	0.18%	68	0.04%	10
Total	**100%**	**33,752**	**100%**	**25,166**

3.3 Income taxes

Income tax expense for the year reconciled to accounting profit

(₹ in Lakhs)

		Year Ended March 31, 2024	Year Ended March 31, 2023
Profit before tax	a	44,469	35,479
Income tax rate	b	25.168%	25.168%
Income tax expenses	a*b	11,192	8,929
Effect of			
i) Effect of expenses inadmissible for tax		129	131
ii) Effect of Lower income tax of Subsidiaries		(10)	(160)
iii) Effect of Share of profit from JV		(21)	(12)
iv) Effect of MAT Credit written off		-	2,348
v) Effect of change in tax rate *		(510)	(853)
vi) Others		(44)	-
Income tax expense recognised in Statement of Profit & loss		10,736	10,383

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note: The holding company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 during FY 2022-23, while the Domestic Subsidiary (DR Axion India Private Limited) has elected to exercise the option during FY 2023-24. Accordingly, the income tax expense for the financial years FY 2022-23 and FY 2023-24 were calculated and its deferred tax liabilities (net) were remeasured at the tax rate prescribed in the said section. The impact of the change in the Statement of Profit and Loss are:

(₹ in Lakhs)

Particulars	FY 2023-24	FY 2022-23
1. Reduction of tax expense	-	3,730
2. one-time gain arising from reversal of opening deferred tax liability	510	853
3. charging off of MAT credit which is unavailable on adoption of the reduced rate	-	2,348

Movement of deferred tax assets/ liabilities

(₹ in Lakhs)

Movement during the year ended March 31, 2024	As at March 31, 2023	Recognised in P&L	Recognised in OCI	As at March 31, 2024
Depreciation & Amortization	(14,528)	770	-	(13,758)
Provision for doubtful debts	184	(24)	-	160
Other Temporary Differences	232	220	(2)	450
	(14,112)	**966**	**(2)**	**(13,148)**

(₹ in Lakhs)

Movement during the year ended March 31, 2023	As at March 31 2022	Acquired in Business Combination	Recognised in P&L	Recognised in OCI	MAT utilisation	As at March 31, 2023
Depreciation & Amortization	(15,222)	(1,903)	2,597	-	-	(14,528)
Provision for doubtful debts	254	-	(70)	-	-	184
Other Temporary Differences	931	-	(649)	(50)	-	232
MAT Credit entitlement-Unused tax credit	2,359	-	-	-	(2,359)	-
	(11,678)	**(1,903)**	**1,878**	**(50)**	**(2,359)**	**(14,112)**

3.4 Employee Benefits

The Union Ministry of Labour issued draft rules under section 67 of the Code on Wages Act on July 7, 2020 in the Gazette and the Act is yet to be effective

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

3.4 A) Defined Contribution Plan

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

The total expenses recognised in Statement of Profit or Loss of ₹680 Lakhs (2022-23: ₹493 Lakhs) represents contribution payable to these plans by the Group at rates specified in the rules of the plan.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3.4 B) Defined benefit plans

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

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

Investment risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Liquidity Risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Group there can be strain on the cash flows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

b. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.23% - 7.24%	7.55% - 7.59%
Expected rate of salary increase	5.00% - 10.00%	5.00% - 10.00%
Attrition rate	5.00%	5.00%

The estimate of future salary increase take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

(₹ in Lakhs)

	2023-24	2022-23
Current Service Cost	304	234
Net interest expense/ (income)	9	8
Component of defined benefit cost recognised in P&L	313	242
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain)/loss arising from changes in financial assumptions	98	(14)
Actuarial (Gain)/ Losses due to Experience on Defined Benefit Obligation	212	18
Actuarial (Gain)/Loss arising from changes in financial assumptions due to demographic assumption changes in Defined Benefit Obligation	1	0
Return on Plan Assets (Greater) / Less than Discount rate	5	8
Components of defined benefit costs recognised in other comprehensive income	316	13
Total Defined Benefit Cost	**629**	**267**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

d. The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	2895	2256
Fair value of plan assets	2264	1988
Net liability arising from defined benefit obligation (funded)	(629)	(268)

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

	Year ended March 31, 2024	Year ended Mar 31, 2023
Opening defined benefit obligation	2256	1719
Acquired on Business Combination	-	223
Current Service Cost	304	234
Interest Cost	158	129
Benefits paid	(135)	(57)
Actuarial (gain)/loss	312	8
Closing defined benefit obligation	**2895**	**2256**

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

	Year ended March 31, 2024	Year ended Mar 31, 2023
Opening fair value of plan assets	1988	1516
Acquired on Business Combination	-	211
Interest income of the assets	149	121
Employer contribution	268	203
Benefits payout	(135)	(57)
Actuarial gain/(loss)	(6)	(6)
Closing fair value of plan assets	**2264**	**1988**

g. The Group funds the cost of the gratuity expected to be earned on a yearly basis.

The actual return on plan assets was ₹144 Lakhs (2022-23: ₹125 Lakhs)

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

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would		
• Decrease by (Mar 24: (8.64%) to ((9.83%); Mar 23: (8.63%) to (9.77%))	(254)	(197)
• Increase by (Mar 24: 10.04% to 11.55% ; Mar 23: 10.03% to 11.51%)	296	230

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

	As at March 31, 2024	As at March 31, 2023
If the expected salary is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 24: 8.46% to 11.08% ; Mar 23: 8.64% to 11.06%)	254	200
• Decrease by (Mar 24: (7.63%) to (9.56%) ; Mar 23: (7.88%) to (9.52%))	(228)	(181)
If the attrition rate is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 24: 1.43% to 2.18%; Mar 23: 1.65% to 2.67%;)	44	40
• Decrease by (Mar 24: (1.62%) to (2.53%) ; Mar 23: (1.86%) to (3.09%))	(50)	(45)

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

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

i. Funding arrangements

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

The Group expects to make a contribution of ₹381 Lakhs (as at March 31, 2023: ₹283 Lakhs) to the defined benefit plans for the next financial year.

Information on the maturity profile of the liabilities:

Particulars	March 31, 2024	March 31, 2023
Weighted average duration of the DBO	12.37 -12.82 years	12.13 -12.78 years
	₹ Lakhs	₹ Lakhs
Projected Benefit Obligation	2,895	2256
Accumulated Benefits Obligation	1,941	1512

j. Maturity Profile:

(₹ in Lakhs)

FUTURE PAYOUTS	Present Value
Year (i)	202
Year (ii)	176
Year (iii)	172
Year (iv)	148
Year (v)	144
Next 5 year pay-outs(6-10yrs)	646
Pay-outs above ten years	1408

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3.5 Earnings per share (EPS)

(₹ in Lakhs)

	Year Ended March 31, 2024	Year Ended March 31, 2023
Earnings per share		
Basic earnings per share	144.11	117.56
Diluted earnings per share	144.11	117.56
Face value per share	5	5
Basic and diluted earnings per share	₹ Lakhs	₹ Lakhs
Profit for the year attributable to equity shareholders	30,447	24,839
	Nos.	Nos.
Total number of equity shares outstanding at the end of the year	2,11,28,311	2,11,28,311
Weighted average number of equity shares		
used in the calculation of basic earnings per share	2,11,28,311	2,11,28,311
after adjustment for effect of dilution	2,11,28,311	2,11,28,311

3.6 Financial Instruments:

3.6a Capital Management:

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

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

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

The Debt to equity ratio as at end of the year is given below:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Debt (long-term and short-term borrowings including current maturities)	1,54,643	1,15,272
Equity	1,75,166	1,43,790
Debt Equity Ratio	0.88	0.80

3.6b Financial risk management

In course of its business, the Group is exposed to certain financial risks that could have significant influence on the Group's business and operational / financial performance. These include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

The Group uses derivative financial instruments to hedge risk exposures in accordance with the Group's policies as approved by the board of directors.

i. Market Risk

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

A. Foreign currency risk management:

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

Assets	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)
Receivables	USD	37	3,108	43	3,561
	EUR	8	744	10	883
	GBP	0.04	4	0.44	44
Total Receivables (A)		-	3,856	-	4,488
Hedged by derivative contracts (B)		-	-	-	-
Unhedged receivables (C=A-B)			3,856		4,488

Liabilities	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)
Payable (trade & other)	USD	62	5,130	114	9,327
	JPY	3,314	1,826	1,065	659
	EUR	29	2,636	2	144
	GBP	0.03	3	0.02	2
	CHF	-	-	-	0.01
	CNY	-	-	0.05	1
Borrowings (ECB and Others)	USD	171	14,254	237	19,485
	EUR	-	-	-	-
Total Liabilities (A)		-	23,849	-	29,618
Hedges by derivative contracts (B)	USD	92	7,648	125	10,256
	JPY	-	-	559	346
	EUR	14	1,260	-	-
Unhedged payables (C=A-B)		-	14,941	-	19,016

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

B. Foreign currency sensitivity analysis:

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

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

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

(₹ in Lakhs)

Currency	1% Strengthening of FC	
	As at March 31, 2024	As at March 31, 2023
USD	(86)	(150)
GBP	0.01	0.42
CHF	-	(0)
EUR	(6)	7
JPY	(18)	(3)
CNY	-	(0.01)
	(110)	(144)

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

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

(₹ in Lakhs)

Cash Flow Hedges	Foreign Currency		Equivalent value		Fair value of contracts	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Sell EUR	14	-	1,310	-	1,260	-
Sell JPY	-	559	-	352	-	346

Note:

The MTM of the above has been included in the balance sheet under 'Other Current Financial Asset'. [Refer Note 1.17] as on 31-03-2024

Interest rate risk management:

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk of floating interest rates in foreign currency loans is managed by the Group by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities which are unhedged, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. An increase or decrease of 50 basis point in rupee interest rates and 25 basis points in USD SOFR rate is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

A decrease in interest rates would have the opposite effect to the impact in the table above.

(₹ in Lakhs)

Base Rate	Increase in Base rate	Effect of Change in interest rates		Outstanding as on	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD SOFR	25 bps	14	19	5,711	7,704
INR Baserate	50 bps	470	296	94,041	59,139
		484	**315**	**99,752**	**66,843**

*Interest rate on all USD loans are hedged with either IRS or IRC and hence are not exposed to risk due to interest rate fluctuations.

Foreign currency and interest rate sensitivity analysis for swap contracts:

The Group has taken interest rate swaps ('IRS') to hedge the interest rate risks. The marked-to-market gain as at March 31, 2024 is ₹166 Lakhs (March 31, 2023 gain is ₹231 Lakhs). The amount of loss recognised in OCI for the year ended March 31, 2024 is ₹65 Lakhs (March 31, 2023 – gain ₹413 Lakhs) and the amount of gain recognised in Statement of Profit and Loss for the ineffective portion of cash flow hedge for the year ended March 31, 2024 is ₹ NIL (March 31, 2023: ₹ NIL).

In addition to the above, the Group has an Interest Rate Collar ('IRC'), to hedge the interest rate risks. The marked-to-market gain as at March 31, 2024 is ₹90 Lakhs (March 31, 2023: Gain ₹139 Lakhs). The amount of loss recognised in OCI for the year ended March 31, 2024 is ₹49 Lakhs (March 31, 2023 – Gain ₹102 Lakhs).

In case of currency swaps, the effective portion of cash flow hedges, is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in Statement of Profit and Loss. Amounts recognised as OCI are transferred to Statement of Profit and Loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs when the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability. The mark-to-market gain as at March 31, 2024 is ₹ NIL (March 31, 2023: ₹ NIL). The amount recognised in OCI for the year ended March 31, 2024 is ₹ NIL (March 31, 2023: loss of ₹218 Lakhs). Also, the effect given to OCI on account of restatement loss of the underlying foreign currency loans for the year ended March 31, 2024 is ₹198 Lakhs (March 31, 2023: loss of ₹242 Lakhs).

Further, the Group has call options for principal payments of two of its foreign currency loan which are designated as a cash flow hedge. The marked-to-market gain as at March 31, 2024 is ₹477 Lakhs (March 31, 2023: gain of ₹191 Lakhs). The amount of gain recognised in OCI for the year March 31, 2024 is ₹287 Lakhs (March 31, 2023 – loss of ₹52 Lakhs).

Credit Risk:

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

- Trade receivables:

The Group periodically assesses the financial reliability of customers taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. These include customers, which have high credit-ratings assigned by international and domestic credit-rating agencies. Individual risk limits are set accordingly. The Group's trade and other receivables, including loans under customer financing activities, consists of a large number of customers, across geographies.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Movement in Credit loss allowance

(₹ In Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	740	734
Allowance for bad and doubtful debts during the year	(94)	79
Trade receivables written off during the year	-	(73)
Balance as at the end of the year	**646**	**740**

Other financial assets:

a. Bhatia Coke & Energy Limited

Bhatia Coke & Energy Limited is under "Corporate Insolvency resolution process" as per the MCA website. Also, the management of the Company is taken over by an insolvency professional appointed by the National Company Law Tribunal (NCLT)

Given this, the Company has fair valued the investment to NIL in FY 2020-21.

None of the Group's other cash equivalents, including time deposits with banks, are past due or impaired.

Movement in Provision for advances:

(₹ In Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	28	28
Allowance for doubtful advances made during the year	-	-
Advances written off during the year	-	-
Balance as at the end of the year	**28**	**28**

Refer note: 1.11 of the financial statements.

ii. Liquidity Risk:

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

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

(₹ In Lakhs)

As at March 31, 2024	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	42,158	96,356	16,129	1,54,643
Interest payments on borrowings	10,631	20,180	723	31,534
Lease liability	4,353	11,963	4,523	20,839
Trade Payables	**80,064**	-	-	**80,064**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

(₹ In Lakhs)

As at March 31, 2023	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	24,655	73,576	17,041	1,15,272
Interest payments on borrowings	8,804	17,533	1,230	27,567
Lease liability	1,212	4,820	2,719	8,751
Trade Payables	**71,162**	**-**	**-**	**71,162**

The table below summarizes the maturity profile for its derivative financial assets and liabilities based on the undiscounted contractual net cash inflows and outflows on derivative liabilities that settle on a net basis or gross basis.

(₹ In Lakhs)

As at March 31, 2024	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Carrying Amount
Currency & Interest Rate - Swaps & Options	859	(125)	0	734
Foreign exchange forwards	(50)	-	-	(50)
	809	**(125)**	**-**	**684**

(₹ In Lakhs)

As at March 31, 2023	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Carrying Amount
Currency & Interest Rate - Swaps & Options	798	(237)	-	561
Foreign exchange forwards	-	-	-	-
	798	**(237)**	**-**	**561**

3.6c Categories of Financial assets and liabilities:

(₹ In Lakhs)

	As at March 31, 2024	As at March 31, 2023
Financial Assets		
a. Measured at amortized cost:		
Cash and cash equivalents	6,349	2,732
Other bank balances & Interest receivable	2,065	2,060
Trade Receivables	57,663	53,529
Security Deposit	5,016	3,368
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)		
Investments	79	61
Currency swaps & options and IRS & IRC	943	936

Notes to Consolidated Financial Statements
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(₹ In Lakhs)

	As at March 31, 2024	As at March 31, 2023
Financial Liabilities		
a. Measured at amortized cost:		
Borrowings	1,54,643	1,15,272
Lease Liability	20,839	8,751
Trade Payables	80,064	71,162
Other Financial Liabilities	14,547	12,266
b. Mandatorily maintained at fair value through other comprehensive		
income (FVTOCI)		
Currency Swaps & IRS	259	375

3.6d Fair value measurements:

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

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

The categories used are as follows:

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

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

(₹ In Lakhs)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Asset at fair value				
Investments measured at				
i) fair value through OCI	-	-	79	**79**
ii) fair value through P&L	-	-	-	-
Derivative Instruments measured at				
i) fair value through OCI	-	943	-	**943**
ii) fair value through P&L	-	-	-	-
Liabilities at fair value				
Derivative Instruments measured at				
i) fair value through OCI	-	259	-	**259**
ii) fair value through P&L	-	-	-	-

Notes to Consolidated Financial Statements
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(₹ In Lakhs)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Asset at fair value				
Investments measured at				
i) fair value through OCI	-	-	61	**61**
ii) fair value through P&L	-	-	-	-
Derivative Instruments measured at				
i) fair value through OCI	-	936	-	**936**
ii) fair value through P&L	-	-	-	-
Liabilities at fair value				
Derivative Instruments measured at				
i) fair value through OCI	-	375	-	**375**
ii) fair value through P&L	-	-	-	-

Calculation of Fair Values:

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

3.7 Related party disclosure

a) Related parties

Joint Ventures

Carl Stahl Craftsman Enterprises Private Limited

Key Management Personnel

Mr. Srinivasan Ravi, Chairman and Managing Director
Mr. Ravi Gauthamram, Whole Time Director
Mr. Chandrashekar Madhukar Bhide, Independent Director (till May 23, 2023)
Mr. Sundararaman Kalyanaraman, Independent Director
Mrs. Vijaya Sampath, Independent Director
Mr. T S V Rajagopal, Independent Director
Mrs. Rajeswari Karthigeyan, Independent Director (w.e.f. March 06, 2023)
Mr. C.B.Chandrasekar, Chief Financial Officer
Mr. Thiyagaraj Damodharaswamy, Chief Operating Officer
Mr. Shainshad Aduvanni, Company Secretary

Notes to Consolidated Financial Statements
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b) Related Party Transactions – Summary:

(₹ In Lakhs)

Transactions during the year	Joint Ventures		Key Management Personnel	
	23-24	22-23	23-24	22-23
Purchase of Goods & Services	489	224	-	-
Sale of Goods & Services	5,597	3,946	-	-
Remuneration to key management personnel	-	-	692	680
Commission	-	-	1,000	1,353
Sitting Fee	-	-	22	24
Rental Income	2	2	-	-

(₹ In Lakhs)

Balances as at the end of the year	Joint Ventures		Key Management Personnel	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade Receivables	1,525	754	-	-
Trade Payables	55	-	-	-
Remuneration payable	-	-	6	-

Note: Remuneration to KMP does not include gratuity contribution which is determined actuarially on an overall basis for the holding Company and its subsidiary and accordingly has not been considered.

c) Significant Related Party Transactions:

(₹ In Lakhs)

	Year Ended March 31, 2024	Year Ended March 31, 2023
Purchase of Goods & Services		
Carl Stahl Craftsman Enterprises Private Limited	489	224
Sale of Goods & Services		
Carl Stahl Craftsman Enterprises Private Limited	5,597	3,946
Remuneration to key management personnel		
Executive Directors	457	468
Chief Financial Officer	87	82
Chief Operating Officer	113	95
Company Secretary	35	35

Notes to Consolidated Financial Statements
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(₹ In Lakhs)

	Year Ended March 31, 2024	Year Ended March 31, 2023
Commission		
Executive Directors	963	1,329
Non-Executive Directors	37	24
Sitting Fee		
Non-Executive Directors	22	24
Rent Income		
Carl Stahl Craftsman Enterprises Pvt Ltd	2	2

d) Balances of Related Parties as at end of the year

(₹ In Lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade Receivable		
Carl Stahl Craftsman Enterprises Private Limited	1,525	754
Trade Payable		
Carl Stahl Craftsman Enterprises Private Limited	55	-
Remuneration payable		
Chairman and Managing Director	6	-

3.8 Contingent Liabilities and Commitments

a) Contingent Liabilities

(₹ In Lakhs)

Contingent Liabilities	As at March 31, 2024	As at March 31, 2023
a. Claims against the Company not acknowledged as debt		
Excise Duty	7	7
Value Added Tax	-	18
Service tax	67	67
Goods and Service Tax	16	16
Income tax	823	485
Stamp duty	-	56
b. Sales Bills discounted	4,617	1,908

b) Commitments

Commitment on Capital Account not provided as on March 31, 2024: ₹26,599 Lakhs; March 31, 2023: ₹17861 Lakhs.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3.9 Non-Current Borrowings:

(₹ In Lakhs)

Borrowings	As at March 31, 2024			Particulars of Repayment		As at March 31, 2023		
	Non-Current	Current Maturity	Total	Instalments	Amount/ Inst nos.	Non-Current	Current Maturity	Total
* IFC - ECB	7,683	3,831	11,514	Half-yearly	US$11.54 / 13	11,357	3,760	15,117
* SCB-ECB	1,041	832	1,873	Quarterly	US$2.50/ 20	1,846	819	2,665
* Indian Bank TL-1	-	-	-	Quarterly	₹156.25 / 48	1,092	1,901	2,993
* Bajaj TL-1	-	-	-	Quarterly	₹250.00/ 16	1,993	-	1,993
* Bajaj TL-2	2,749	-	2,749	Quarterly	₹175.00 / 20	3,748	-	3,748
* HDFC TL-1	2,103	-	2,103	Quarterly	₹350.88 / 20	3,504	-	3,504
# EXIM TL-1	9,712	1,606	11,318	Quarterly	₹541.67 / 24	11,860	1,060	12,920
# FEDERAL TL-1	9,892	-	9,892	Quarterly	₹520.83 / 24	11,976	520	12,496
# TCFSL TL-1	5,269	478	5,747	Quarterly	₹479.17 / 12	5,744	-	5,744
ABFL TL-1	12,491	-	12,491	Quarterly	₹150/2, 550/4	14,690	296	14,986
# 625/20								
# Bajaj TL-3	8,333	-	8,333	Quarterly	₹416.67 / 24	10,000	-	10,000
# SBI - TL1	9,439	556	9,995	Monthly	₹139/72	-	-	-
# Indian Bank TL-2	9,068	994	10,062	Monthly	₹185/54	-	-	-
# Axis TL-1	7,623	1,087	8,710	Quarterly	₹363/24	-	-	-
# HDFC TL-2	11,458	1,042	12,500	Quarterly	₹521/24	-	-	-
# Bajaj TL-4	4,995	-	4,995	Quarterly	₹250/20	-	-	-
* DR - HDFC TL-1	1,870	1,248	3,118	Quarterly	₹312.50/24	3,118	1,250	4,368
* DR - HDFC TL-2		594	594	Quarterly	₹208.33/20	594	833	1,427
* DR - HDFC TL-3	3,184	212	3,396	Quarterly	₹116.83/16	1,869	-	1,869
* DR - HDFC TL-4	248	17	265	Quarterly	₹16.53/16	264	-	264
* DR - Axis TL-1	3,742	829	4,571	Quarterly	₹208.33/24	4,566	417	4,983
* DR - GECL TL-1	188	250	438	Monthly	₹20.83/48	438	250	688
* DR - GECL TL-2	458	500	958	Monthly	₹41.67/48	958	500	1,458
* DR - GECL TL-3	938	62	1,000	Monthly	₹20.83/48	1,000	-	1,000
Total	**1,12,484**	**14,138**	**1,26,622**			**90,617**	**11,606**	**1,02,223**

ECB – External Commercial Borrowings ; TL – Rupee Term Loans; DR – Loans of the subsidiary DR Axion India Private Limited

The balances mentioned above are at amortised cost: Refer note 1.22

: Loans are secured by first pari passu charge on moveable fixed assets and second pari passu charge on current assets of the Company.

All other term loans (*) , both Rupee and Foreign Currency are secured by first pari passu charge on fixed assets and a second pari passu charge on current assets of the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3.10 Leases:

3.10a Group as lessee

(i) Following are the changes in the carrying value of right of use assets

For the year ended March 31, 2024: (₹ In Lakhs)

Particulars	Machinery	Land & Buildings	Total
Balance as at April 01, 2023	-	9,196	9,196
Additions	-	17,088	17,088
Amortization/ expense	-	(2,382)	(2,382)
Deletion	-	(6)	(6)
Balance as of March 31, 2024	-	23,896	23,896

For the year ended March 31, 2023: (₹ In Lakhs)

Particulars	Machinery	Land & Buildings	Total
Balance as at April 01, 2022	315	8,268	8,583
Additions	-	2,293	2,293
Additions on account of combination	-	124	124
Amortization/ expense	(315)	(1489)	(1804)
Deletion	-	-	-
Balance as of March 31, 2023	-	9,196	9,196

(ii) The aggregate amortization expense on ROU assets is included under depreciation, amortization and impairment expense in the statement of Profit and Loss.

(iii) The following is the break-up of current and non-current lease liabilities: (₹ In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	4,353	1,212
Non-current lease liabilities	16,486	7,539
Total	**20,839**	**8,751**

(iv) The following is the movement in lease liabilities during the year: (₹ In Lakhs)

Particulars	2023-24	2022-23
Balance as at the beginning of the year	8,751	8,395
Additions	17,089	2,293
Additions on account of business combination		124
Finance cost accrued during the year	1,283	850
Deletion	(6)	-
Payment of lease liabilities	(6,278)	(2,910)
Balance as at the end of the year	**20,839**	**8,751**

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

(₹ In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	2,810	1,992
One to five years	8,811	6,782
More than five years	6,011	3,283
Total	**17,632**	**12,057**

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

(vii) Rental expense recorded for short-term leases was ₹268 Lakhs for the year ended March 31, 2024. (March 31, 2023: ₹176 Lakhs)

(viii) Total cash outflow for leases including short-term was ₹6,546 Lakhs for the year ended March 31, 2024. (March 31, 2023: ₹3,086 Lakhs).

3.10b Group as lessor

Group has provided a portion of its building on operating lease to MC Machinery Systems India Private Limited (formerly known as MC Craftsman Machinery Private Ltd) & Carlstahl Craftsman Enterprises Private Limited for a period of 3 years and 5 years respectively.

Non-Cancellable Operating lease commitment	As at March 31, 2024	As at March 31, 2023
Not later than 1 year	30	18
Later than 1 year but not later than 5 years	52	7
Later than 5 years	-	-

3.11 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ In Lakhs)

	As at March 31, 2024	As at March 31, 2023
The principal amount due to Micro and Small Suppliers under this Act	1,178	1,167
Interest accrued and due to suppliers on the above amount	Nil	15
Interest paid to suppliers under this Act (Section 16)	Nil	Nil
Interest due and payable for the delay (for payment during the year beyond due date)	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed date, during the year	Nil	Nil
Interest accrued and remaining unpaid at the end of year to suppliers under this Act	Nil	15
Interest due and payable to suppliers under this Act for payment already made	Nil	Nil

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

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

3.12 Business Combination:

On February 01, 2023, the Company acquired 8,57,65,631 equity shares representing 76%of equity share capital of DR Axion India Private Limited, at cost ₹375,00,00,000 (Rupees Three hundred and seventy five crores only).

Details of the purchase consideration and goodwill are as follows:

(₹ In Lakhs)

Particulars	Amount
Consideration transferred	37,500
Non-controlling interest in the acquired entity	5,842
Less : Net identifiable assets acquired *	(24,343)
Goodwill on consolidation	18,999

The goodwill is attributable to the expected synergies on the acquisition

* Net identifiable assets acquired comprise PPE – ₹29,061 Lakhs; Other non-current assets – ₹2,616 Lakhs; Current assets –₹34,369 Lakhs; Non-current liabilities – ₹15,669 Lakhs and current liabilities – ₹26,034 Lakhs

Revenue and profit contribution for year ended March 31, 2023:

a. The acquired business contributed revenues of ₹19,642 Lakhs and profit before tax of ₹1,234 Lakhs between acquisition date and March 31, 2023.

b. If the acquisition had occurred on April 01, 2022, consolidated pro-forma revenue and profit before tax for the year ended March 31, 2023 would have been ₹4,07,027 Lakhs and ₹42,866 Lakhs, respectively.

3.13 Segment Reporting:

The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI's circular CIR/CFD/FAC/62/2016 dated 05 July 2016. Accordingly, the Group has identified the reportable segments based on end consumption of the products sold or services rendered and is consistent with performance assessment and resource allocation by the managemenWt. Segment revenue comprises sales and operational income allocable specifically to a segment. Un-allocable expenditure mainly includes corporate expenses, finance cost and other expenses. Un-allocable income primarily includes other income. During the year, the Chief Operating Decision Maker ('CODM') of the holding Company has, considering the increased prospects form non-automotive powertrain products, decided to rename "Automotive-Powertrain and others" segment as "Powertrain" segment. There have been no change in the current or comparable period figures.

(₹ In Lakhs)

Segment Revenue	Year Ended March 31, 2024	Year Ended March 31, 2023
Powertrain	1,55,837	1,52,709
Aluminium Products	2,15,361	93,461
Industrial & Engineering	73,975	72,090
Total revenue as per Statement of Profit and Loss	**4,45,173**	**3,18,260**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

(₹ In Lakhs)

Segment Profit or Loss	Year Ended March 31, 2024	Year Ended March 31, 2023
Powertrain	29,163	38,204
Aluminium Products	32,203	7,732
Industrial & Engineering	4,935	6,722
Total Segments	66,301	52,658
Less: Unallocable Expenditure	(6,187)	(6,458)
Add: Other Income	1,809	1,302
Earnings Before Interest & Tax	61,923	47,502
Less: Finance Costs	(17,454)	(12,023)
Profit Before Tax	44,469	35,479

(₹ In Lakhs)

Segment Assets	As at March 31, 2024	As at March 31, 2023
Powertrain	1,54,572	1,29,532
Aluminium Products	1,80,257	1,44,972
Industrial & Engineering	88,541	71,542
Total Segments	**4,23,370**	**3,46,046**
Unallocable Assets	47,204	34,626
Total Assets as per Balance Sheet	**4,70,574**	**3,80,672**

(₹ In Lakhs)

Segment Liabilities	As at March 31, 2024	As at March 31, 2023
Powertrain	94,667	68,211
Aluminium Products	91,639	79,222
Industrial & Engineering	58,885	35,074
Total Segments	**2,45,191**	**1,82,507**
Unallocable Liabilities	50,217	54,375
Total Liabilities as per Balance Sheet	**2,95,408**	**2,36,882**

Other Disclosures as required under schedule III to the Companies Act, 2013

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

3.14 Ratio Analysis

(₹ In Lakhs)

Ratios	FY 24	FY 23	% Variance
(a) Current Ratio	1.16	1.20	-3%
(b) Debt-Equity Ratio	0.88	0.80	10%
(c) Debt Service Coverage Ratio	1.73	1.19	45%
(d) Return on Equity Ratio	22%	20%	14%
(e) Inventory turnover ratio	4.74	4.35	9%
(f) Trade Receivables turnover ratio	8.01	7.66	5%
(g) Trade payables turnover ratio	3.91	3.81	3%
(h) Net capital turnover ratio **	6	6	-4%
(i) Net profit ratio	7.6%	7.9%	-4%
(j) Return on Avg Capital employed	22%	22%	-3%
(k) Return on investment #	NA	NA	NA

** Net working capital does not include short term borrowings of ₹42,159 Lakhs (March 31, 2023: 24,655 Lakhs)
# Investments are made only for production and product related. Hence ROI is not applicable

Ratios	Formula (Numerator/Denominator)	Remarks for 25% change
(a)Current Ratio	Current Assets / Current Liabilities	NA
(b) Debt-Equity Ratio	Total Debt/Shareholders' Equity	NA
(c) Debt Service Coverage Ratio	Earnings available for debt service /Debt Service Debt service = Interest & Lease Payments + Principal Repayments	Increase in earnings in FY 23-24
(d) Return on Equity Ratio	Net Profits after taxes/Average Shareholders' Equity	NA
(e) Inventory turnover ratio	Sales/ Average Inventory	NA
(f) Trade Receivables turnover ratio	Sales / Average Accounts Receivable	NA
(g) Trade payables turnover ratio	Purchases / Trade Payables	NA
(h) Net capital turnover ratio **	Net Sales/Net Working Capital	NA
(i) Net profit ratio	Net Profit/ Net Sales	NA
(j) Return on Capital employed	Earning before interest and taxes/Avg. Capital Employed Avg. Capital employed = Avg.Total Assets- Avg. Current Liabilites	NA
(k) Return on investment #		

3.15.a) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder

3.15.b) The Group has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority

3.15.c) As per the information available with the Group, there has been no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year (Previous Year – Nil)

3.15.d) There has been no charges or satisfaction yet to be registered with Registrart of Companies beyond the statutory period

3.15.e) During the year, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

1. 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)

2. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

   i) 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

   ii) provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(Previous Year – Nil)

3.15.f) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2024. (Previous Year – Nil).

3.16 Certain comparative figures have been reclassified to conform to the current year presentation. The Company acquired 76% of the equity share capital of DR Axion India Private Limited on February 1, 2023. Accordingly, the consolidated financial statements for the year ended March 31, 2024 is not comparable with year ended March 31, 2023 to that extent.

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

For SHARP & TANNAN
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 27, 2024

For and on behalf of the Board

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary
M.No. A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
April 27, 2024

Craftsman Automation Limited
Corporate Office
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