



# CRANEX LIMITED

## 48th Annual Report 2022 - 23



**CRANEX LIMITED**

**CIN: L74899DL1973PLC006503**

**Registered Office: 9, DDA Market, Katwaria Sarai, New Delhi-110016**

**Corporate Office: 57/1, Industrial Area, Site-IV, Sahibabad (U.P.)-201010**

**E mail: [investors@cranexltd.com](mailto:investors@cranexltd.com), Website: <http://www.cranexltd.com>**

## Chairman's Message

### Dear Shareholders!

The Financial year 2022-23 marks 48 years of Cranex journey of endurance during which we have pushed many challenging boundaries.

We have for long been associated with India's Space mission as a supplier of EOT cranes for their various Centres across India. We are especially pleased to inform you that we have also supplied EOT cranes to the UR Rao Space Centre at Bengaluru where the Chandrayan -3 Space Craft was designed.

In the current year the Company has seen a softer growth of only 3.5 % in the Turnover. However, our focus on growth and opportunities thereof has continued unabated. We have added to the manufacturing capacity and are now focusing more on High Capacity EOT cranes with higher profit margin. Our order book remains very healthy with confirmed orders in hand for over 12 months Sales.

Our products find acceptance in the most challenging operating conditions and with the most demanding customers across a wide gamut of sectors in India and overseas. Indian Railways, Defence and Power Sectors continue to be our major thrust areas.

This success would be impossible without our exceptional employees, and we recognize our responsibility to support both their professional and Personal lives, now more than ever. Times like these reinforce the truth that our employees are our most important asset- they are fundamental to the culture and success of our company. They have wholeheartedly supported us in successfully implementing many online systems and procedures enabling better evaluation of performance and operations by remote monitoring.

On behalf of the Board of Directors I would also like to convey earnest thanks to our valued shareholders for their continuous support and trust in us. This motivation helps us to excel in all our pursuits and constant endeavor to create value for you.

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS & KMP

**Mr. Piyush Agrawal**  
Managing Director  
DIN: 01761004

**Mr. Ashwani Kumar Jindal**  
Independent Director  
DIN: 01958501

**Mr. Chaitanya Agrawal**  
Whole-Time Director & CFO  
DIN: 05108809

**Ms. Shalini Rahul**  
Independent Director  
DIN: - 09357650

**Ms. Shilpy Chopra**  
Independent Director  
DIN: 07161915

**Ms. Renu**  
Company Secretary & Compliance Officer  
Membership No. A29426

### KEY COMMITTEES OF THE BOARD

#### Audit Committee

#### Nomination & Remuneration Committee

**Mr. Ashwani Kumar Jindal (Chairman)**  
**Mrs. Shilpy Chopra**  
**Mr. Chaitanya Agrawal**

**Mr. Ashwani Kumar Jindal (Chairman)**  
**Mrs. Shilpy Chopra**  
**Mr. Shalini Rahul**

#### Stakeholders Relationship Committee

**Mr. Ashwani Kumar Jindal (Chairman)**  
**Mr. Chaitanya Agrawal**  
**Ms. Shilpy Chopra**

### RTA, AUDITORS AND BANKER

**Registrar and Share Transfer Agent**  
Beetal Financial Computer Services Pvt. Ltd  
BEETAL HOUSE, 3rd Floor,  
99, Madangir, behind LSC,  
New Delhi - 110062  
&

**Internal Auditors**  
M/s. Vipin Aggarwal Kudsia & Associates  
Chartered Accountants  
152-A, DDA Flats Shahpur Jat  
New Delhi-110049

Link Intime India Private Limited  
45, Community Centre,  
2nd Floor, Naraina Industrial Area,  
Phase 1, Near PVR,  
Naraina, New Delhi-110028

**Secretarial Auditors**  
M/s. Parveen Rastogi & Co.  
Company Secretaries  
Flat No.-3, First Floor  
Sood Building, Ram Nagar, Paharganj  
New Delhi-110055

**Statutory Auditors**  
M/s V R Bansal & Associates  
Chartered Accountants,  
Firm Registration No. (016534N)  
Add:A-69/ Vijay Block, Laxmi Nagar  
Delhi-110092

**Bankers**  
Kotak Mahindra Bank Limited  
Canara Bank  
State Bank of India

**CRANEX LIMITED****CIN: L74899DL1973PLC006503****Registered Office: 9, DDA Market, Katwaria Sarai, New Delhi-110016****Corporate Office: 57/1, Industrial Area, Site-IV, Sahibabad (U.P.)-201010****E mail: investors@cranexltd.com, Website: <http://www.cranexltd.com>****BSE Script Code: 522001 ISIN: INE608B01010****NOTICE OF 48th e- ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 48th e- Annual General Meeting of the Members of Cranex Limited will be held on Saturday, the 30th day of September, 2023 at 03.00 P.M. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following Businesses:

**ORDINARY BUSINESS:****Item No. 1 - Adoption of Standalone & Consolidated Audited Financial Statements.**

To receive, consider and adopt the Standalone & Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

**Item No. 2- To appoint a Director in place of Mr. Chaitanya Agrawal (DIN 05108809), who retires by rotation and being eligible, offers himself for re-appointment.****SPECIAL BUSINESS:****Item No. 3 -Re- appointment of Ms. Shilpy Chopra (DIN: 07161915), as Director and Independent Director for a second term of 5 consecutive years.**

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

**"RESOLVED THAT** pursuant to Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under including any amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Regulations 16(1)(b), 25(2A) and other applicable Regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, Ms. Shilpy Chopra (DIN 07161915), Independent Director of the Company, whose term of office as Independent Director will expire on 15th January, 2024, and in respect of whom the company has received a notice in writing from a member proposing her candidature for the office of Independent Director be and is hereby re-appointed as an Independent Director of the Company (Not liable to retire by rotation) to hold office, for a second term of 5 (five) consecutive years from 16th January, 2024 till 15th January, 2029.

**Item No. 4 -Increase in remuneration of Mr. Piyush Agrawal, Managing Director of the Company.**

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

**"RESOLVED THAT** pursuant to Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018 and other applicable provisions, if any, and pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Schedule V of the Companies Act, 2013 and the rules made thereunder, including any amendment(s), modification(s) or reenactment(s) thereof for the time being in force; upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for revision of managerial remuneration of Mr. Piyush Agrawal (DIN: 01761004), Managing Director of the Company, which is in excess of threshold limits as prescribed under Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (SEBI LODR Regulations) and Schedule V of the Companies Act, 2013 and the Rules made thereunder.

**RESOLVED FURTHER THAT** the extent and scope of salary and perquisites of the Directors of the Company be altered, enhanced, widened or varied by the Board of Directors in accordance with the provisions of Companies Act, 2013 and other applicable provisions.

**RESOLVED FURTHER THAT** the terms and remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits during this financial year, the remuneration comprising salary, perquisites and benefits approved by the Board of Directors be paid as minimum remuneration to the Managing Director.

**RESOLVED FURTHER THAT** any Director of the Company, be and is hereby authorized to sign and submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution."

**Item No. 5 -Increase in remuneration of Mr. Chaitanya Agrawal, Whole Time Director of the Company.**

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

**"RESOLVED THAT** pursuant to Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018 and other applicable provisions, if any, and pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Schedule V of the Companies Act, 2013 and the rules made thereunder, including any amendment(s), modification(s) or re enactment(s) thereof for the time being in force; upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for revision of managerial remuneration of Mr. Chaitanya Agrawal (DIN: 05108809), Whole Time Director of the Company, which is in excess of threshold limits as prescribed under Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (SEBI LODR Regulations) and Schedule V of the Companies Act, 2013 and the Rules made thereunder.

**RESOLVED FURTHER THAT** the extent and scope of salary and perquisites of the Directors of the Company be altered, enhanced, widened or varied by the Board of Directors in accordance with the provisions of Companies Act, 2013 and other applicable provisions.

**RESOLVED FURTHER THAT** the terms and remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits during this financial year, the remuneration comprising salary, perquisites and benefits approved by the Board of Directors be paid as minimum remuneration to the Whole Time Director.

**RESOLVED FURTHER THAT** any Director of the Company, be and is hereby authorized to sign and submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution."

**By Order of the Board of Directors  
For Cranex Limited**

Sd/-  
Renu  
Company Secretary  
ACS:A29426

Place New Delhi  
Date 26-08-2023

**Regd. Office:**

**Registered Office:** 9, DDA Market,

**CIN: L74899DL1973PLC006503**

Katwaria Sarai, New Delhi-110016

**Corporate Office:** 57/1, Industrial Area,

Site-IV, Sahibabad (U.P.)-201010

E mail: investors@cranexltd.com,

Website: <http://www.cranexltd.com>

BSE Script Code: 522001

ISIN: INE608B01010

Details of the directors seeking appointment/re-appointment, pursuant to regulation 36 (3) of standard-2: meeting, in relation to the appointment or re-appointment of directors is as under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and secretarial standards.

**Item No. -3**

<b>Name of Director and Designation and DIN No.</b>	<b>Ms. Shilpy Chopra (Independent) and DIN: 07161915</b>
<b>D.O.B and Age</b>	11-12-1980, 43 years
<b>Date of Appointment on the Board of the Company</b>	16-01-2019
<b>Qualification</b>	Company Secretary, MBA (Finance), M.com & LLB
<b>Experience</b>	14+ years
<b>Expertise and functional area</b>	Corporate Law
<b>No. of directorship held in other company</b>	3
<b>List of Directorship of other Board</b>	<ul style="list-style-type: none"> <li>Auto Pins (India)Limited</li> <li>Moulin Commercial Limited</li> <li>Intec Capital Limited</li> </ul>
<b>No. of Shares held in Cranex Limited</b>	NIL
<b>Relation with other Director and KMP</b>	No relation with other Director and KMP
<b>No. of Board meeting attended during the year</b>	8
<b>Terms and conditions of re-appointment</b>	As per the Explanatory Statement

**Item No. -2 & 4**

<b>Name of Director and Designation &amp; DIN</b>	<b>Mr. Piyush Agrawal Managing Director and DIN: 01761004</b>
<b>D.O.B and Age</b>	04-08-1953, 70 years
<b>Date of Appointment on the Board of the Company</b>	29-01-2005
<b>Qualification</b>	B.E.
<b>Experience</b>	46+ years
<b>Expertise and functional area</b>	Technical and Managerial
<b>No. of directorship held in other company</b>	2
<b>List of Directorship of other Board</b>	Directorship: <ul style="list-style-type: none"> <li>Ritu Investments Private Limited</li> <li>Skylark Associates Pvt Ltd</li> </ul>
<b>No. of Shares held in Cranex Limited</b>	21,43,000 (at present)
<b>Relation with other Director and KMP</b>	Mr. Chaitanya Agrawal - Son
<b>No. of Board meeting attended during the year</b>	10
<b>Last remuneration paid</b>	1,50,000 p.m.

**Item No. -5**

<b>Name of Director and Designation &amp; DIN</b>	Mr. Chaitanya Agrawal Whole Time Director & CFO and DIN: <b>05108809</b>
<b>D.O.B and Age</b>	11-04-1983, 40 years
<b>Date of Appointment on the Board of the Company</b>	01-10-2011
<b>Qualification</b>	M.B.A.
<b>Experience</b>	13+ years
<b>Expertise and functional area</b>	Finance
<b>No. of directorship held in other company</b>	3
<b>List of Directorship of other Board</b>	<p>Directorship:</p> <ul style="list-style-type: none"> <li>• Ritu Investments Private Limited</li> <li>• Skylark Associates Pvt Ltd</li> <li>• Ife Cranex Elevators And Escalators India Pvt. Ltd.</li> </ul>
<b>No. of Shares held in Cranex Limited</b>	15,96,617 (at present)
<b>Relation with other Director and KMP</b>	Mr. Piyush Agrawal - Father
<b>No. of Board meeting attended during the year</b>	10
<b>Last remuneration paid</b>	1,00,000 p.m.

**NOTES FOR MEMBERS' ATTENTION:**

1. The deemed venue for 48th e-AGM shall be the Registered Office of the Company. Members may note that the Notice and Annual Report 2022-23 along with other documents will also be available on the Company's website [www.cranexltd.com](http://www.cranexltd.com), website of the Stock Exchange, i.e., [www.bseindia.com](http://www.bseindia.com).
2. **Pursuant to the provisions of the Act, a member entitled to attend and vote at the e-AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
3. The Board has appointed Mr. Parveen Kumar Rastogi, Practicing Company Secretary (COP No. 26582), as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner. The Scrutinizer will submit his report to the Company Secretary of the Company ('the Company Secretary') or to any other person authorized by the Company after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 2 days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange, NSDL and RTA and will also be displayed on the Company's website, [www.cranexltd.com](http://www.cranexltd.com).
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to [rastogifcs3@gmail.com](mailto:rastogifcs3@gmail.com)
5. The Company has engaged the services of NSDL, as authorised agency for conducting the AGM through VC/ OAVM and for providing e-voting facility. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Investors, who are members of the Company, are encouraged to attend and vote at the 48th e-AGM of the Company.
7. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Beetal, RTA.
8. To support "green initiative" and in terms of section 101 and 136 of the Act, read together with the Rules made there under, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website at [www.cranexltd.com](http://www.cranexltd.com), website of the Stock Exchange i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com), RTA at <http://www.beetalfinancial.com>
9. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with Beetal Financial Computer Services Private Limited.
10. Members having any question on Financial Statements or on any Agenda item proposed in the notice of AGM are requested to send their queries at least three days prior to the date of AGM of the company at [investors@cranexltd.com](mailto:investors@cranexltd.com) to enable the company to collect the relevant informations.
11. Register of Members and Share Transfer Books will remain closed from Sunday, 24th September, 2023 to Saturday, 30th September, 2023 (both inclusive) for the purpose of annual closing and AGM.
12. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investors@cranexltd.com](mailto:investors@cranexltd.com) The same will be replied by the company suitably.
13. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting (i.e. before September 27, 2023) mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting (i.e. before September 27, 2023) mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
14. **CUT OFF DATE :**
  - a) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the

depositories as on Saturday, September 23, 2023 (the "Cut-off Date") only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.

- b) Members are requested to quote their Folio No. / Client ID / DP ID in all correspondences with the Company. They are also requested to furnish their bank account details, change of address and all other required details to the Registrar & Share Transfer Agent in respect of shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
- c) Members are requested to furnish or update their e-mail Ids with the Registrar for sending the soft copies of the Annual Report of the company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail remote e-voting facility in respect of the resolutions which would be passed at the General Meetings of the Company.
- d) Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed to the members.
- e) **Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Share Transfer Agents, for consolidation into single folio.**
- f) In terms of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agents.
- g) Members desiring any information as regards to Accounts are requested to write to the Company Secretary at Corporate Office at 57/1, Industrial Area, Site IV, Sahibabad (U.P.)-201010 at least 7 days in advance of the meeting so as to enable the management to keep the information ready.
- h) Members are requested to send their queries related to AGM and other matters on the designated exclusive e-mail ID i.e. [investors@cranexltd.com](mailto:investors@cranexltd.com) before the date of AGM. For redressal of shareholder's complaints/grievances in case you have any unresolved grievances, please write to us at [investors@cranexltd.com](mailto:investors@cranexltd.com)

#### **15. Updation of Members' details:**

Pursuant to SEBI circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2019/73 dated 20th April, 2019, wherein the Company is required to obtain the copy of Pan Card and Bank details from all shareholders holding shares of the Company in physical form. We request you to kindly furnish a self-attested copy of your Pan Card and a Cancelled Cheque, along with a duly filled in Form, as the same is required as per SEBI circular mentioned above.

Members are requested to send the desired details/ documents to the Company's Registrar & Share Transfer Agent (RTA), M/s. Beetal Financial & Computer Services (P) Ltd at Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062.

Members may kindly note that in case we do not receive any response from your side, any future transactions in your shares like transfer, transmission, issue of duplicate share certificates etc., and shall be subject to enhanced due diligence by the Company, PAN and Bank details within 21 days from this notice.

1. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
2. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM. Nomination form SH-13 is available at the website of the Company <http://www.cranexltd.com>.
3. The Company has been maintaining, inter alia, the following statutory registers at its corporate office at 57/1, Industrial Area, Site-IV, Sahibabad (U.P.)-201010:
  - I. Register of contracts or arrangements in which directors are interested under section 189 of the Act.
  - II. Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

#### **16. E-VOTING PROCESS**

In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 45 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members a facility to exercise their right electronically through electronic voting service facility arranged by NDSL. The instructions for e-voting are annexed to the notice.

- I. A member may exercise his vote at the Annual General Meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM ("remote e-voting) will be provided by NSDL.
- II. The remote e -voting period begins on 09.00 A.M. on Wednesday, 27th September, 2023 and ends on 05.00P.M. IST on Friday, 29th September, 2023 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The voting rights of shareholders shall be in proportion to their shares of the paid up equity shares.
- III. A Person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting of the meeting.
  1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, Circular No. 10/2022 dated 28.12.2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
  2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
  3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding),Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
  4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended)and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
  6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at <https://www.cranexltd.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e.[www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020and MCA Circular No. 17/2020 dated April 13, 2020,MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021 & Circular No. 10/2022 dated 28.12.2022.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-**

The remote e-voting period begins on 27th September, 2023 at 9:00 A.M. and ends on 29th September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members /Beneficial Owners as on the record date (cut-off date) i.e. 23rd September, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2023.

**How do I vote electronically using NSDL e-Voting system?**

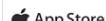
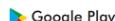
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   <div style="text-align: center;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdsliindia.com">www.cdsliindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdsliindia.com">www.cdsliindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdsliindia.com">www.cdsliindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.   
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

#### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rastogifcs3@gmail.com](mailto:rastogifcs3@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Abhishek Mishra at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investors@cranexltd.com](mailto:investors@cranexltd.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@cranexltd.com](mailto:investors@cranexltd.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH**

**VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investors@cranexltd.com](mailto:investors@cranexltd.com) . The same will be replied by the company suitably.

**By Order of the Board of Directors**

**For Cranex Limited**

**Sd/-**

**Renu**

**Company Secretary**

**ACS:A29426**

**Place: New Delhi**

**Date: 26/08/2023**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain ordinary business and the special businesses mentioned in the accompanying Notice:

### **Item No. 3 Re- appointment of Ms. Shilpy Chopra (DIN:07161915), as Director and Independent Director of the Company for the second consecutive term of Five years.**

The Members of the Company, at the 44th Annual General Meeting held on 30th September, 2019, had approved the appointment of Ms. Shilpy Chopra as Woman Independent Director of the Company, whose terms will expire on 15th January, 2024. She is Company Secretary by profession, MBA (Finance), M.com & L.L.B. She is proficient in her field of Corporate laws. She is having experience of more than 14 years in the fields of legal matters relating to Commercial & Corporate Laws, National Company Law Tribunal and Debt Recovery matters, Corporate Deeds and documents etc. She is not holding any shares in the Company. As per Section 149(10) of the Companies Act, 2013 ("Act"), an Independent Director shall hold office for a term of next five consecutive years on the Board of a Company, but shall be eligible for re-appointment as an Independent Director on passing a special resolution by the Company for a second term of upto five consecutive years on the Board of a Company.

In view of the aforesaid provisions of the Act and considering her experience, valuable guidance to the management and better performance as an Independent Director on the board of company, it is proposed to re-appoint her for the second term as an Independent Director on the Board of Company for a period of next five consecutive years upto 15th January, 2029. Under the relevant provisions of the Companies Act, 2013, notice has been received from one of the member, proposing the name of Ms. Shilpy Chopra for the appointment as an Independent Director of the Company. Her re-appointment as Independent Director is also approved and recommended by the Nomination and Remuneration Committee of the Company, based on her performance evaluation. In the opinion of the Board, Ms. Shilpy Chopra fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director of the Company. The company has also received declaration that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI LODR Regulations. She is also independent of the management of the Company. The Board considers that her continued association would benefit to the Company and hence it is desirable to continue to avail her services as an Independent Director. Accordingly, the Board recommends the resolution at Item No. 3 of the accompanying notice for re-appointment of Ms. Shilpy Chopra as an Independent Director by passing the Special Resolution by the members of the Company. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided in the notes to this Notice.

Except Ms. Shilpy Chopra, being appointee, none of your Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution as per the item No. 3 of the notice. She will be paid sitting fees as may be mutually agreed.

### **Item No. 4 Increase in Remuneration of Mr. Piyush Agrawal, Managing Director of the Company**

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 26th August, 2023 approved the revision of remuneration payable to Mr. Piyush Agrawal, Managing Director of the Company effective from 01st October, 2023.

Further, the members are requested to authorise the Board to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time for Mr. Piyush Agrawal, Managing Director as mentioned below.

#### Terms and Conditions:

A. REMUNERATION: 1. Basic Pay: Rs. 1,40,000/- per month.

- 2. Perquisites:
  - i) House Rent Allowance of Rs. 22,500/-per month
  - ii) Conveyence Allowance- 12500/- per month
  - iii) Gratuity, not exceeding one half months' Salary for each completed year of service.
  - iv) Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.

The Board of Directors in their meeting held on 26th August, 2023 proposed to increase remuneration payable to Mr. Piyush Agrawal, subject to approval of members in the forthcoming AGM of the Company. In accordance with the applicable provisions of the Companies Act, 2013, approval of members in the forthcoming AGM is being sought, by way of special resolution, for payment of remuneration to Mr. Piyush Agrawal Managing Director.

Accordingly, the Board recommends the resolution set forth in Item No. 4 relating to increase in the managerial remuneration payable to Mr. Piyush Agrawal, Managing Director, by way of Special Resolution.

Except Mr. Chaitanya Agrawal, and Ms. Ritu Agrawal (wife of Mr. Piyush Agrawal) no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution

**Item No. 5 Increase in Remuneration of Mr. Chaitanya Agrawal, Whole Time Director of the Company**

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 26th August, 2023 approved the revision of remuneration payable to Mr. Chaitanya Agrawal, Whole Time Director of the Company effective from 01st October, 2023

Further, the members are requested to authorise the Board to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time Chaitanya Agrawal, Whole Time Director as mentioned below.

**Terms and Conditions:**

**A. REMUNERATION:** 1. Basic Pay: Rs. 97,950/- per month.

2. Perquisites:

- i) House Rent Allowance of Rs. 25,000/-per month
- ii) Conveyence Allowance- 800/- per month.
- iii) Company's contribution towards Provident Fund, Superannuation Fund or annuity as per the Rules of the Company: 12 % of the Basic pay.
- iv) Gratuity, not exceeding one half months' Salary for each completed year of service.
- v) Medical allowance - 1250/- per month
- vi) Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.

The Board of Directors in their meeting held on 26th August, 2023 proposed to increase remuneration payable to Mr. Chaitanya Agrawal, subject to approval of members of the Company. In accordance with the applicable provisions of the Companies Act, 2013, approval of members in the forthcoming AGM is being sought, by way of special resolution, for payment of remuneration to Mr. Chaitanya Agrawal Whole Time Director.

Accordingly, the Board recommends the resolution set forth in Item No. 5 relating to increase in the managerial remuneration payable to Mr. Chaitanya Agrawal Whole Time Director, by way of Special Resolution.

Except Mr. Piyush Agrawal, Ms. Ritu Agrawal (wife of Mr. Piyush Agrawal) no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution

**By Order of the Board of Directors  
For Cranex Limited**

**Sd/-**

**Renu**

**Company Secretary**

**ACS:A29426**

**Place: New Delhi**

**Date: 26/08/2023**

### REPORT OF THE BOARD OF DIRECTORS

**TO,**

**THE MEMBERS,**

The Directors have pleasure in presenting the 48th Annual Report on the business and operations of the Company together with the financial results for the period ended 31st March, 2023.

#### **FINANCIAL RESULTS**

Financial results are presented in the table below:

Particulars	Standalone		Consolidated		(Amount in lac)
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	
Revenue from operation	4137.75	4013.92	4137.75	4013.92	
Other Income	46.90	28.05	46.90	28.05	
Total Revenue	4184.66	4041.97	4184.66	4041.97	
Less: Total Expenses	4058.97	3948.82	4058.97	3953.08	
Profit before Exceptional and Extra ordinary items & tax	125.69	93.15	125.69	88.89	
Less: Exceptional Items	-----	-----	-----	-----	
Less: Extraordinary Items	-----	-----	-----	-----	
Profit or Loss before Tax	125.69	93.15	125.69	88.89	
Less:					
(a) Current tax expense for current year	23.50	15.45	23.50	15.45	
(b) Deferred tax	36.66	-----	36.66	-----	
(c) Prior Period Tax	3.57	-----	3.57	-----	
Share in Profit/Loss (of Associates)			(5.53)		
Profit or Loss After Tax	61.95	77.70	56.42	73.44	

#### **STATE OF AFFAIRS AND OUTLOOK**

The financial statements have been prepared as per the IND-AS prescribed by the Institute of Chartered Accountants of India (ICAI)

**Standalone Financials:** During the year under review, your Company has achieved a turnover of Rs. 4184.66 Lac against Rs. 4041.97 Lac during previous year. The Company reported a Net Profit of Rs. 61.95 Lac as against Rs. 77.70 Lac earned during previous year.

**Consolidated Financials:** During the year under review, your Company has achieved a consolidated turnover of Rs. 4184.66 Lac against Rs. 4041.97 Lac during previous year. The Company reported a Net profit of Rs. 56.42 Lac against Rs. 73.44 Lac during previous year. However you're Directors are confident that the Company will perform much better in future and will bring more promising improvement in coming years.

The Operational performance of the Company has been extensively covered in the Management Discussion and Analysis, which form part of this Directors' Report.

#### **DIVIDEND**

Your Directors do not recommend any dividend for the financial year ended 31st March 2023.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have 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;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in website of company.

#### **INTERNAL FINANCIAL CONTROL SYSTEM**

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

The Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from M/s. Vipin Aggarwal Kudsia & Associates, Chartered Accountants, the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

#### **NUMBER OF MEETINGS OF THE BOARD**

During the Financial Year 2022-23, the Company hold 10 (Ten) meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S. No	Date of the meeting
1.	30-05-2022
2.	12-07-2022
3.	15-07-2022
4.	09-08-2022
5.	02-09-2022
6.	14-10-2022
7.	05-11-2022
8.	12-11-2022
9.	06-02-2023
10.	02-03-2023

#### **ATTENDANCE OF DIRECTORS**

S. No	Name of Director	Meeting of Board			
		Number of meeting Held	Number of Meeting to be entitled to attend	Number of Meeting attendant	%
1	PIYUSH AGRAWAL		10	10	100
2	ASHWANI KUMAR JINDAL		10	5	50%
3	CHAITANYA AGRAWAL	10	10	10	100
4	SHILPY CHOPRA		10	8	80%
5	SHALINI RAHUL		10	5	50%

### **COMMITTEES OF THE BOARD**

Detailed information on the Committees is given below.

#### **MANDATORY COMMITTEES**

Audit Committee: (Section 177 of Companies Act, 2013) and Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provision.

The details of Audit Committee meetings attended by its members are given below:

S. No.	Name of Director	Designation	Category	Total meeting held during the year	Number of Meeting to be entitled to attend	Number of meeting attended	%
1	Mr. Ashwani Kumar Jindal	Independent Director	Chairman	5	5	5	100
2	Mr. Chaitanya Agrawal	Whole Time Director	Member	5	5	5	100
3	Ms. Shilpy Chopra	Independent Director	Member	5	5	5	100

v. Four audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

30 May, 2022, 12th July, 2022, 09th August, 2022, 12th November, 2022, 06th February, 2023

The necessary quorum was present for all the meetings.

**Nomination and Remuneration Committee (Section 178 of Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provision.**

One Nomination & Remuneration Committee meeting was held on, 12th July, 2022 during the year.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

S. No.	Name of Director	Nature of Directorship	Designation in Committee	Total meeting held during the year	Number of Meeting to be entitled to attend	Number of meeting attended
1	Ms. Shalini Rahul	Non-Executive Independent Director	Member	1	1	1
2	Mr. Ashwani Kumar Jindal	Non-Executive Independent Director	Chairman	1	1	1
3	Ms. Shilpy Chopra	Non-Executive Independent Director	Member	1	1	

**Stakeholders Relationship Committee Section 178 of Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provision.**

One meeting of the stakeholders' relationship committee was held on 02nd March, 2023 during the financial year 2022-23.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

S. No.	Name	Nature of Directorship	Designation in Committee	Total meeting held during the year	Number of Meeting to be entitled to attend	Number of Meeting Attended	%
1	Mr. Ashwani Kumar Jindal	Non-Executive Independent Director	Chairman	1	1	1	100
2	Mr. Chaitanya Agrawal	Whole Time Director	Member	1	1	1	100
3	Ms. Shilpy Copra	Non-Executive Independent Director	Member	1	1	1	100

#### **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

The Independent Directors of the Company met separately on 12th July, 2022 without the presence of Non-Independent Directors and the members of management. The meeting was attended by all the Independent Directors. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with the Listing Regulations, following matters were, inter-alia, discussed in the meeting:

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of 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.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed as Annexure I. There are no employees who are drawing remuneration in excess of the limits as set out in provisions of Section 197(12) of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **EMPLOYEES BENEFITS**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement to the profit and loss for the year when the contributions are due. We have considered the provision for Gratuity in F.Y. 2022-23. The benefit shall be transferred to the employees as may be applicable. The liability for gratuity payable has been determined in the year hence provision has been made in the accounts for expenses of gratuity.

#### **CODES, STANDARDS AND POLICIES AND COMPLIANCES THERE UNDER**

##### **CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT PERSONNEL**

Your Company has adopted a Code of Conduct for its Board of Directors and the Senior Management Personnel. The Code requires the Directors and employees of the Company to act honestly, ethically and with integrity and in a professional and respectful manner. Directors and Senior Management of the Company have confirmed compliance with the code of conduct applicable to the Directors and employees of the Company and declaration in this regard made by Chief Financial Officer which forms part of this Annual Report.

##### **CODE FOR PROHIBITION OF INSIDER TRADING PRACTICES**

The Board of Directors adopted the Code of Conduct for Board Members and Senior Managerial Personnel. The said code was communicated to the Directors and members of the senior management and they affirmed their compliance with the said code. The adopted Code is posted on the Company's website [www.cranexltd.com](http://www.cranexltd.com). Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted Code of practices and procedures for disclosure of unpublished price sensitive information and Code of Conduct in order to monitor and report Insider Trading.

All Directors and the designated employees have confirmed compliance with the Code.

##### **PREVENTION, PROHIBITION & REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace. The primary objective of the said Policy is to protect the women employees from sexual harassment at the place of work and also provides for punishment in case of false and malicious representations.

The Policy provides for protection against sexual harassment of woman at workplace and for prevention of such complaints.

Particulars	No.
Number of complaints pending as on the beginning of the period	Nil
Number of complaints filed during the Financial period	Nil
Number of complaints pending as on the end of the period	Nil

#### **NOMINATION, REMUNERATION & EVALUATION POLICY**

In accordance with the provisions of the Companies Act 2013 and Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Nomination Remuneration & Evaluation Policy, which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or Senior Management Personnel of the Company, along with the criteria for determination of remuneration of Directors, KMPs and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of Companies Act, 2013.

The salient features of the policy are as follows:

- The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company:
  - a) Qualifications & experience of proposed incumbent.
  - b) Attributes like - professional integrity, strategic capability with business, respect for Company's core values, vision, etc.
  - c) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
  - d) In case the proposed appointee is an Independent Director, he should fulfil the criteria for appointment as Independent Director as per the applicable laws & regulations.
- The Committee will recommend to the Board appropriate compensation to the Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- The evaluation of the performance of the Board, its committees and the individual directors will be carried out by the Board, on an annual basis, in the manner specified by the Nomination and Remuneration Committee of Directors for such evaluation and in accordance with the other applicable provisions of the Companies Act, 2013 and the Listing Regulations, in this regard.

#### **DISCLOSURE ON WHISTLE-BLOWER POLICY/VIGIL MECHANISM**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015], the Company has adopted a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors, and employees to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

#### **RISK MANAGEMENT POLICY**

Your Company has formulated and adopted a Risk Management Policy. The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Risk Management Policy approved by the Board acts as an overarching statement of intent and establishes the guiding principles by which key risks are managed across the organization.

#### **SECRETARIAL AUDITORS AND THEIR REPORTS**

M/s PARVEEN RASTOGI & CO., Practicing Company Secretaries, was appointed as Secretarial Auditors of the Company for the financial year 2022-23 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed Form MR- 3 is attached as 'Annexure II' and forms part of this report.

#### **RELATED PARTY TRANSACTION POLICY**

Related Party Transaction Policy, as formulated by the Company, defines the materiality of related party transactions and lays down the procedures of dealing with Related Party Transactions.

#### **STATUTORY AUDITORS AND THEIR REPORTS**

M/s V R Bansal & Associates, Chartered Accountants, Firm Registration No. (016534N) was appointed as statutory auditors of the Company in the Annual General Meeting held on 30/09/2022 for a term of Five (5) Years upto 52nd Annual General Meeting of the Company.

Please find below the qualifications, reservations or adverse remark made in their audit report for F.Y. 2022-23 and also the explanations by the board on every qualification, reservation or adverse remark in the qualified auditors report:-

**On Standalone & consolidated Financial Results**

Audit Qualification (each audit qualification separately):	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	For Audit Qualification(s) where the impact is not quantified by the auditor
(a) We draw attention to the fact that there are differences between Audited Annual Balance sheet and Statement of Profit as on March 31, 2022 furnished in accordance with section 134 of the Companies act 2013 and Statement of audited financial results for the quarter and year ended March 31, 2022 prepared by the company pursuant to Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.	The company undertook reclassification and restatement of certain financial figures. As a result there was a change in some figures of Balance Sheet and Profit and Loss. However, the net profit and the EPS of the company remains the same, and there is no change in that. Further, there is no material change in the Company's workings and financials which impacted the overall profitability, for the financial year ending 31 March 2022.	
(b) Property, Plant and Equipment (PPE) register has not been produced before us for verification. Depreciation of Property, Plant and Equipment has been provided on the basis of figures as certified by the management,		The Company has calculated the Depreciation figures as per applicable rules. The detailed register could not be updated due to shortage of time.
(c) The Company has not produced to us for verification, the necessary documentation for verification of suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. Pending such determination, the information as required to be furnished under section 22 of the Act, has not been furnished,		The company has asked for necessary documentation from all vendors. Response from vendors as per the act are awaited.
(d) Goods and Services tax (GST) balances are subject to audit and reconciliation with GST returns. The subsequent reconciliation of the same could have consequential impact on financial statements.		Noted and confirmed
(e) Balances under Trade Receivables and Trade Payables, loans and advances given by the Company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any, required upon such confirmations are not ascertainable and hence not provided for,		Noted and confirmed
(f) The Financial Assets and Liabilities - Trade Receivables and long term borrowings taken from IFE Cranex Elevators and Escalators India Private Limited have not been measured at fair value as required by Ind AS-109 "Financial Instruments". Impairment provisions and fair value measurements have not been measured in accordance with Expected Credit Loss (ECL) method as per Ind AS-109.		The Company does not expect any change in the long term borrowings taken from IFE Cranex Elevators and Escalators India Private Limited. There is no Expected Credit Loss (ECL).

**On Consolidated Financial Results (other than those specified above)**

Audit Qualification (each audit qualification separately):	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	For Audit Qualification(s) where the impact is not quantified by the auditor
<p>(a) The Company has produced a Joint Venture agreement which it has entered into with M/s Shree Construction on 23/09/2021, whereby the parties have entered into a Joint Venture agreement and a Joint Venture entity namely M/s Shree-Cranex (JV) has been formed. However the company has not applied Equity method of accounting in respect of the investment in the Joint Venture and hence not complied with the provisions of Ind AS 28 (Investment in Associates and Joint Ventures) with respect to accounting Joint Ventures in consolidated financial statements.</p>		<p>There will be a very insignificant impact on the Company from the financial results from M/S Shree Cranex (JV). Further, financial closing and financial data of M/s Shree Cranex (JV) are not finalized, as they are required to do so only by 30 September 2023. Hence, it was not considered.</p>

**TRANSACTIONS WITH RELATED PARTIES**

Related party transactions entered during the financial year under review are disclosed in Notes of the financial statements for the financial year ended March 31, 2023. These transactions entered were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions is enclosed herewith as Annexure-III.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review hence the said provision is not applicable.

**SUBSIDIARY, ASSOCIATE AND JOINT VENTURE**

The Company does not have any subsidiary and joint venture whereas the Company has two Associate Companies. Details of associate Companies are provided in AOC-1 as Annexure- IV attached with this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of Conservation of Energy, Technology Absorption, Foreign Exchange

Earnings and Outgo are as follows:

**A. Conservation of Energy**
**a) Energy conservation measures taken :**

The Company has always been conscious of the need for the conservation of energy and optimum utilisation of available resources and has been steadily making progress towards this end.

- The Company has taken lot of initiatives for reduction in power cost by improving the production processes. Production process of the company does not require much power.
- There is an optimum ratio of glass windows to utilise natural light and proper insulation / ventilation to balance temperature and reduce heat.

**b) Impact of above measures:**

- The above measures will result in lower energy consumption, significant reduction in Carbon emissions, and hedge against continuous energy rate increase.

**B. Technology Absorption, Adaptation And Innovation**

The company has successfully absorbed the technology for the development of various new models of the cranes. Your company is constantly improving its technology to match world standards, which is reflected in the new orders being received from very quality conscious customers.

### C. Foreign Exchange Earnings and Outgo.

Sr. No.	Particulars	F.Y. 2022-23 Amounts (in Rs.)	F.Y. 2020-21 Amount (in Rs.)
1.	Foreign Exchange Earned	96,84,023/-	55,34,696.24/-
2.	Foreign Exchange Outgo	4,60,44,219/-	7,42,73,113.53/-

### **MANAGEMENT DISCUSSION AND ANALYSIS**

As per Regulation 34 and schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis for the year is separately given and forms part of this Annual Report as Annexure V which provides a more detailed analysis on the performance of individual businesses and their outlook.

### **GREEN INITIATIVE**

In accordance with the "Green Initiative" the Company has been sending Annual Report/Notice of AGM in electronic mode to those Shareholders whose email ids are registered with the Company and/or the Depository Participants.

### **DEMATERIALIZATION OF SHARES**

The shares of your company are being traded in electronic form and the Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). In view of the numerous advantages offered by the Depository system, members are requested to avail the facility to dematerialization of shares either of the Depositories as aforesaid. Directors are thankful to the Shareholders for actively participating in the Green Initiative.

### **PERFORMANCE EVALUATION OF NON-INDEPENDENT DIRECTORS:**

The performance evaluation of Chairman and the non-independent directors were carried out by the independent directors, considering aspects such as effectiveness as Chairman, in developing and articulating the strategic vision of the company; demonstration of ethical leadership, displaying and promoting throughout the company a behaviour consistent with the culture and values of the organization; contribution to discussion and debate through thoughtful and clearly stated observations and opinions; creation of a performance culture that drives value creation without exposing the company to excessive risks.

### **CORPORATE GOVERNANCE**

The Company is not required to mandatorily comply with the provision of Regulation 17 to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(Listing Regulations, 2015) as its equity share capital is less than Rs.10 Crore and Net Worth is not exceeding Rs.25 crores, as on the last day of the previous financial year. However, the Company has voluntarily adopted various practices of governance conforming to highest ethical and responsible standard of business, globally benchmarked.

### **DECLARATION BY INDEPENDENT DIRECTOR**

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors

### **MATERIAL CHANGES AND COMMITMENTS**

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

### **CAPITAL STRUCTURE**

The authorised share capital as on 31st March, 2023 was Rs. 100,000,000/- (Rupees Ten Crore) comprising 10000000 (One Crore) Equity Shares of Rs. 10 (Rupees Ten) each

The Issued, Subscribed and paid up equity share capital as on 31st March, 2023 was Rs.60,000,000/- (Rupees Six Crores) comprising 6,000,000 (Sixty Lacs) Equity Shares of Rs. 10 (Rupees Ten) each.

Your Company has received Listing and Trading approval for 10,00,000 equity shares in April, 2023 and May, 2023, which were pending for listing and trading approval at BSE since 2000. Now, these shares have been transferred from Temporary ISIN to Permanent ISIN of the Company.

There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE), and are actively traded. The company has paid the listing fees to Bombay Stock Exchanges for the year 2022-23.

### **DIRECTOR AND KEY MANAGERIAL PERSONNEL (KMP)**

Appointments & Reappointments/ Cessations

- 1.1 Board has proposed for re-appointment of Ms. Shilpy Chopra, as Independent Director of the Company for second term of five consecutive years commencing from 16th January, 2024 till 15th January, 2029 subject to approval of members in the forthcoming AGM of the Company.
- 1.2 Ms. Preeti Bhatia, Company Secretary & Compliance Officer of the Company resigned from her position w.e.f. 11.07.2022 and Ms. Renu was appointed as the Company Secretary of the Company w.e.f 13.07.2022.
- 1.3 Ms. Shalini Rahul, was regularised as Independent director of the Company in its AGM held on 30.09.2022 for a period of 5 years starting from 12/11/2021 till 11/11/26
- 1.4 Mr. Piyush Agrawal, Director of the Company retired by rotation in the AGM held on 30.09.2022

#### **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

#### **LISTING OF SHARES**

The equity shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE). The listing fee for the year 2022-23 has been already paid to the stock exchange.

#### **INDUSTRIAL RELATION**

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of Employees have enabled the Company at good position in the industry. It has taken various steps to improve productivity across organization.

#### **ACKNOWLEDGEMENTS**

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

**By Order of the Board of Directors  
For Cranex Limited**

Sd/- <b>Chaitanya Agrawal</b> <b>Whole Time Director</b> <b>DIN: 05108809</b>	Sd/- <b>Piyush Agrawal</b> <b>Managing Director</b> <b>DIN: 01761004</b>
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**Place: New Delhi**

**Date: 26.08.2023**

## ANNEXURE -I

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Disclosure								
1	The ratio of the remuneration of each director to the median Remuneration of the employees for the financial year 2022-23.	<b>EXECUTIVE DIRECTOR</b> 1. Mr. Piyush Agrawal-Managing Director- 9.5:1 2. Mr. Chaitanya Agrawal- whole Time Director- 6.36:1								
2	The percentage increase in remuneration of each Director in the financial year	MD: Nil WTD: Nil								
3	The percentage increase in the median remuneration of employees in the financial year.	10%								
4	The number of permanent employees on the rolls of the Company.	There were 142 permanent employees on the rolls of the Company, as on March 31, 2023.								
5	The explanation on the relationship between average increase in remuneration and Company's performance.	There was increase in remuneration of the employees of the Company. The Company, inter -alia, considered the following factors for deciding upon the increase in the remuneration of the employees: (a) Individual Performance/contribution of the vis-à-vis Company Performance; (b) Industry Benchmarking (c) Balance between fixed and incentive pay reflecting short and long term performance objectives (d) Increase in cost of living.								
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the Financial Year 2022-23, the total remuneration paid to the KMPs was approx. 53% of the net profit for the year.								
7	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last year. (2020-21)	10%								
8	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under: <table> <tr> <td>Particulars</td> <td>% of Net Profit for F.Y. 2021-22</td> </tr> <tr> <td>Managing Director</td> <td>29.51%</td> </tr> <tr> <td>CFO cum WTD</td> <td>19.67%</td> </tr> <tr> <td>Company Secretary</td> <td>4.9%</td> </tr> </table>	Particulars	% of Net Profit for F.Y. 2021-22	Managing Director	29.51%	CFO cum WTD	19.67%	Company Secretary	4.9%
Particulars	% of Net Profit for F.Y. 2021-22									
Managing Director	29.51%									
CFO cum WTD	19.67%									
Company Secretary	4.9%									
9	The key parameters for any variable component of Remuneration availed by the Directors.	Any variable component of remuneration payable to the Directors is based on the parameters, as approved by the Board of Directors, on the basis of the recommendation of the Nomination & Remuneration Committee of the Board. The said parameters are set considering the provisions of applicable regulations, Nomination (including Boards 'Diversity), Remuneration and Evaluation Policy of the Company and the respective resolution(s) of the Members of the Company, as applicable.								
10	The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year.	During the financial year 2022-23, there was 1 employee in the Company who receives remuneration in excess of the highest paid director. Ratio:- 0.98:1								
11	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.								

## ANNEXURE - II

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,

The Members,

**CRANEX LIMITED**

**9, DDA MARKET, KATWARIA SARAI,**

**NEW DELHI-110016**

Based on our thorough review and assessment, accompanied by the approval of the Authorized Representative for the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CRANEX LIMITED** (hereinafter called the "Company") having **CIN L74899DL1973PLC006503**, Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 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, returns filed and other records maintained by **CRANEX LIMITED** (the "Company") for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under ;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowings;
- (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;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit period.)
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the Audit Period).
  - e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (formerly known as The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 till August 8, 2021); (Not Applicable to the Company during the Audit period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit period);
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - j) Securities and Exchange Board of India (Depositories and Participants) regulations, 2018
- (vi) As informed to us, the following other Acts/laws specifically applicable to the company are under:
  - 1. Provident Fund Act, 1952
  - 2. The Employees State Insurance Act, 1948

3. Labour Welfare Fund Act
4. Contract Labour (Regulation and Abolition) Act, 1970
5. Professional Tax Act
6. Payment of Gratuity Act, 1972
7. Payment of Bonus Act, 1965
8. Minimum Wages Act, 1948
9. Payment of Wages Act, 1936
10. Maternity Benefit Act, 1961
11. Equal Remuneration Act, 1976
12. Employee Compensation Act, 1923
13. Employee Exchange Act, 1959
14. Trade License Act
15. Goods & Service Tax Act
16. Income Tax Act, 1961
17. Companies (Auditors' Report) Order, 2016
18. Legal Metrology Act, 2009
19. The Factories Act, 1948
20. The Custom Act, 1962
21. The Sexual harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013

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

- Secretarial Standards issued by The Institute of Company Secretaries of India on meetings of the Board of Directors and General Meetings.
- We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

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

**We further report that:**

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that** there is a scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that:**

- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- There was no prosecution initiated against or show cause notice received by the company during the year under review.

**We further report** that during the audit period there were no instances of:

- Public / Right / Preferential issue of shares/ debentures / sweat equity.
- Redemption / buy-back of securities.
- Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- Merger / amalgamation / reconstruction etc.
- Foreign technical collaborations.

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

We further report that during the audit period, the Company had following events in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. Appointment and regularizations of Ms. Shalini Rahul as Independent Director. Ms. Shalini Rahul be and is hereby appointed as Independent Director of the Company with effect from November 12, 2021 to November 11, 2026 not liable to retire by rotation for a term of 5 Years.
2. Appointment of Mrs. Renu (Membership No. 29426) as an Company Secretary an compliance officer of the Company has been Approved w.e.f 13th July, 2022.

**We further report** that during the audit period there were no specific events /actions having major bearing on the affairs of the Company in pursuance of the above referred laws, guidelines, standards, etc.

Please note that this decision has been made based on the information and representations provided by your side. It is of utmost importance that all information and documents submitted are accurate and comply with all relevant legal requirements.

**FOR PARVEEN RASTOGI & CO.**  
**(COMPANY SECRETARIES)**

Sd/-

**PARVEEN RASTOGI**

**C.P. No. 2883**

**M. No. 4764**

**UDIN: F004764E000869595**

**Date: 26.08.2023**

**Place: Delhi**

## ANNEXURE - III

## FORM NO. AOC-2

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

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

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

Sl. No.	PARTICULARS	DETAILS
(a)	Name(s) of the related party & nature of relationship	}
(b)	Nature of contracts/arrangements/transaction	
(c)	Duration of the contracts/arrangements/transaction	
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions'	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188.	
		Not Applicable

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

Sl. No.	PARTICULARS	DETAILS
(a)	Name(s) of the related party & nature of relationship	}
(b)	Nature of contracts/arrangements/transaction	
(c)	Duration of the contracts/arrangements/transaction	
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions'	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any	
		Please refer the note given below

\*NOTE: The details of names, nature of relationship; nature of such contracts / arrangements / transactions are disclosed in Notes of the Financial Statements.

By Order of the Board of Directors  
For Cranex Limited

Place: New Delhi  
Date: 26.08.2023

Sd/-  
Chaitanya Agrawal  
Whole Time Director  
DIN: 05108809

Sd/-  
Piyush Agrawal  
Managing Director  
DIN: 01761004

**ANNEXURE-IV****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.): **Not applicable since there are no subsidiaries**

Sl. No.	PARTICULARS	DETAILS
1.	Name of the subsidiary	Not applicable
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable
4.	Share capital	Not applicable
5.	Reserves & surplus	Not applicable
6.	Total assets	Not applicable
7.	Total Liabilities	Not applicable
8.	Investments	Not applicable
9.	Turnover	Not applicable
10.	Profit before taxation	Not applicable
11.	Provision for taxation	Not applicable
12.	Profit after taxation	Not applicable
13.	Proposed Dividend	Not applicable
14.	% of shareholding	Not applicable

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company and Joint Ventures**

Name of associates/Joint Ventures	IFE CRANEX ELEVATORS AND ESCALATORS	Shree Cranex JV
1. Latest audited Balance Sheet Date	29/05/2023	18/09/2022
2. Shares of Associate/Joint Ventures held by the company on the year end	1,82,000	N.A.
No.		
Amount of Investment in Associates/Joint Venture	1,82,00,000/-	31,71,076/-
Extend of Holding%	26%	25%
3. Description of how there is significant influence	By way of control of 26% of share capital	By way of control of 25% of capital
4. Reason why the associate/joint venture is not consolidated	Not applicable	There will be a very insignificant impact on the Company from financial results from M/s Shree Cranex (JV). Further financials were not finalised till May, 2023 being pvt. Ltd. company Hence it was not considered.

5. Net worth attributable to shareholding as per latest audited Balance Sheet	1,62,51,924/-	By way of control of 20% of capital
6. Profit/Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	Yes	Not considered

1. Names of associates or joint ventures which are yet to commence operations.- n.a
2. Names of associates or joint ventures which have been liquidated or sold during the year.-n.a

**ANNEXURE - V**  
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**• INDUSTRY STRUCTURES AND DEVELOPMENTS**

The potential growth of demand of the equipment manufactured by us (cranes, construction and material handling equipments) is tremendous. The demand is linked with growth of infrastructure, Railways, Highways, Power sector and indirectly with the growth of Indian economy. It requires expertise, in terms of technology, design and providing customer satisfaction. Its potential and market is huge; however only companies who would be able to provide good quality products at most competitive price will survive. The Company's CRANEX brand has emerged as brand for reliability and has been able to win the customer loyalty in all these years. CRANEX LIMITED will continue its successful stint in the industry, through providing good quality products at most reasonable prices and complete customer satisfaction by its strong manufacturing, distribution and service network.

**• OPPORTUNITIES**

The Government's thrust on infrastructure growth, specially Railways and Power Sectors have raised very good growth opportunities for your Company as these sectors have remained our core focus in the past several years. However, fluctuations in commodity prices have posed serious challenges for sustained future profit growth. To maintain such growth, your Company is taking necessary steps such as expanding its production capacity and focusing on Sectors and industries where we have a strong base. Your Company is also working on various cost-optimisation measures including efficient production process, digitalisation drive across the organization, etc., to eliminate redundancies. Your Company continues to focus on reliable and sustainable quality products so as to be ahead of competition.

Cranex continues to focus on various strategies and initiatives to overcome challenges. These include consolidation of new generation cranes in the targeted market segments. Cranex maintained its market position and is well positioned to achieve growth in terms of volumes and market share through better service levels and by providing the best of technology at an affordable price. We believe that our proactive steps in providing best solutions to our customers and implementation of our strategies have prepared us for growth.

**• THREATS**

- Economic downturn or slowdown can lead to decreased volumes and capacity utilization.
- Continued threat of material price volatility due to slowdown in supply and demand chain translating into pressure on margins during a rapid increase in raw material prices.
- Weakness in Indian Currency resulting in pressure on margins, especially for imported components and equipment.
- Any change in the government policy or its budgetary allocation to the infrastructure sector will have a major impact on Company's business.
- Change in the tax structure of, GST, Income tax, FEMA, RBI and their tax rates etc.
- Increasing competition from National and International players.
- Unforeseen business losses
- Geo-political environment impacting business with China.

**• RISK & CONCERNs**

The Company's ability to foresee and manage business risks is crucial in achieving favourable results. The Company operates in an environment which is affected by various risks some of which are identifiable and Controllable some others are unexpected and cannot be controlled. Under these conditions, proper identification and management of risks is very important in determining the ability of the organization to sustain and create value for its stakeholders. The impact of the key risks which are listed below has been identified through a formal process by the management. However, the Company has been taking appropriate measures to mitigate these risks on a continuous basis. Some of the risks that are potentially significant in nature and need careful monitoring are listed hereunder:

**• CONTINUED ECONOMIC GROWTH -**

Demand of our equipment / machines is dependent on economic growth and / or infrastructure development. Any slowdown in the economic growth affects our growth.

**• MARKET RISK-**

The Indian economy is slowly recovering from the COVID Pandemic impact hence infrastructure spends will take time to kick in. Consequently, demand for your Company's products is picking up. However, due to stiff competition from other players securing orders with decent margins is a challenging task, which your Company is trying its best to do.

**• FOREIGN CURRENCY RISK-**

Due to Govt. continuous assertion on import of Chinese goods the Exchange rate fluctuations have an adverse impact on the Company. Further the current Geo-political environment and new Government policies are making it very difficult to continue the Elevator & Escalator business in its present form. Your Company is making efforts to reinvent its resources to indigenize spare parts required for maintenance.

**• CYCLICAL NATURE OF THE INDUSTRY-**

The Company's growth is linked to those of the crane Industry, which is cyclical in nature. The demand for crane has a significant impact on the demand and prices of the products manufactured by the Company. A fall in the demand and / or prices would adversely impact the financial performance of the Company.

**• CAUTIONARY STATEMENT**

Statements made in this report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates; changes in the Government regulations; tax laws and other statutes and incidental factors.

**By Order of the Board of Directors  
For Cranex Limited**

**Sd/-**

**Chaitanya Agrawal**

**Whole Time Director & CFO**

**DIN: 05108809**

**Sd/-**

**Piyush Agrawal**

**Managing Director**

**DIN: 01761004**

**Date: 26-08-2023**

**Place: New Delhi**

**MD/CFO'S CERTIFICATE**

We, Chaitanya Agrawal, Chief Financial Officer and Piyush Agrawal Managing Director certify that:

1. We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2023 and to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. 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.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 are fraudulent, illegal or volatile of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors & Audit Committee and steps have been taken to rectify these deficiencies.
4. a) There has not been any significant change in internal control over financial reporting during the year under reference;  
b) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and  
c) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**By Order of the Board of Directors  
For Cranex Limited**

Place: New Delhi  
Date: 26-08-2023

Sd/-  
Chaitanya Agrawal  
Whole Time Director & CFO  
DIN: 05108809

Sd/-  
Piyush Agrawal  
Managing Director  
DIN: 01761004

**ANNUAL COMPLIANCE WITH THE CODE OF CONDUCT FOR THE FINANCIAL YEAR 2021-22**

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015

All Board Members and senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2023.

**By Order of the Board of Directors  
For Cranex Limited**

Sd/-

**Piyush Agrawal**

Managing Director

DIN: 01761004

**Place: New Delhi**

**Date: 26-08-2023**

### INDEPENDENT AUDITOR'S REPORT

To  
 The Members of  
**CRANEX LIMITED**  
 57/1, Industrial Area, Site - IV,  
 Sahibabad, Ghaziabad,  
 Uttar Pradesh - 201010

#### **Report on the Standalone Ind AS Financial Statements**

##### Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of CRANEX LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 a summary of significant accounting policies and other explanatory information (hereinafter referred to as Ind AS Financial Statements).

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter described in the basis of Qualified Opinion section of our report, the aforesaid standalone Ind AS financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, net profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Qualified Opinion**

a) We draw attention to the fact that there are differences between Audited Annual Balance sheet and Statement of Profit as on March 31, 2022 furnished in accordance with section 134 of the Companies act 2013 and Statement of audited financial results for the quarter and year ended March 31, 2022 prepared by the company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The differences are as under:

#### Difference in Balance Sheet

(Amount in Lakhs)

Particular	As per Audited Financial Statement As on March 31, 2022	As per Published Results As on March 31, 2022
Property Plant and Equipment	605.41	599.09
Long term loans and advances	158.96	-
Other non-current assets	375.39	492.09
Deferred tax assets (net)	7.21	-
Inventories	1247.71	1257.08
Trade Receivable	1589.19	1491.97
Cash and Cash equivalents	16.22	2.11
Other current assets	236.44	340.19
Borrowings	2277.79	2273.41
Other non-current liabilities	-	92.49
Trade Payable	1030.10	939.30
Other Current Liabilities	148.32	109.01
Provisions	27.45	15.45

## Difference in Statement of Profit and Loss

Particular	As per Financial Statement For the year ended 31/03/2022	As per Published Results For the year ended 31/03/2022
Other Income	28.05	24.25
Cost of material consumed	2420.77	2167.78
Purchase of stock in trade	50.78	-
Change in Inventories	50.78	199.71
Employee Benefit expenses	391.87	385.68
Depreciation and amortisation	28.80	34.80
Finance cost	122.45	103.75
Other Expenses	883.36	1053.31

We have relied upon the figures as per the audited financial statements for the year ended 31st March 2022 as published in the annual report. The said figures are merely published as previous year figures and not subjected to any audit or review.

- b) Property, Plant and Equipment (PPE) register has not been produced before us for verification. Depreciation of Property, Plant and Equipment has been provided on the basis of figures as certified by the management,
- c) The Company has not produced to us for verification, the necessary documentation for verification of suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. Pending such determination, the information as required to be furnished under section 22 of the Act, has not been furnished,
- d) Goods and Services tax (GST) balances are subject to audit and reconciliation with GST returns. The subsequent reconciliation of the same could have consequential impact on financial statements,
- e) Balances under Trade Receivables and Trade Payables, loans and advances given by the Company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any, required upon such confirmations are not ascertainable and hence not provided for,
- f) The Financial Assets and Liabilities - Trade Receivables and long term borrowings taken from IFE Cranex Elevators and Escalators India Private Limited have not been measured at fair value as required by Ind AS-109 "Financial Instruments". Impairment provisions and fair value measurements have not been measured in accordance with Expected Credit Loss (ECL) method as per Ind AS-109.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013, as amended ("The Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the code of Ethics issued by The Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the statement.

#### 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	Auditor's Response
1.	Revenue from the sale of goods (hereinafter referred to as "Revenue" is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in the case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon dispatch, delivery or upon formal customer acceptance depending on customer's terms.	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>• Testing the effectiveness of such controls over revenue cut off at year end.</li> <li>• Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period.</li> </ul>

S. No.	Key Audit Matter	Auditor's Response
2.	<p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer note no. 2.15 - Significant Accounting Policies; and note no. 21 - Revenue from Operations; of the Financial Statement.</p>	<ul style="list-style-type: none"> <li>• Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> <li>• Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers" and testing thereof.</li> </ul>
3.	<p><b>Evaluation of tax positions</b></p> <p>The Company operates in India and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct tax, transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the financial statements. Refer Note 30(A) to the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures include the following substantive procedures:</li> <li>• Obtained an understanding of key tax litigations and potential tax exposures</li> <li>• We along with our internal tax experts -</li> <li>• read and analyzed select key correspondence and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;</li> <li>• discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and</li> <li>• evaluated the status of the recent and current tax assessments / inquiries, results of previous tax assessments and changes in the tax environment to assess management's estimate of the possible outcome of key tax litigations and potential tax exposures.</li> </ul>
4.	<p>Taxation Significant judgments are required in determining provision of income taxes, both current and deferred, as well as the assessment of provision for uncertain tax position including estimates where appropriate.</p>	<p>We evaluated the design and implement of controls in respect of provision for current tax and the recognition and recoverability of deferred tax assets.</p> <p>We discussed with management the adequate implementation of policies and control regarding current and deferred tax.</p> <p>We examined the procedure in place for the current and deferred tax calculation for completeness and valuation and audited the related tax computation and estimates in light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist.</p> <p>We performed the assessment of the material components impacting the tax expenses, balance and exposures. We reviewed and challenged the information reported by components with the support of our tax specialist, where appropriate.</p> <p>In respect of deferred tax assets and liabilities, we assess the appropriateness of management's assumption and Estimates to support deferred tax assets for tax losses carried forward and related disclosures in financial statements. Based on the procedure performed above, we obtain sufficient audit evidence to corroborate management's estimates regarding current and deferred tax balances.</p>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

### Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibility for the Audit of Ind AS Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 Ind AS 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 Matter**

The audit of standalone audited financial results for the year ended March 31, 2022, was carried out and reported by M/s PRYD & ASSOCIATES, Chartered Accountants, having firm registration no. 011626N, who have expressed unmodified opinion on standalone financial statements vide their report dated May 30, 2022, whose report have been furnished to us and which have been relied upon by us for the purpose of review of the statement. Our conclusion is modified in respect of above matter so far as figures reported for the year ended 31st March, 2022 as stated in our Basis of qualified opinion paragraph above. For the purpose of review of this financial statement, the figures for the year ended March 2022 have been taken as per the audited financial statement furnished by the Company in accordance with section 134 of the companies Act 2013.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, the data backup of the books & accounts in electronic mode has been kept on server physically located inside India.
  - (c) The Balance Sheet, and the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act and the rules prescribed there under.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report.
  - (g) The qualifications relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - (h) The matter described in the Basis for Qualified opinion paragraph above, in our opinion, does not have any adverse effect on the functioning of the Company.
  - (i) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by Company to its directors in accordance with the provision of section 197 read with schedule V to the Act;
  - (j) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. (Refer note no. 30(A))

- (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 has been no delay in transferring amounts, 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) As The Company has not declared any dividend during the year. Hence, reporting requirements under rule 11(f) of Companies (Audit and Auditors) Rules, 2014 are not applicable to the Company.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For V.R. Bansal & Associates  
Chartered Accountants  
Firm Registration No. 016534N**

**Place: Delhi  
Dated: 30th May 2023**

**(Rajan Bansal)  
Partner  
Membership No. 093591  
UDIN: 23093591BGVOHO6742**

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

Re: CRANEX LIMITED (the Company)

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

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) A. The Company has not satisfactorily maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - B. The company also has not maintained proper records showing full particulars of intangible assets.
- (b) In the absence of an updated fixed assets register and due to non-availability of records of physical verification we are unable to ascertain the appropriateness of the same.
- (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date
- (d) According to the information & explanation given to us, The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
- (e) According to the information & explanation given to us, No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; 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 except the following observations mentioned below:-

S.No.	Particulars	As per Statement Submitted	As per Books	Difference
<b>Quarter-1</b>				
1.	Inventory	1215.06	Not Available	Not Reconciled
2.	Trade Receivables	1558.46	Not Available	Not Reconciled
3.	Trade Payables	1006.12	Not Available	Not Reconciled
<b>Quarter-2</b>				
1.	Inventory	1366.37	1701.37	(335.00)
2.	Trade Receivables	1579.21	1645.99	(66.78)
3.	Trade Payables	1227.95	1546.24	(318.29)
<b>Quarter-3</b>				
1.	Inventory	1860.78	1909.28	(48.5)
2.	Trade Receivables	1990.84	2000.00	(9.24)
3.	Trade Payables	1469.05	1923.76	(454.71)
<b>Quarter-4</b>				
1.	Inventory	1609.74	1609.74	-
2.	Trade Receivables	2114.66	2103.34	11.32
3.	Trade Payables	1014.77	1381.29	(366.52)

\* Refer Note No 31(8) of Standalone Financial Statements.

3. (a) The Company has made investments in earlier years. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- (b) In respect of the investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.
4. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investment made, loan given, and guarantee provided by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied. The Company has not given any security.
5. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
6. As per information and explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub -section (1) of section 148 of the Companies Act, 2013, and accordingly, the provisions of clause (vi) of the order is not applicable to the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

S. No.	Name of Statute	Nature of Dues	Amount (Rs. In lakhs )	Financial Year	Forum where dispute is pending
1.	Goods and Services Tax Act, 2017	Demand	Rs.18.51 Lakhs	2018-19	Addl. Commissioner, Gr. 2 (Appeal) - IV, State Goods & Services Tax, Ghaziabad
2.	Income Tax Act, 1961	TDS Demand	Rs.1.12 Lakhs	2022-23 2021-22 2020-21 Prior Years	Department of Income Tax

8. In our opinion, based on audit procedures and according to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
9. (a) In our opinion, based on audit procedures and according to the information and explanations given to us, the Company is regular in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary/associate defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate/subsidiary.

10. (a) According to the information and explanations given to us and procedures performed by us the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and procedures performed by us the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
11. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been led by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
16. (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) of the Order is not applicable.
- (b) The Company has not conducted any non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. The previous statutory auditors of the Company have completed their term as defined under the Act. There are no issues, objections or concerns raised by the outgoing auditors.
19. According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements 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;

20. a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

21. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of the standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For V.R. Bansal & Associates  
Chartered Accountants  
Firm Registration No. 016534N

Place: Delhi  
Dated: 30th May 2023

(Rajan Bansal)  
Partner  
Membership No. 093591  
UDIN: 23093591BGVOHO6742

### Annexure - B to the Auditors' Report

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

To the Members of Cranex Limited

We have audited the internal financial controls over financial reporting of CRANEX LIMITED ("the Company") as of 31st March, 2023 in conjunction with our audit of the Standalone financial statements of the Company for the period ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V.R. Bansal & Associates  
Chartered Accountants  
Firm Registration No. 016534N**

**(Rajan Bansal)**

Partner

Membership No. 093591  
UDIN: 23093591BGVOHO6742

Place: Delhi

Dated: 30th May 2023

## BALANCE SHEET AS AT MARCH 31, 2023

(Amount in Lakhs)

PARTICULARS	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3	579.01	605.41
Investments in Associates, Joint Ventures	4	213.71	182.00
Financial assets	5		
(i) Non- Current Investments		0.01	0.01
(ii) Loans and Advances		-	158.96
(iii) Other Financial Assets		266.20	375.40
Deferred tax assets (Net)	6	-	7.21
Other non-current assets	7	2.33	-
		<b>1,061.25</b>	<b>1,328.99</b>
<b>2 Current assets</b>			
Inventories	8	1,609.74	1,247.71
Financial assets	9		
(i) Trade receivables		2,103.34	1,589.19
(ii) Cash and cash equivalents		3.02	16.22
(iii) Other bank balances		242.40	-
(iv) Loans and advances		-	-
(v) Other Financial Assets		12.08	-
Current tax assets (Net)	10	3.70	-
Other current assets	11	213.31	236.44
		<b>4,187.59</b>	<b>3,089.55</b>
<b>Total Assets</b>		<b>5,248.84</b>	<b>4,418.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
Equity share capital	12	600.00	600.00
Other equity	13	349.53	334.89
		<b>949.53</b>	<b>934.89</b>
<b>2 LIABILITIES</b>			
Non-current liabilities			
Financial liabilities	14		
(i) Borrowing		641.85	2,277.79
(ii) Lease Liabilities		-	-
Provisions	15	46.77	-
Deferred tax liabilities (Net)	6	30.32	-
Other non-current liabilities	16	-	-
		<b>718.94</b>	<b>2,277.79</b>
<b>Current liabilities</b>			
Financial liabilities	17		
(i) Short Term Borrowings		1,768.02	-
(ii) Trade payable		13.96	-
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro and small enterprises		1,367.33	1,030.10
(iii) Other financial liabilities		244.42	34.61
Other current liabilities	18	174.31	113.71
Provisions	19	12.34	-
Current tax liabilities (Net)	20	-	27.45
		<b>3,580.37</b>	<b>1,205.87</b>
<b>Total Equity and Liabilities</b>		<b>5,248.84</b>	<b>4,418.55</b>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

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

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**

**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

**Sd/-**

**(Piyush Agrawal)**

Managing Director

DIN - 01761004

**Sd/-**

**(Chaitanya Agrawal)**

Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

(Amount in Lakhs)

PARTICULARS	Notes	As at March 31, 2023	As at March 31, 2022
<b>I INCOME</b>			
Revenue from operations	21	4,137.75	4,013.92
Other income	22	46.90	28.05
<b>Total Income</b>		<b>4,184.66</b>	<b>4,041.97</b>
<b>II EXPENSES</b>			
Cost of materials and components consumed	23	2,513.73	2,420.77
Purchase of traded goods	24	9.50	50.78
Change in inventories of FG, Traded Goods and WIP	25	47.54	50.78
Employee benefits expenses	26	526.66	391.87
Finance costs	27	115.72	122.45
Depreciation and amortisation expenses	28	31.01	28.80
Other expenses	29	814.81	883.36
<b>Total Expenses</b>		<b>4,058.97</b>	<b>3,948.82</b>
<b>III Profit before exceptional items and tax</b>		<b>125.69</b>	<b>93.15</b>
Add : Exceptional items		-	-
<b>IV Profit before tax</b>		<b>125.69</b>	<b>93.15</b>
<b>V Tax expenses</b>			
Current tax		23.50	15.45
Income tax for earlier year		3.57	-
Deferred Tax Liability/(Assets)		36.66	-
<b>Income tax expense</b>		<b>63.73</b>	<b>15.45</b>
<b>VI Profit/ (loss) for the year</b>		<b>61.95</b>	<b>77.70</b>
<b>VII Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
a) Re-measurement gains on defined benefit plans		3.48	-
b) Income tax effect		(0.88)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>2.60</b>	<b>-</b>
<b>VIII Total comprehensive income/ (loss) for the year, net of tax</b>		<b>64.56</b>	<b>77.70</b>
<b>IX Earnings per equity share (nominal value of share Rs.10/-)</b>			
Basic (Rs.)		1.03	1.29
Diluted (Rs.)		1.03	1.29

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

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

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**

**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

**Sd/-**

**(Piyush Agrawal)**

Managing Director

DIN - 01761004

**Sd/-**

**(Chaitanya Agrawal)**

Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before income tax	125.69	93.15
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	31.01	28.80
Interest income	(39.23)	(25.47)
Interest and Financial Charges	115.72	122.45
<b>Operating Profit before working capital changes</b>	<b>233.18</b>	<b>218.93</b>
Movement in working capital		
(Increase)/ Decrease in financial assets loans and advances	127.25	-
(Increase)/ Decrease in inventories	(362.03)	209.08
(Increase)/ Decrease in trade receivables	(514.15)	330.17
(Increase)/ Decrease in other financial assets	(12.08)	40.72
(Increase)/ Decrease in other non-financial assets	23.13	28.82
Increase/ (Decrease) in other financial liabilities	209.81	-
Increase/ (Decrease) in other non financial liabilities	60.59	(165.05)
Increase/ (Decrease) in trade payables	351.19	(740.95)
Increase/ (Decrease) in other non current asset	(2.33)	-
Increase/ (Decrease) in current Tax libility	(31.15)	-
Increase/ (Decrease) in provisions	12.68	-
<b>Cash generated from operations</b>	<b>96.10</b>	<b>(78.28)</b>
Income tax paid (net of refunds)	(27.07)	(15.45)
<b>Net Cash flow from Operating Activities (A)</b>	<b>69.02</b>	<b>(93.73)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and CWIP (net of creditor for capital goods and capital advances)	(4.61)	(250.16)
Proceeds from sale of property, plant and equipment	-	162.63
Proceeds from fixed deposits (Net)	(133.20)	-
Interest Received	39.23	25.47
<b>Net Cash flow from/(used) in Investing Activities (B)</b>	<b>(98.57)</b>	<b>(62.06)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long term borrowings	132.07	288.67
Interest Paid	(115.72)	(122.45)
<b>Net Cash Flow from/(used) in Financing Activities (C)</b>	<b>16.35</b>	<b>166.21</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(13.20)</b>	<b>10.42</b>
Cash and cash equivalents at the beginning of the year	16.22	5.80
<b>Cash and Cash Equivalents at the end of the year</b>	<b>3.02</b>	<b>16.22</b>

## Notes :

- 1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- 2 Components of cash and cash equivalents :-

	As at March 31, 2023	As at March 31, 2022
<b>Cash and cash equivalents</b>		
Balances with banks		
Current accounts	0.28	14.64
Cash on hand	2.74	1.58
	<b>3.02</b>	<b>16.22</b>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

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

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**

**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

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**(Piyush Agrawal)**

Managing Director

DIN - 01761004

**Sd/-**

**(Chaitanya Agrawal)**

Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023**
**(A) Equity Share Capital**

Particulars	Nos.	Amount in Lakhs
<b>As at March 31, 2021</b>	<b>6,000,000</b>	<b>600.00</b>
<b>As at March 31, 2022</b>	<b>6,000,000</b>	<b>600.00</b>
<b>As at March 31, 2023</b>	<b>6,000,000</b>	<b>600.00</b>

**(B) Other Equity**

(Amount in Lakhs)

Particulars	Reserves and surplus	Total
	Retained Earnings	
<b>As at April 1, 2021</b>	<b>257.19</b>	<b>257.19</b>
Net profit /(loss) for the year	77.70	77.70
<b>Other comprehensive income for the year</b>		
Re-measurement gains on defined benefit plans (net of tax)	-	-
<b>As at March 31, 2022</b>	<b>334.89</b>	<b>334.89</b>
Net profit /(loss) for the year	61.95	61.95
a) Gratuity Provision Adjustment (Refer note 31(3))	(49.91)	(49.91)
<b>Other comprehensive income for the year</b>		
Re-measurement gains on defined benefit plans (net of tax)	2.60	2.60
<b>As at March 31, 2023</b>	<b>349.53</b>	<b>349.53</b>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

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

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**
**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

**Sd/-**

**(Piyush Agrawal)**

Managing Director

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Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023

## Notes to Standalone Financial Statements for the year ended March 31, 2023

### 1 CORPORATE INFORMATION

Cranex Limited (the Company) was incorporated on 27th February 1973. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Delhi, India. The Company is listed on Bombay Stock Exchange (BSE). The CIN of the Company is L74899DL1973PLC006503.

The Company is primarily engaged in the business of manufacturing and selling cranes and its parts. The Company's corporate office and manufacturing unit are located at 57/1, Industrial Area, Site-IV, Sahibabad, 201010 in Uttar Pradesh.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements were authorised for issue by the Company's Board of Directors on 30th May, 2023.

#### 2.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. These standalone financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

These financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- (a) Certain financial assets and liabilities that are measured at fair value.
- (b) Assets held for sale-measured at fair value less cost to sell.
- (c) Defined benefit plans-plan assets measured at fair value.

#### 2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 2.4 Changes in Accounting Policies & Disclosures

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the companies accounting policy already complies with the now mandatory treatment.

#### 2.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (a) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (c) Held primarily for purpose of trading
- (d) Expected to be realized within twelve months after the reporting period, or

(e) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(a) It is expected to be settled in normal operating cycle

(b) It is held primarily for purpose of trading

(c) It is due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## 2.6 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful lives are as follows:

Assets	Useful life (in years)
Property, Plant and Equipment	Over its useful life considered as 30 years as technically assessed
Computer Software	Over a period of 5 years
Other	Over the period of agreement of right to use

Components relevant to fixed assets, where significant, are separately depreciated on straight line basis in terms of their life span assessed by technical evaluation in item specified context.

Lease hold improvements are depreciated on straight line basis over their initial agreement period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.7 (i) Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in IND AS-103 dealing with "Business Combination". Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND AS - 36. Any shortfall in consideration money vis-a-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

## (ii) Intangible assets

Intangible assets including software license of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization

and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized on a straight line basis over the estimated useful economic life which generally does not exceed 6 years.

Type of assets	Basis
ERP and other Software	Straight line basis over a period of six years.

### **(iii) Research and Development Costs (Product Development)**

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (b) Its intention to complete and its ability and intention to use or sell the asset
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

## **2.8 Investment in Subsidiaries, associates and joint ventures**

An associate is an entity over which the Company 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 over those policies.

The investment in subsidiary, associate and Joint venture are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 2.9 Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property consist of land which is Carried at Cost.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

## 2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### I Financial Assets

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

- (a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit & loss).
- (b) Those measured at amortised cost.

#### Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of financial assets. Purchase or sale of financial asset that require delivery of assets within a time frame established by regulation or conversion in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase and sell the assets.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- (a) Debt instruments at amortized cost
- (b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (c) Debt instruments at fair value through profit and loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- (e) Equity instruments measured at fair value through profit and loss (FVTPL)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

#### Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

- (i) **Business Model Test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) **Cashflow Characteristics Test:** Contractual terms of asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade, other receivables, loans and other financial assets.

### Debt instruments at fair value through OCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (i) **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) **Cashflow Characteristics Test:** The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

### Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instruments classified as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of group of similar financial assets) is primarily derecognised when:

- (a) The right to receive cash flows from the assets have expired, or
- (b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
  - (i) the Company has transferred substantially all the risks and rewards of the asset, or
  - (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. Where it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred assets to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

- (a) Financial assets measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance;
- (b) Financial assets measured at fair value through other comprehensive income(FVTOCI);
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

(d) Financial guarantee contracts which are not measured at FVTPL

The Company follows "simplified approach" for recognition of impairment loss allowance on:

(a) Trade receivables or contract revenue receivables;

(b) All lease receivables resulting from the transactions within the scope of IND AS 116

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(a) **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(b) **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## II Financial liabilities:

### Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through statement of profit or loss, loans and borrowings, and payables, as appropriate.

All financial liabilities are recognised initially at fair value and in case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date become its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

### Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 2.11 Inventories

### (a) Basis of valuation

- (i) Raw Materials, Packing Materials and Stores and Spare parts are valued at lower of cost and net realizable value. 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. Raw Material, Packing Materials, Stores and Spares & and Raw Material contents of work in progress are valued by using the first in first out (FIFO) method.
- (ii) Finished goods, traded goods and work in progress are valued at cost or net realizable value whichever is lower.

### (b) Method of Valuation

- (i) Cost of raw materials has been determined by using FIFO (first-in-first-out) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- (ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on weighted average basis.
- (iii) Cost of traded goods has been determined by using FIFO(first-in-first-out) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## 2.12 Business Combinations

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

- (a) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

## 2.13 Provisions and Contingent Liabilities

### Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of time value of money is material, provisions are discounted using a current pre - tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## 2.14 Taxes

Tax expense for the year comprises of direct tax and indirect tax.

### Direct Tax

#### (a) Current Tax

- i) Current income tax, assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India as per Income Computation and Disclosure Standards (ICDS) where the Company operates and generates taxable income.
- ii) Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in statement of profit and loss or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### Indirect Tax

Goods and Service Tax has been accounted for in respect of the goods cleared. The Company is providing Goods and Service tax liability in respect of finished goods. GST has been also accounted for in respect of services rendered.(w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

## 2.15 Revenue From Contracts with Customers

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Goods and service tax and net of returns, trade discounts,

rebates and amount collected on behalf of third parties. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:

**(a) Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts.

Revenue is usually recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

**i) Variable Consideration:**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronics equipment provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

**ii) Contract Assets:**

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

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**(b) Rendering of Services**

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

**(c) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

**(d) Dividend from investment in Shares**

Dividend Income is recognized when the right to receive the payment is established which is generally when shareholders approve the dividend.

**(e) Claims**

Claims are recognised when there exists reasonable certainty with regard to the amounts to be realised and the ultimate collection thereof.

**2.16 Retirement and other Employee benefits**

**Short-term employee benefits and defined contribution plans**

All employee benefits payable/ available within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related services.

**Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as

an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

#### **Gratuity (Unfunded)**

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The Company recognises termination benefit as a liability and an expense when the Company has present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the planned assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of :

- (a) The date of the plan amendment or curtailment, and
- (b) The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (a) Service costs comprising current service costs, past service costs, gains and losses on curtailments and
- (b) Net interest expenses or income

#### **Compensated Absences**

Accumulated leave, which is expected to be utilised within next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. Re-measurement, comprising of actuarial gains and losses, are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### **2.17 Borrowing Costs**

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective, interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

#### **2.18 Government Grants**

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and

released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

## 2.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

## 2.20 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

## 2.21 Segment accounting:

Based on "Management Approach" as defined in Ind AS 108- Operating Segments, the executive Management Committee evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

## 2.22 Foreign currencies

The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

### Measurement of foreign currency items at the balance sheet date

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the statement of profit and loss in the period in which they arise.

### Bank Guarantee and Letter of Credit

Bank Guarantee and Letter of Credits are recognised at the point of negotiation with Banks and converted at the rates prevailing on the date of Negotiation. However, outstanding at the period end are recognised at the rate prevailing as on that date and total sum is considered as contingent liability.

### 2.23 Dividend Distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in equity.

### 2.24 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 -** Quoted(unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.25 Leases

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

#### The Company as a lessee

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

##### (a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and

adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

#### **(b) Lease Liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

#### **(c) Short-term leases and leases of low-value assets**

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

#### **The Company as a lessor**

Leases for which the company is a lessor is classified as finance or operating lease. Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **2.26 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### **Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

##### **(a) Operating lease commitments — Company as lessee**

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

##### **(b) Assessment of lease contracts**

Significant judgment is required to apply lease accounting rules under Appendix C to IND AS 116 : determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 116.

## Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### a) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### Determining method to estimate variable consideration and assessing the constraint

In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from operation, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

### (b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### (c) Defined Benefit Plans

The cost of defined benefit plans (i.e. Gratuity benefit) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans operated in India, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about the assumptions used, including a sensitivity analysis, are given in note no. 31(2).

### (d) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note no. 31(11) for further disclosures.

**(e) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

**(f) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**(g) Expected Credit Loss**

The Company has used a practical expedient by computing the expected credit loss allowances for trade receivables based on a provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates are given in the provision matrix.

**2.27 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash & cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts as they are considered as integral part of Company's cash management.

### 3. Property, Plant and Equipment

(Amount in Lakhs)

Particulars	Land	Factory Building	Plant and Equipments	Vehicles	Office Equipments	Furniture & Fixtures	Air Conditioners	Computer	Total	Capital Work in progress
<b>Gross Block (At cost)</b>										
<b>At April 01, 2021</b>	<b>18.35</b>	<b>162.93</b>	<b>471.29</b>	<b>69.76</b>	<b>35.28</b>	<b>11.29</b>	<b>6.95</b>	-	<b>775.85</b>	<b>98.86</b>
Additions	-	73.54	105.72	-	7.13	-	0.33	-	186.71	63.77
Disposals	-	-	-	-	-	-	-	-	-	162.63
<b>At March 31, 2022</b>	<b>18.35</b>	<b>236.47</b>	<b>577.01</b>	<b>69.76</b>	<b>42.41</b>	<b>11.29</b>	<b>7.28</b>	-	<b>962.57</b>	-
Additions	-	-	-	-	-	2.97	0.66	-	0.97	4.61
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	<b>18.35</b>	<b>236.47</b>	<b>577.01</b>	<b>69.76</b>	<b>45.38</b>	<b>11.95</b>	<b>7.28</b>	<b>0.97</b>	<b>967.17</b>	-
<b>Depreciation</b>										
<b>At April 01, 2021</b>	-	<b>15.82</b>	<b>246.46</b>	<b>33.55</b>	<b>19.28</b>	<b>9.37</b>	<b>3.87</b>	-	<b>328.36</b>	-
Charge for the year	-	3.73	12.65	9.88	1.85	0.37	0.32	-	28.80	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2022</b>	-	<b>19.55</b>	<b>259.11</b>	<b>43.43</b>	<b>21.13</b>	<b>9.74</b>	<b>4.19</b>	-	<b>357.15</b>	-
Charge for the year	-	11.29	16.55	1.37	1.34	0.14	0.16	0.17	31.01	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	-	<b>30.84</b>	<b>275.66</b>	<b>44.80</b>	<b>22.47</b>	<b>9.88</b>	<b>4.35</b>	<b>0.17</b>	<b>388.16</b>	-
<b>Net carrying amount</b>										
<b>At March 31, 2022</b>	<b>18.35</b>	<b>216.92</b>	<b>317.90</b>	<b>26.33</b>	<b>21.28</b>	<b>1.55</b>	<b>3.09</b>	-	<b>605.41</b>	-
<b>At March 31, 2023</b>	<b>18.35</b>	<b>205.63</b>	<b>301.35</b>	<b>24.96</b>	<b>22.91</b>	<b>2.07</b>	<b>2.93</b>	<b>0.80</b>	<b>579.01</b>	-

**Notes: -**

- (i) Depreciation has been provided prorata basis on straight line method using the useful lives and in the manner as prescribed under Schedule II of the Companies Act, 2013. (Refer Accounting Policies No. 2.6)
- (ii) The Company has not revalued its Property, Plant and Equipment.
- (iii) Interest during construction paid during the year amounting to Rs.Nil/-(March 31, 2022: Rs. Nil/-) has been capitalised.
- (iv) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (v) Vehicles taken on finance lease are financed from Yes Bank Limited and Kotak Mahindra Prime Limited. (Refer Note No. 14.1)
- (vii) Property, plant and equipment pledged as security towards liabilities as on March 31, 2023 and March 31, 2022 are as under (refer note no. 14.1):

First and Exclusive Charge on Immovable Property Plot No. 57/1 and 57/1/19, industrial area site IV, Sahibabad, Ghaziabad in the name of the company.

### 4 INVESTMENTS IN ASSOCIATES, JOINT VENTURES

(Amount in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Investments in equity instruments (unquoted) non-trade, (valued at cost)</b>		
<b>Investments in Associate Company</b>		
IFE Cranex Elevators & Escalators India Pvt. Ltd.	182.00	182.00
1,82,000 (26%) (March 31, 2022: 1,82,000 (26%)) equity shares of Rs.100/- each fully paid up		
<b>Other Investments</b>		
<b>Investments in Joint Ventures</b>		
Shree Cranex (JV) [Refer Note (b) Below]	31.71	-
<b>Aggregate amount of unquoted investments in associates</b>	<b>213.71</b>	<b>182.00</b>
<b>Aggregate amount of impairment on value of investments</b>	-	-

**Notes: -**

(a) Management is of the opinion that the fair value of the unquoted equity share of IFE Cranex Elevators & Escalators India Private Limited exceed the amount of investment made and hence there is no impairment in the value of investment.

(b) During the financial year 2021-22, the Company has invested an amount of Rs. 31.71 Lakhs in Shree Cranex (JV), a joint venture with Shree Construction. The share of the company as a designated partner in the total capital of the Joint Venture (JV) is 25 % which amounts to a capital contribution of Rs. 31.71 Lakhs. The name and share of other designated partner of the Joint Venture (JV) are IFE Elevators Company Limited with a share of 75% which amounts to capital contribution of Rs. 124.55 Lakhs.

**5 NON-CURRENT FINANCIAL ASSETS****5.1 NON-CURRENT INVESTMENTS****(a) Investments in equity instruments (unquoted), non trade****Valued at Fair Value through Other Comprehensive Income [FVTOCI]**

Saraswat Co-operative Bank Ltd.	0.01	0.01
50 (March 31, 2022: 50 ) equity shares of Rs.10/- each fully paid up		
<b>Aggregate amount of unquoted investments (At fair Value)</b>	<b>0.01</b>	<b>0.01</b>
<b>Aggregate amount of unquoted investments (At Cost)</b>	<b>0.01</b>	<b>0.01</b>

**Notes:**

(a) Management is of the opinion that there is no material change in the fair value of above investment.

**5.2 LONG TERM LOANS AND ADVANCES****(Valued at amortised cost)****(Unsecured, considered good)**

Other Loans and Advances	-	158.96
	-	<b>158.96</b>

No loans and advances are due from firms or private companies respectively in which any director is a partner, a director or a member or other officers of the company either severally or jointly with any other person.

**5.3 OTHER NON-CURRENT FINANCIAL ASSETS****(Valued at amortised cost)****(Unsecured, considered good)**

Security deposits	28.59	-
Fixed deposits held as margin money against bank guarantees having remaining maturity period of more than twelve months		
	237.60	375.40
	<b>266.20</b>	<b>375.40</b>

**Notes:**

(i) Security deposits includes deposits against rent, electricity, telephone, shipping lines, vendors, etc.

(ii) The deposits maintained by the Company with banks comprise of time deposits of varying periods of more than twelve months and earn interest at the respective deposit rates.

**6 DEFERRED TAX ASSETS (NET)****(a) Income tax expense in the statement of profit and loss comprises :**

Current income tax charge	23.50	15.45
Income Tax for earlier years	3.57	
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	36.66	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>63.73</b>	<b>15.45</b>

**(b) Other Comprehensive Income**

Re-measurement (gains)/losses on defined benefit plans	(0.88)	-
<b>Tax expense related to items recognized in OCI during the year</b>	<b>(0.88)</b>	<b>-</b>

**(c) Reconciliation of tax expense and the accounting profit multiplied by**

**India's domestic tax rate:**

Accounting Profit before tax	125.69	93.15
Applicable tax rate	25.17%	25.17%
<b>Computed Tax Expense</b>	<b>31.64</b>	<b>23.45</b>
Difference in tax rate	-	-
Income not considered for tax purpose	32.10	-
Expense not allowed for tax purpose	-	(8.00)
Additional allowances for tax purpose	-	-
<b>Income tax charged to Statement of Profit and Loss at effective rate</b>		
<b>of 50.71 % (March 31, 2022: 16.59%)</b>	<b>63.73</b>	<b>15.45</b>

	Balance Sheet		Statement of profit & loss	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(d) Deferred tax assets/(liability) comprises:</b>				
Accelerated Depreciation for Tax purposes	(45.20)	7.21	(52.42)	(7.22)
Expenses allowable on payment basis	14.88	-	14.88	-
For loss and unabsorbed depreciation carried forward under the Income Tax Act	-	-	-	-
	(30.32)	7.21	(37.54)	(7.22)
MAT Credit entitlement	-	-	-	-
	(30.32)	7.21	(37.54)	(7.22)

**(e) Reconciliation of deferred tax assets/(liability) (net)**

Opening balance		7.21	14.43
Tax expense recognised in the statement of profit and loss during the year		(36.66)	(7.22)
Tax expense recognised in other comprehensive income during the year		(0.88)	-
<b>Closing balance</b>	<b>(30.32)</b>	<b>7.21</b>	<b>7.21</b>

**Notes:**

- Effective tax rate has been calculated on profit before tax and exceptional items.
- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
-----------------------------	-----------------------------

**7 OTHER NON CURRENT ASSETS**

(Unsecured, considered good)

Others

Prepaid expenses	2.33	-
	2.33	-

**Notes:**

- Prepaid expenses includes expenses related to License Fees & Insurance.

	(Amount in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>8 INVENTORIES</b>		
<b>(Valued at lower of cost and net realisable value unless otherwise stated)</b>		
Raw materials	728.52	318.95
Work in progress.	461.20	928.76
Finished goods	420.02	-
	<b>1,609.74</b>	<b>1,247.71</b>

**Notes:**

(i) Inventories are hypothecated with the bankers against working capital limits. (refer note no. 17.1(i))  
(ii) Refer accounting policy no. 2.11 for mode of valuation of Inventories.

**9 CURRENT FINANCIAL ASSETS****9.1 TRADE RECEIVABLES (valued at amortised cost)**

(a) Trade Receivables considered good-Secured	-	-
(b) Trade Receivables considered good-Unsecured	2,103.34	1,589.19
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables -Credit impaired	-	-
	<b>2,103.34</b>	<b>1,589.19</b>
Less: Impairment allowance for trade receivables	-	-
	<b>2,103.34</b>	<b>1,589.19</b>

**Notes:**

(i) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.  
(ii) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables due from firms or private companies respectively in which any director or partner is having a substantial interest are as under:

Shree Cranex -JV	330.69	34.08
	<b>330.69</b>	<b>34.08</b>

**Trade Receivables aging schedule as at 31st March, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 months 1 year	1 - 2 years	2 - 3 years	more than 3 years	
(i) Undisputed Trade receivables – considered good	1,162.79	556.78	271.87	30.51	23.30	2,045.25
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	58.09	-	-	58.09
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,162.79</b>	<b>556.78</b>	<b>329.96</b>	<b>30.51</b>	<b>23.30</b>	<b>2,103.34</b>
Less: Allowance for Trade Receivable	-	-	-	-	-	-
<b>Total</b>	<b>1,162.79</b>	<b>556.78</b>	<b>329.96</b>	<b>30.51</b>	<b>23.30</b>	<b>2,103.34</b>

## Trade Receivables aging schedule as at 31st March,2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 months 1 year	1 - 2 years	2 - 3 years	more than 3 years	
(i) Undisputed Trade receivables – considered good	824.76	88.47	195.86	110.68	311.33	1,531.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	58.09	-	-	-	58.09
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>824.76</b>	<b>146.56</b>	<b>195.86</b>	<b>110.68</b>	<b>311.33</b>	<b>1,589.19</b>
Less: Allowance for Trade Receivable	-	-	-	-	-	-
<b>Total</b>	<b>824.76</b>	<b>146.56</b>	<b>195.86</b>	<b>110.68</b>	<b>311.33</b>	<b>1,589.19</b>

## 9.2 CASH AND CASH EQUIVALENTS

Balances with banks:

Current accounts	0.28	14.64
Cash on hand	2.74	1.58
	<b>3.02</b>	<b>16.22</b>

## Notes:

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period.

## 9.3 OTHER BANK BALANCES

Fixed deposits pledged with government departments having a original maturity period of more than three months but less than twelve months

242.40	-	-
<b>242.40</b>	<b>-</b>	<b>-</b>

## Notes:

- The deposits maintained by the Company with banks comprise of time deposits made of varying periods between three months to twelve months and earn interest at the respective short term deposit rates.
- Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances. (refer note no.5.3)

## 9.4 SHORT TERM LOANS AND ADVANCES

(Valued at amortised cost)

(Unsecured, considered good)

-	-
-	-

## 9.5 OTHER CURRENT FINANCIAL ASSETS

(Valued at amortised cost)

(Unsecured, considered good,unless otherwise stated)

Security deposits	12.08	-
	12.08	-

### Notes:

- (i) Security deposits include deposits with material suppliers.
- (ii) No amounts are due to directors or other officers of the Company or any of them either severally or jointly with any other person.

## 10 CURRENT TAX ASSETS (NET)

Advance Tax and TDS (net of provision for tax of Rs.23.50 Lakhs)	3.70	-
	3.70	-

## 11 OTHER CURRENT ASSETS

(Unsecured, considered good,unless otherwise stated)

Advances against materials and services	140.70	-
Balance with Statutory/ Government authorities	0.74	235.94
Income Tax Refund due	31.00	
Prepaid Expenses	7.62	0.50
Other advances	33.24	-
	<b>213.31</b>	<b>236.44</b>

### Notes:

- (i) Prepaid expenses includes expenses related to License Fees & Insurance.
- (ii) Other advance include outstanding balance in staff imprest accounts, Staff loans & Advances and others.

	Amount in Lakhs	
	As at March 31, 2023	As at March 31, 2022

## 12 EQUITY SHARE CAPITAL

### a) Authorized

100,00,000 equity shares of Rs.10/- each		
(March 31,2022:100,00,000 equity shares of Rs.10/- each)	1,000.00	1,000.00

### Issued, subscribed and fully paid up

60,00,000 equity shares of Rs.10/- each		
(March 31, 2022: 60,00,000 equity shares of Rs.10/- each)	600.00	600.00

### b) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
At the beginning of the year	6,000,000	600.00	6,000,000	600.00
Add: Equity shares issued under ESPP	-	-	-	-
At the end of the year	<u>6,000,000</u>	<u>600.00</u>	<u>6,000,000</u>	<u>600.00</u>

### c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share (March 31,2022 : Rs.10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Mr. Piyush Agrawal	1,668,200	27.80%	1,596,617	26.61%
Mr. Suresh Chandra Agrawal	474,800	7.91%	546,383	9.10%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:

	As at March 31, 2023	As at March 31, 2022
	No. of shares	No. of shares
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash.	Nil	Nil
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account and general reserve.	Nil	Nil
Equity shares bought back	Nil	Nil

f) Details of Shareholding of promoters in the company :

Shares Held by the Promoters at the end of the year

Name of the Promoter	No. of Shares Held		% of Total Shares		% change during the year
	2022-23	2021-22	2022-23	2021-22	
1 Mr. Piyush Agrawal	1,668,200	1,596,617	27.80%	26.61%	1.19%
2 Mr. Suresh Chandra Agrawal	474,800	546,383	7.91%	9.10%	-1.19%
3 Mrs. Ritu Agrawal	242,345	242,345	4.04%	4.04%	-
4 Chaitanya Agrawal	190,000	190,000	3.17%	3.17%	-
<b>Total</b>	<b>2,575,345</b>	<b>2,575,345</b>			

(Amount in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Retained earnings	349.53	334.89
	<b>349.53</b>	<b>334.89</b>

Notes:

(a) Retained earnings

As per the last balance sheet	334.89	257.19
Net profit /(loss) for the year	61.95	77.70
Gratuity Liability as on 01/04/2022 (refer note no. 31(3))	(49.91)	-
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gains /(losses) on defined benefit plans (net of tax)	2.60	-
Tax Adjustment	-	-
	<b>349.53</b>	<b>334.89</b>

(Amount in Lakhs)

As at March 31, 2023	As at March 31, 2022
-------------------------	-------------------------

## (b) Nature &amp; Purpose of Reserves

## Retained earnings

Retained Earnings are profit the company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

**14 NON CURRENT FINANCIAL LIABILITIES****14.1 BORROWINGS****Term Loan from Banks (Secured)**

Kotak Mahindra Bank Limited	50.16	78.73
Kotak Mahindra Bank Limited	-	339.96

**Loan from Others (Unsecured)**

National Small Industries corporation Limited	-	235.52
Credit Card	-	2.41
	<b>50.16</b>	<b>656.63</b>
Less : Current Maturity of Long Term Borrowing	30.94	-

Non-Current Portion

<b>19.23</b>	<b>656.63</b>
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**Finance Lease Obligations****From Banks**

Yes Bank Limited	1.41	6.35
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**From Others**

Kotak Mahindra Prime Limited	1.38	7.40
	<b>2.79</b>	<b>13.75</b>
Less : Current Maturity of Finance lease obligations	2.79	-
Non-Current Portion	-	<b>13.75</b>

**Term Loan from Others**

IFE Cranex Elevators & Escalators India (Associate)	622.62	541.25
Amitabh Aggarwal (HUF)	-	257.72
Chaitanya Agrawal	-	242.03
Piyush Agrawal	-	495.76
S.C. Agrawal	-	70.67
	<b>622.62</b>	<b>1,607.42</b>
	<b>641.85</b>	<b>2,277.79</b>

**Notes:****A) Term Loan from Kotak Mahindra Bank**

- I Working capital term loan from Kotak Mahindra Bank Limited is taken for a sum of Rs. 90 Lakhs (Outstanding Balance as on 31st March 2023 is 50.16 Lakhs) under WCCTL Guranteed Emergency Credit Line (GECL) to provide liquidity support and build up current asset and meet operational liabilities affected due to Covid 19 Pandemic
- II The Term loan is secured by way of Bank Gurantees along with the charge on all existing and future current assets, movable fixed assets or any interest therein.
- III The Term loan is furthur secured by Exclusive Equitable Charge on Immovable Property Plot No. 57/1 and 57/1/19, industrial area site IV, Sahibabad, Ghaziabad in the name of Cranex Ltd.

**IV Terms of Repayment:**

Term Loan of Rs. 90 Lakhs :- Commencing from 15th Nov. 2020 repayable in total of 48 installments which are as follows:

1st Installment	Rs. 60,983.60/-	Interest Component Only
2nd Installment	Rs. 59,016.39/-	Interest Component Only
3rd Installment	Rs. 61,059.06/-	Interest Component Only
4th Installment	Rs. 61,150.68/-	Interest Component Only
5th Installment	Rs. 55,232.88/-	Interest Component Only
6th Installment	Rs. 61,150.68/-	Interest Component Only
7th Installment	Rs. 59,178.08/-	Interest Component Only
8th Installment	Rs. 61,150.68/-	Interest Component Only
9th Installment	Rs. 59,178.08/-	Interest Component Only
10th Installment	Rs. 61,150.68/-	Interest Component Only
11th Installment	Rs. 61,150.68/-	Interest Component Only
12th Installment	Rs. 59,178.08/-	Interest Component Only
Next 35 Installments	Rs. 282,027.00/-	Principal Component Plus Interest
Last Installment	Rs. 282,189.76/-	Principal Component Plus Interest

**V** The Company has borrowings from banks on the basis of current assets. The Company has complied with the requirement of filing of quarterly returns/statements of security of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts except as shown in note no. 31(8).

The differences are due to unaudited/provisional figures filed with banks

**VI** The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken. In respect of term loans which were taken in the previous year, those were applied in the respective year for the purpose for which the loan were obtained.

**VII** There are no charges or satisfaction which are yet to be registered with the registered with the Registrar of Companies beyond the statutory period.

**B) Finance Lease Obligations**

Long term maturities of finance lease obligations secured against hypothecation of respective vehicles under finance lease are as under:-

Name of Lendor	Nature of Lease	Terms of repayments (Including Interest)
Kotak Mahindra Prime Ltd	Finance Lease	Repayable in total 60 monthly equal instalments Rs.20,708/- all including interest, commencing from 05th Oct 2018.
Kotak Mahindra Prime Ltd	Finance Lease	Repayable in total 60 monthly equal instalments Rs.30,345/- all including interest, commencing from 05th Jan 2018.
Kotak Mahindra Prime Ltd	Finance Lease	Repayable in total 60 monthly equal instalments Rs.14,900/- all including interest, commencing from 05th Jan 2018.
Yes Bank Limited	Finance Lease	Repayable in total 60 monthly equal instalments Rs.14,480/- all including interest, commencing from 15th September 2018.
Yes Bank Limited	Finance Lease	Repayable in total 60 monthly equal instalments Rs.17,732/- all including interest, commencing from 15th August 2018.
Yes Bank Limited	Finance Lease	Repayable in total 60 monthly equal instalments Rs.15,952/- all including interest, commencing from 02nd Jan 2018.

**C) Unsecured Loan IFE Cranex Elevators & Escalators India Pvt. Ltd.- An Associate Company.**

The Said loan has been granted in lieu of bank guarantees given by the Company for projects. The loan is interest free and is repayable on extinguishment of bank guarantees as and when it occurs. There are no amount due for repayment in F.Y 2023-24.

**D) The Company has not defaulted in repayment of principal amount and interest during the year and complied with loan covenants of the lenders.**

	(Amount in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>15 NON CURRENT PROVISIONS</b>		
Provision for employee benefits		
Gratuity (refer note no.31(2))	46.77	-
	<b>46.77</b>	-
<b>16 OTHER NON-CURRENT LIABILITIES</b>		
	-	-
	-	-
	-	-
<b>17 CURRENT FINANCIAL LIABILITIES</b>		
<b>17.1 SHORT TERM BORROWINGS</b>		
<b>SECURED (at Amortised Cost)</b>		
<b>Repayable on Demand</b>		
Cash Credit facility - Kotak Mahindra Bank Limited (see Note i)	446.05	-
Current maturities of long-term borrowings	30.94	-
Current maturities of finance lease obligations	2.79	-
	<b>479.77</b>	-
<b>UNSECURED (at Amortised Cost)</b>		
<b>Loan from Related Parties</b>		
Loans and advances from related parties ( See Note ii)	1,049.62	-
<b>Others</b>		
National Small Industries Corporation Limited	238.63	-
	<b>1,288.24</b>	-
	<b>1,768.02</b>	-

**Notes:**

(i) The Company has availed working capital limits of Rs.2850 Lakhs (Previous Year Rs.2850 Lakhs) from Kotak Mahindra Bank which is secured by way of first charge on Book Debts of the Company. In the given working capital limit, fund based limit is of Rs. 1140 Lakhs and Non Fund based limit is to the extent of Rs. 1800 Lakhs.

The Working Capital Limit is secured by way of first and exclusive hypothecation charge on all existing and future and current assets, movable fixed assets or any interest therein.

The Working Capital limit is further secured by Exclusive Equitable Charge on Immovable Property Plot No. 57/1 and 57/1/19, industrial area site IV, Sahibabad, Ghaziabad in the name of the company

The Company has borrowings from banks on the basis of current assets. The Company has complied with the requirement of filing of quarterly returns/statements of security of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts except as shown in note no. 31(8).

The differences are due to unaudited/provisional figures filed with banks

Aggregate amount of Working Capital Limits secured by way of personal guarantees of Mr. Piyush Aggarwal (Director) and Mr. Chaitanya Aggarwal (Director)

446.05

(ii) The Company has been sanctioned an unsecured loan of Rs. 1,796.20 lakhs & Rs. 500.00 lakhs by National Small Industries Corporation Limited (NSICL) for its business needs. The Company has not furnished any security. However, Bank Guarantee equivalent to the value of limit sanctioned from Kotak Mahindra Bank been charged against the said loan.

(iii) The effective rate of interest on short term borrowings ranges between 13% p.a. to 14.5% p.a. during the year, depending upon the prime lending rate of the banks and financial institutions at the time of borrowing, wherever applicable, and interest rate spread agreed with the banks

(iv) Loan from related parties contains Interest free loan from directors which are repayable on demand.

Amounts due to Directors & Related Parties are as under:

Amitabh Aggarwal (HUF)	231.72	-
Chaitanya Agrawal	254.70	-
Piyush Agrawal	492.53	-
S.C. Agrawal	70.67	-
	<b>1,049.62</b>	<b>-</b>

(v) There are no default in the repayment of borrowings and interests as on the date of the balance sheet.

#### 17.2 TRADE PAYABLES

Total outstanding dues of micro and small enterprises	13.96	-
Total outstanding dues of creditors other than micro and small enterprises	<b>1,367.33</b>	<b>1,030.10</b>
	<b>1,381.29</b>	<b>1,030.10</b>

**Trade payables ageing schedule for the year ended as on March 31, 2023 :**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Years	1 - 2 years	2 - 3 years	more than 3 years	
(i) MSME	-	13.96	-	-	-	13.96
(ii) Others	-	1,213.53	146.69	0.08	-	1,360.30
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	7.03	-	-	7.03
<b>Total</b>	<b>-</b>	<b>1,227.49</b>	<b>153.72</b>	<b>0.08</b>	<b>-</b>	<b>1,381.29</b>

**Trade payables ageing schedule for the year ended as on March 31, 2022:**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Years	1 - 2 years	2 - 3 years	more than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	502.93	543.20	(59.24)	36.17	1,023.07
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	7.03	-	-	-	7.03
<b>Total</b>	<b>-</b>	<b>509.97</b>	<b>543.20</b>	<b>(59.24)</b>	<b>36.17</b>	<b>1,030.10</b>

#### Notes:

\* Trade payables includes due to related parties Rs. Nil/- (March 31, 2021: Nil/-)

\* The amounts are unsecured and non-interest bearing and are usually on varying trade terms.

(i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	13.96	Nil
	Interest	Nil	Nil
(ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

(ii) The information in respect of party determined under the MSMED Act 2006, has been identified on the basis of information available with the Company.

### 17.3 OTHER FINANCIAL LIABILITIES

Employee Benefit Expenses	89.12	34.61
Other payables	155.30	-
	<b>244.42</b>	<b>34.61</b>

#### Notes:

(i) Employees benefit expenses include payable to directors and other related parties are as under:

Chaitanya Agrawal (Remuneration)	0.98	0.74
S.C Agrawal (Remuneration)	0.13	0.13
Piyush Agrawal	1.50	1.10
Maman Chand Jain	0.10	0.10
Shilpy Chopra	0.15	0.03

(ii) Other payables are in respect of audit fee, payable against letter of credits and provision for other expenses.

### 18 OTHER CURRENT LIABILITIES

Revenue received in advance		
Advance from customers	131.81	-
Statutory dues		
Goods and Service Tax (GST)	28.57	107.25
Others statutory dues		
PF Payable	3.62	3.02
ESI Payable	0.45	0.52
TDS Payable	4.16	2.93
Other liabilities (refer note (i) below)	5.70	-
	<b>174.31</b>	<b>113.71</b>

#### Notes:

(i) Other liabilities are in respect of miscellaneous liabilities payable.

**19 CURRENT PROVISIONS**

Provision for employee benefits			
Gratuity (refer note no.31(2))	12.34		-
	<b>12.34</b>	<b>-</b>	<b>-</b>

**Notes:**

(i) Provisions are recognized for Gratuity. The provisions are recognized on the basis of past events and probable settlements of the present obligations as a result of the past events, in accordance with Indian Accounting Standard-37 issued by the Institute of Chartered Accountants of India.

**The movement of provisions are as under:-**
**At the beginning of the year**

Gratuity (Non-current Rs 39.62 Lakhs)	49.91	-
Income Tax	15.45	-

**Arising during the year**

Gratuity (Includes items of OCI)	9.68	49.91
Income Tax	23.50	15.45
Utilised during the year	0.48	-
Gratuity	0.48	-
Income Tax	15.45	

**At the end of the year**

Gratuity (Non-Current Rs. 46.77 Lakhs)	59.11	49.91
Income Tax	23.50	15.45

**20 CURRENT TAX LIABILITIES (NET)**

Income Tax	-	27.45
	<b>-</b>	<b>27.45</b>

(Amount in Lakhs)

	As at March 31, 2023	As at March 31, 2022
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**21 REVENUE FROM OPERATIONS**

<b>Sale of Products</b>	3,104.04	3,430.08
<b>Sale of services</b>	1,033.72	583.84
	<b>4,137.75</b>	<b>4,013.92</b>

**(i) Timing of Revenue Recognition**

Goods transferred at a point in time	3,104.04	3,430.08
Services transferred over the time	1,033.72	583.84
	<b>4,137.75</b>	<b>4,013.92</b>

**(ii) Disaggregation of revenue based on product or service**

Cranes	2,626.84	-
Accessories	448.39	-
Erection & Installation	929.18	-
Freight	104.54	-
Grocery Items	28.81	-
	<b>4,137.75</b>	<b>-</b>

	(Amount in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(iii) Revenue by location of customers</b>		
India	4,040.91	3,959.08
Outside India	96.84	54.84
	<b>4,137.75</b>	<b>4,013.92</b>
<b>(iv) Reconciliation of revenue recognised in statement of profit and loss with contracted price</b>		
Revenue as per contracted price	4,137.75	4,013.92
Less: Cash Discount	-	-
	<b>4,137.75</b>	<b>4,013.92</b>
<b>(v) Performance Obligation</b>		
<b>Sale of products:</b> Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers		
<b>Sales of services:</b> The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer.		
<b>22 OTHER INCOME</b>		
<b>a) Interest received on financial assets carried at amortised cost:</b>		
Interest Income from Banks	36.40	25.47
Interest Income from others	2.83	-
<b>b) Other non-operating income</b>		
Foreign Currency Exchange Fluctuations (Net)	-	0.35
Government grant and assistance	-	0.79
Miscellaneous income	7.67	1.44
	<b>46.90</b>	<b>28.05</b>
<b>23 COST OF MATERIALS CONSUMED</b>		
Cost of Materials (Including Freight)	-	2,420.77
MS Plate	794.09	-
Motor	111.15	-
Control Panel	87.04	-
Forging	41.76	-
Control Gear	61.75	-
Cable	60.56	-
Gear Box	76.26	-
MS Profile	31.00	-
Brake	48.44	-
Consumable Stores	1,201.69	-
	<b>2,513.73</b>	<b>2,420.77</b>
<b>24 PURCHASE OF STOCK IN TRADE (TRADED GOODS)</b>		
Purchase Traded Goods (Grocery Items)	9.50	50.78
	<b>9.50</b>	<b>50.78</b>

**25 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**
**Inventories at the end of the year**

	As at March 31, 2023	As at March 31, 2022	(Increase) / Decrease
Finished goods	420.02	-	(420.02)
Work-in-Progress	461.20	928.76	467.56
	<b>881.22</b>	<b>928.76</b>	<b>-</b>

**Inventories at the beginning of the year**

Finished goods	-	-	-
Work-in-Progress	928.76	979.54	50.78
	<b>928.76</b>	<b>979.54</b>	<b>-</b>
	<b>47.54</b>	<b>50.78</b>	

**(Increase)/ Decrease in stocks**

Details of inventories at the end of the year

**a) Finished Goods**

Escalator	420.02	-	(420.02)
	<b>420.02</b>	<b>-</b>	<b>-</b>

**b) Work-in-Progress**

Cranes	461.20	928.76	467.56
	<b>461.20</b>	<b>928.76</b>	<b>-</b>

**Details of inventories at the beginning of the year**
**a) Finished Goods**

Escalator	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

**b) Work-in-Progress**

Cranes	928.76	979.54	50.78
	<b>928.76</b>	<b>979.54</b>	<b>-</b>

**26 EMPLOYEE BENEFITS EXPENSES**

Salary, Wages, Bonus and other benefits	480.08	363.61
Contribution towards PF and ESI	29.48	22.21
Gratuity	13.16	2.40
Staff welfare expenses	3.93	3.64
	<b>526.66</b>	<b>391.87</b>

Employee benefits expense include managerial remuneration as detailed below:

Salary	30.00	30.00
--------	-------	-------

**27 FINANCE COSTS**

Interest Expense	81.80	122.45
Other Borrowing Costs	33.92	-
	<b>115.72</b>	<b>122.45</b>

**28 DEPRECIATION AND AMORTISATION EXPENSES**

Depreciation on tangible assets	31.01	28.80
	<b>31.01</b>	<b>28.80</b>

	(Amount in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>29 OTHER EXPENSES</b>		
Consumption of Stores and Spares	1.97	2.40
Power and Fuel	27.99	31.04
Job Work and Erection Charges	268.20	260.32
Hire Charges	6.01	4.02
Project Site Expenses	54.69	63.95
Testing Charges	4.70	12.54
Rent	4.84	3.30
Repairs to Machinery	17.80	12.13
Repairs Others	0.67	-
Security Charges	20.94	31.21
Insurance	19.85	13.86
Rates and Taxes	1.86	5.23
Legal & Professional Charges	26.96	20.30
Travel, Conveyance and Vehicle Maintenance	27.27	25.71
Telephone, Internet, Postage & Courier	4.94	4.57
Pattern & Drawing Charges	3.32	6.04
Liquidated Damages & Bad Debts	56.29	229.69
Payment to Auditors		
Audit fee	4.50	1.20
Tax audit fee	0.50	-
Certificate & Other Charges	0.05	-
Commission on Sales	-	7.60
Exchange Fluctuation	24.21	-
Transportation expenses and Export Expenses	199.59	129.37
Business Promotion and Marketing Expenses	4.52	4.79
Miscellaneous expenses	33.13	14.09
	<b>814.81</b>	<b>883.36</b>

### 30 COMMITMENTS AND CONTINGENCIES

A Contingent liabilities (to the extent not provided for)			
a) Claims filed against the Company not acknowledged as debts (Advance paid Rs.Nil (March 31, 2022: Rs.Nil)) (refer point (i))	9.97	-	
b) Bank guarantees obtained from banks (Margin money Rs. 597.64 Lakhs)	1,472.80	1,630.31	
c) Disputed tax liabilities in respect of pending cases before Appellate Authorities (refer point (ii)) (Advance paid Rs. 1.85 Lakhs (March 31, 2022 Rs. Lakhs))	18.51	-	
d) Demand raised by TDS Department (Tax Deduction at Source)(refer point (iii))	1.12	-	
	<b>1,502.39</b>	<b>1,630.31</b>	

## Notes:

(i) (a) A claim has been filed against the Company by a supplier for recovery which is pending before The MSME - Arbitral Tribunal, Delhi Arbitration Centre, Delhi. No provision for the same has been made since the Company has disclaimed the liability and in process to file the appeal.

$$\begin{array}{r}
 9.97 \\
 \hline
 9.97
 \end{array}$$

(ii) The various disputed tax litigations are as under :

Sl.	Description	Court/Authority	Financial year to which relates	Disputed Amount	
				As at March 31, 2023	As at March 31, 2022
a) (i)	<b>Goods &amp; Services Tax</b> Demand raised by the GST Department (Excluding Penalty)	Addl. Commissioner, Gr. 2(Appeal) - IV, State Goods & Services Tax, Ghaziabad	2018-19	18.51 lakhs	18.51 lakhs

(iii) The Company has outstanding TDS demands of Rs.1.12 Lakhson account of short deductions and interest u/s 201 and 220(2) of the Income Tax Act, 1961. The Company will be filing the revised returns/applications and it is expected that there will be no demand on this account.

## B Commitments

**As at March 31, 2023**      **As at March 31, 2022**

### (i) Capital Commitments

### 31 OTHER NOTES ON ACCOUNTS

1 a) In the opinion of the Board, assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

b) Balance of unsecured short term borrowings from others, trade payables, other current liabilities, long and short term advances, other non-current and current assets and trade receivables are subject to reconciliation and confirmations.

2 Disclosures pursuant to Ind AS - 19 "Employee Benefits" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 ) are given below:

## Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

**(Amount In Lakhs)**

As at March 31, 2023	As at March 31, 2022
24.94	17.69
4.54	4.52
<b>29.48</b>	<b>22.21</b>

## Defined Benefit Plan

### Gratuity (Unfunded)

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Present value of obligation at the beginning of the year	49.91	-
Current Service Cost	9.58	7.95
Interest Cost	3.58	-
Actuarial (gain) /loss arising during the year	(3.48)	-
Past Service Cost	-	41.96
Benefit paid	(0.48)	-
Present value of obligation at the end of the year	59.11	49.91
Current Liability (Short Term)	12.34	10.28
Non-current Liability (Long Term)	46.77	39.63
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Return on plan assets excluding interest income	-	-
Benefits paid	-	-
Fair value of plan assets at year end	-	-
<b>c) Net Asset/ (Liability) recognised in the balance sheet</b>		
Fair value of plan assets	-	-
Present value of defined benefit obligation	59.11	49.91
Amount recognised in Balance Sheet- Asset / (Liability)	59.11	49.91
<b>d) Expense recognised in the Statement of profit and loss during the year</b>		
Current Service Cost	9.58	7.95
Interest Cost	3.58	-
Past Service Cost	-	41.96
	13.16	49.91
<b>e) Actuarial (Gain)/ Loss recognised in other comprehensive income during the year</b>		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(0.75)	-
- changes in experience adjustments	(2.73)	-
Recognised in other comprehensive income	(3.48)	-
<b>f) Broad categories of plan assets as a percentage of total assets</b>		
Insurer managed funds	Nil	Nil
<b>g) Actuarial Assumptions</b>		
Mortality Table (LIC)	100% of IALM 2012-14	100% of IALM 2012-14
Discount Rate (per annum)	7.44%	7.18%
Rate of escalation in salary (per annum)	8.00%	8.00%

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
h) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Impact of change in discount rate</b>		
Impact due to increase by 0.5 %	(2.03)	-
Impact due to decrease by 0.5 %	2.18	-
<b>Impact of change in salary</b>		
Impact due to increase by 0.5 %	2.16	-
Impact due to decrease by 0.5 %	(2.03)	-
i) <b>Maturity profile of defined benefit obligation</b>		
0 to 1 Year	12.34	-
1 to 2 Year	4.68	-
2 to 3 Year	5.24	-
3 to 4 Year	5.50	-
4 to 5 Year	3.49	-
5 to 6 Year	2.13	-
6 Year onwards	25.73	-
Total expected payments	<hr/> 59.11	<hr/> -

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 8.09 years.(Previous Year-8.18 years)

k) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

l) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

m) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

3 The company has provided gratuity liability with retrospective effect in accordance with actuarial valuation norms to comply with the requirements of Ind AS 19. Accordingly, a sum of Rs. 49.91 Lakhs pertaining to gratuity liability as on 01/04/2022 has been adjusted against retained earnings. Disclosures as required in Ind AS 19 have been made in note no. 31(2).

#### 4 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:

##### A Names of related parties and description of relationship:

Key Managerial Personnel	
Piyush Agrawal	Managing Director
Chaitanya Agrawal	Whole Time Director & CFO
Ashwani Kumar Jindal	Independent Director
Shilpy Chopra	Independent Director
Shalini Rahul	Independent Director
Preeti Bhatia (Upto 11th July 2022)	Company Secretary
Renu Singh (w.e.f 13th July 2022)	Company Secretary

##### Relatives of Key Managerial Personnel

S.C. Agrawal  
Amitabh Agrawal  
Ritu Agrawal  
Payal Agrawal



## (xi) Remuneration

## Key Management Personnel

Piyush Agrawal - Managing Director	18.00	18.00
Chaitanya Agrawal - Whole Time Director & CFO	12.00	12.00
Preeti Bhatia	0.62	4.03
Renu Singh - Company Secretary	3.26	-
	<b>33.88</b>	<b>34.03</b>

## Relatives of Key Management personnel

Payal Agrawal	4.03	-
	<b>4.03</b>	<b>-</b>

## (xii) Director Sitting Fees

## Key Management Personnel

Shilpy Chopra	0.30	-
	<b>0.30</b>	<b>-</b>

## D Balances at the year end

## (i) Amount Receivables

## Enterprises in which directors and relative of such directors are interested

Shree Cranex (JV)	330.69	34.08
	<b>330.69</b>	<b>34.08</b>

## (ii) Amount Payables

## Enterprises in which directors and relative of such directors are interested

IFE Cranex Elevators and Escalators India Pvt. Ltd	622.62	541.24
Piyush Agrawal (HUF)	0.30	0.65
	<b>622.92</b>	<b>541.89</b>

## Key Management Personnel

## Loan Payable

Piyush Agrawal - Managing Director	492.53	495.76
Chaitanya Agrawal - Whole Time Director & CFO	254.70	242.03
Amitabh Aggarwal (HUF)	231.72	257.72
S.C. Agrawal	70.67	70.67
	<b>1,049.62</b>	<b>1,066.17</b>

## Salary &amp; Other Payable

Piyush Agrawal - Managing Director	1.50	-
Chaitanya Agrawal - Whole Time Director & CFO	0.98	-
Shilpy Chopra	0.15	0.25
Preeti Bhatia	-	0.39
Renu Singh - Company Secretary	0.35	-
	<b>2.98</b>	<b>0.64</b>

## Relatives of key management personnel

Amitabh Agrawal	231.72	257.72
Ritu Agrawal	-	-
Payal Agrawal	0.30	0.30
	<b>232.02</b>	<b>258.02</b>

**Notes:**

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (other than borrowings taken by the Company) and settlement occurs in cash.

For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) All the liabilities for post retirement benefits being 'Gratuity' and 'Leave Encashment' are provided on an actuarial basis for the Company as a whole, the amount pertaining to Key management personnel are not included above.

c) As per the section 149(6) of the Companies Act, 2013, Independent Directors are not considered as "Key Managerial Person", however to comply with the disclosure requirements of Ind AS-24 on "Related party transactions" they have been disclosed as "Key Managerial Person".

**5 Ratio analysis:-**

Particulars	2022-23			2021-22			Variance	Reason
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
(a) Current Ratio (times) = Current Assets / Current liabilities	4,187.59	3,580.37	1.17	3,089.55	1,205.87	2.56	-0.54	N/A
(b) Debt - Equity Ratio (times) = Total Borrowings/ Shareholder's equity	2,409.86	949.53	2.54	2,277.79	934.89	2.44	0.04	N/A
(c) Debt- Service Coverage Ratio = Earnings available for Debt service/(refer note)	272.41	122.45	222.46%	244.40	122.45	199.58%	0.11	N/A
(d) Return on Equity Ratio % = Net profits after taxes/ Average Shareholder's Equity	61.95	942.21	6.58%	77.70	780.30	0.10	-0.34	N/A
(e) Inventory Turnover Ratio (times) = Revenue from operations/ Average inventory	4,137.75	1,428.73	2.90	4,013.92	1,352.25	2.97	-0.02	N/A
(f) Trade Receivables Turnover Ratio (times) = Net credit revenue from operations/ Average trade receivables	4,137.75	1,846.26	2.24	4,013.92	1,788.98	2.24	-0.00	N/A
(g) Trade Payables Turnover Ratio (times) = Net credit purchases / Average trade payables	2,523.23	1,205.69	2.09	2,471.55	1,444.73	1.71	0.22	N/A
(h) Net Capital Turnover Ratio (times) = Revenue from operations / working capital	4,137.75	607.22	6.81	4,013.92	1,883.68	2.13	2.20	N/A
(i) Net Profit Ratio % = Net profit / Revenue from operations	64.56	4,137.75	0.02	77.70	4,013.92	0.02	-0.19	N/A
(j) Return on Capital Employed % = EBIT / Capital employed (refer note ii)	207.49	1,621.71	0.13	215.60	3,212.68	0.07	0.91	N/A
(k) Return on Investment % = EBIT / Average total assets	207.49	4,833.69	0.04	215.60	4,680.64	0.05	-0.07	N/A

## 6 Relationship with struck off companies is as under:

(Amount in Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March,2023	Balance outstanding as at 31 March, 2022	Relationship with the struck off company , if any, to be disclosed
KAN SECURITIES (INDIA) PRIVATE LIMITED CIN No. - U67120DL1994PTC059893	Shares held by struck off company	500 Number of Shares of Rs. 10/- Each	500 Number of Shares of Rs. 10/- Each	Shareholder
SAYA SECURITIES PRIVATE LIMITED CIN No. - U70101DL1996PTC082684	Shares held by struck off company	5 Number of Shares of Rs. 10/- Each	5 Number of Shares of Rs. 10/- Each	Shareholder
VAISHAK SHARES LIMITED CIN No. - U85110KA1994PLC015178	Shares held by struck off company	10 Number of Shares of Rs. 10/- Each	10 Number of Shares of Rs. 10/- Each	Shareholder
CHANDRAMA INVESTMENT FINANCE & LEASING LIMITED CIN No. - U67120UP1995PLC018753	Shares held by struck off company	100 Number of Shares of Rs. 10/- Each	100 Number of Shares of Rs. 10/- Each	Shareholder
MUNDHRA FINANCING PVT LTD CIN No. - U65999WB1987PTC043373	Shares held by struck off company	2000 Number of Shares of Rs. 10/- Each	2000 Number of Shares of Rs. 10/- Each	Shareholder
VKG ELECTRONICS PRIVATE LIMITED CIN No. - U74899DL1991PTC043406	Amalgamated	100 Number of Shares of Rs. 10/- Each	100 Number of Shares of Rs. 10/- Each	Shareholder
Arshi Engineering Works CIN No. - U29214PB2000PTC023464	Payables	0.04	-	Creditors
JB CASTING PRIVATE LIMITED CIN NO.- U51228PB2000PTC023393	Payables	0.12	-	Creditors

## 7 Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net prot of rupees ve crore or more during the immediately preceding nancial year is required to incur at least 2% of the average net prots of the preceding three nancial years towards Corporate Social Responsibility (CSR).

Based on last audited balance sheet dated 31 March, 2023, the company does not meet any of the threshold prescribed by law. Hence, the provisions of Companies Act, 2013 regarding CSR would not be applicable

8 The Company has borrowings from banks on the basis of current assets. The Company has complied with the requirement of filing of quarterly returns/statements of security of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts except as under:

(Amount in Lakhs)

S.No.	Particulars	As per Submitted Statement	As Per Books	Difference	Reasons
<b>Quarter-2</b>					
1	<b>Inventory</b>	1,366.37	1,701.37	(335.00)	Due to filing of unaudited/provisional figures with banks.
2	<b>Trade Receivables</b>	1,579.21	1,645.99	(66.78)	
3	<b>Trade Payables</b>	1,227.95	1,546.24	(318.29)	
<b>Quarter-3</b>					
1	<b>Inventory</b>	1,860.78	1,909.28	(48.50)	Due to filing of unaudited/provisional figures with banks.
2	<b>Trade Receivables</b>	1,990.84	2,000.08	(9.24)	
3	<b>Trade Payables</b>	1,469.05	1,923.76	(454.71)	
<b>Quarter-3</b>					
1	<b>Inventory</b>	1,609.74	1,609.74	-	Due to filing of unaudited/provisional figures with banks.
2	<b>Trade Receivables</b>	2,114.66	2,103.34	11.32	
3	<b>Trade Payables</b>	1,014.77	1,381.29	(366.52)	

## 9 Segment Reporting

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure.

### Operating Segments

The Company's Managing Director and CFO has been identified as the Chief Operating Decision Maker ('CODM'), since Managing Director and CFO are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget and other key decisions.

Managing director reviews the operating results at the Company level to make decisions about the Company's performance. Accordingly, management has identified the business as single operating segment i.e. "Manufacturing of EOT cranes and installation of escalators". Accordingly, there is only one Reportable Segment for the Company i.e. "Manufacturing of EOT cranes and installation of escalators", hence no specific disclosures have been made.

#### a) Information about products and services

Please refer to note 21 of the financial statements

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>b) Revenue as per Geographical Markets</b>		
Domestic Market	4040.91	3959.08
Overseas Market	96.84	54.84
<b>Total</b>	<b>4,137.75</b>	<b>4,013.92</b>
<b>c) Non-current assets (other than deferred tax assets and financial instruments) in Geographical Market</b>		
Within India	795.05	787.41
Outside India	-	-
<b>Total</b>	<b>795.05</b>	<b>787.41</b>
<b>d) Information about major customers</b>		
Customers contributing more than 10% of the Company's total revenue are as under:		
a) Shree Cranex (JV)	462.70	-
	<b>462.70</b>	<b>-</b>

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>d) Geographical Capital Expenditure</b>		
Domestic Market	4.61	-
Overseas Market	-	-
	<b>4.61</b>	-

#### 10 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial instruments by category	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets at amortized cost</b>				
Investments (non-current)	31.72	0.01	31.72	0.01
Loans and advances (non current)	-	158.96	-	158.96
Other financial assets (non-current)	266.20	375.40	266.20	375.40
Trade receivables (current)	2,103.34	1,589.19	2,103.34	1,589.19
Cash and cash equivalents	3.02	16.22	3.02	16.22
Other bank balances	242.40	-	242.40	-
Other financial assets (current)	12.08	-	12.08	-
	<b>2,658.76</b>	<b>2,139.78</b>	<b>2,658.76</b>	<b>2,139.78</b>
<b>Financial Liabilities at amortized cost</b>				
Borrowings (non-current)	641.85	2,277.79	641.85	2,277.79
Borrowings (current)	1,768.02	-	1,768.02	-
Trade payables (current)	1,381.29	1,030.10	1,381.29	1,030.10
Other financial liabilities (current)	244.42	148.32	244.42	148.32
	<b>4,035.57</b>	<b>3,456.21</b>	<b>4,035.57</b>	<b>3,456.21</b>

(\*excluding investments in associates)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- 1) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- 2) The fair values of the Company's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2023 was assessed to be insignificant.
- 3) Long-term receivables/ payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 4) The significant unobservable inputs used in the fair value measurement categorized within Level 1 and Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at end of each year, are as shown below:

#### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023**

		(Amount In Lakhs)		
	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investments (non-current)	31.72	-	-	31.72
Loans and advances (non current)	-	-	-	-
Other financial assets (non-current)	266.20	-	-	266.20
Trade receivables (current)	2,103.34	-	-	2,103.34
Cash and cash equivalents	3.02	-	-	3.02
Other bank balances	242.40	-	-	242.40
Other financial assets (current)	12.08	-	-	12.08
	<u>2,658.76</u>	<u>-</u>	<u>-</u>	<u>2,658.76</u>
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowings (non-current)	641.85	-	-	641.85
Borrowings (current)	1,768.02	-	-	1,768.02
Trade payables (current)	1,381.29	-	-	1,381.29
Other financial liabilities (current)	244.42	-	-	244.42
	<u>4,035.57</u>	<u>-</u>	<u>-</u>	<u>4,035.57</u>

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022**

		(Amount In Lakhs)		
	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investment Property	-	-	-	-
Investments (non-current)	0.01	-	-	0.01
Loans and advances (non current)	158.96	-	-	158.96
Other financial assets (non-current)	375.40	-	-	375.40
Trade receivables (current)	1,589.19	-	-	1,589.19
Cash and cash equivalents	16.22	-	-	16.22
	<u>2,139.78</u>	<u>-</u>	<u>-</u>	<u>2,139.78</u>
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowings (non-current)	2,277.79	-	-	2,277.79
Trade payables (current)	1,030.10	-	-	1,030.10
Other financial liabilities (current)	148.32	-	-	148.32
	<u>3,456.21</u>	<u>-</u>	<u>-</u>	<u>3,456.21</u>

**Note:**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

## 11 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

### (a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2023. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

#### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AED & Euro exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Currency	Currency Symbol	March 31, 2023		(Fig. In Lakhs)	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Change in United States Dollar Rate	\$				
Export trade receivables		-	-	-	-
Other receivables		-	-	-	-
Capital Advances		-	-	-	-
Advances against material and services		-	-	-	-
Trade payables		5.30	462.00	4.62	(4.62)
Currency	Currency Symbol	March 31, 2022		(Fig. In Lakhs)	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Change in United States Dollar Rate	\$				
Export trade receivables		-	-	-	-
Other receivables		-	-	-	-
Capital Advances		-	-	-	-
Advances against material and services		-	-	-	-
Trade payables		-	-	-	-

**(ii) Commodity Price Risk**

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement. To counter raw material risk, the Company works with various suppliers working in domestic and international market with the objective to moderate raw material cost, enhance application flexibility and increased product functionality and also invests in product development and innovation. To counter finished goods risk, the Company deals with wide range of vendors and manages these risks through inventory management and proactive vendor development practices. The Company also passes on the Commodity price hike in case of several customers when Company have fixed price contracts. Fixed price contracts are entered into after due consideration of the Commodity price volatility during the delivery / contract period.

**(b) Credit Risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**(i) Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Out of that, the Company has 10 customers that owed the Company approx. Rs. 1510.98 lakhs (March 31, 2022: Rs.914.31 lakhs) and accounted for 45.88 % (March 31, 2022: 36.80%) of total trade receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**(ii) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Loans and advances (non current)	-	158.96
Other financial assets (non-current)	266.20	375.40
Cash and cash equivalents	3.02	16.22
Other bank balances	242.40	-
Other financial assets (current)	12.08	-
	<b>523.70</b>	<b>550.58</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade receivables (current)	-	-
	<b>-</b>	<b>-</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(i) The ageing analysis of trade receivables has been considered from the date the invoice falls due</b>		
<b>Particulars</b>		
0 to 365 days due past due date	1,719.56	913.23
More than 365 days past due date	383.77	675.96
Total Trade Receivables	<u>2,103.34</u>	<u>1,589.19</u>

**The following table summarises the change in loss allowance measured using**

**the life time expected credit loss model:**

Particulars

As at the beginning of year	-	-
Provision during the year	-	-
Reversal of earlier provision credited to other Income (Excess Provision written back)	-	-
As at the end of year	<u>-</u>	<u>-</u>

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to below:

**Maturity profile of financial liabilities**

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	(Amount In Lakhs)		
	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2023</b>			
Borrowings (non-current)	-	641.85	641.85
Borrowings (current)	1,768.02	-	1,768.02
Trade payables (current)	1,381.29	-	1,381.29
Other financial liabilities (current)	244.42	-	244.42
<b>As at March 31, 2023</b>			
Borrowings (non-current)	-	2,277.79	2,277.79
Trade payables (current)	1,030.10	-	1,030.10
Other financial liabilities (current)	148.32	-	148.32

**(d) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowings obligations in the form of cash credit carrying floating interest rates.

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowing	52.58	122.45
Variable rate borrowing	29.22	-
	<u>81.80</u>	<u>122.45</u>

**Sensitivity analysis:** For floating rates liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

**Sensitivity on variable rate borrowings**

**Impact on statement of profit and loss**

Interest rate increase by 0.25%	1.70	2.55
Interest rate decrease by 0.25%	(1.70)	(2.55)

**(e) Equity Price Risk**

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 2,389.20 lakhs as on 31 March 2022 (March 31, 2021: Rs. 2,351.69 lakhs).

**12 The Following Table summarises movement in indebtedness as on the reporting date :**

**Change in Liabilities arising from financing activities**

Particulars	As on April 1, 2022	Net Cashflow	Foreign Exchange Management	Transfer	Change in fair values	(Amount In Lakhs)	
						As on March 31, 2023	
<b>LONG TERM BORROWINGS</b>							
<b>Secured</b>							
Term loan from Bank	78.73	(28.57)	-	-	-	-	50.16
Finance Lease Obligations							
From Banks	-	33.72	-	-	-	-	33.72
From Others	-	-	-	-	-	-	-
<b>Unsecured</b>							
Term loans from others parties	541.25	50.44	-	-	-	-	591.68
<b>SHORT TERM BORROWINGS</b>							
<b>Secured</b>							
Cash credit facility from bank	329.66	118.78	-	-	-	-	448.44
Buyer's credit facility from bank	-	-	-	-	-	-	-
<b>Unsecured</b>							
Loan from Related Parties	1,066.17	(16.55)	-	-	-	-	1,049.62
Loan from others	235.52	3.11	-	-	-	-	238.63
	<u>2,251.33</u>	<u>160.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,412.25</u>

**13 Capital Management**

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2023.

The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The calculation of the capital for the purpose of capital management is as below:

Particulars	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Borrowings	641.85	2,277.79
Cash and cash equivalents	3.02	16.22
<b>Net Debt</b>	<b>644.87</b>	<b>2,294.01</b>
Equity share capital	600.00	600.00
Other equity	349.53	334.89
<b>Total Capital</b>	<b>949.53</b>	<b>934.89</b>
<b>Capital and Net Debt</b>	<b>1,594.40</b>	<b>3,228.90</b>
<b>Gearing Ratio (Net Debt/Capital and Debt)</b>	<b>40.45%</b>	<b>71.05%</b>

#### 14 Earnings per share

##### a) Basic Earnings per share

Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	64.56	77.70
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	6,000,000	6,000,000
Earnings per share-Basic (one equity share of Rs.10/- each)	(Rs.)	1.08	1.29

##### b) Diluted Earnings per share

Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	64.56	77.70
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	6,000,000	6,000,000
Earnings per share-Basic (one equity share of Rs.10/- each)	(Rs.)	1.08	1.29

Note: There are no instruments issued by the Company which have effect of dilution of basic earning per share.

#### 15 Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013:

##### (i) Particulars of Investments made:

(Amount In Lakhs)						
Sr. No	Name of the Investee	Opening Balance	Investment Made	Impact of fair value	Investment Sold	Outstanding Balance
1	Shree Cranex(JV)	31.71	-	-	-	31.71
2	IFE Cranex Elevators & Escalators India Pvt. Ltd	182.00	-	-	-	182.00

#### 16 Additional regulatory information required by Schedule III of Companies Act,2013

(i) Details of Benami Properties: No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

(ii) Utilization of borrowed funds and share premium:

The Company has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or;

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies) , including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise ) that the company shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (iii) Compliance with number of layers of Companies: The Company has complied with the number of layers as prescribed under the Companies Act,2013.
- (iv) Undisclosed Income: There is no income undisclosed or surrendered as income during the current or previous year in the tax assessments under the Income Tax Act,1961, that has not recorded in the books of accounts.
- (v) Crypto Currency or Virtual Currency: The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) Valuations of PPE, Intangible assets :The company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- (vii) The Company has not granted any loans or advances in the nature of loans repayable on demand.

17 Amounts in the financial statements are presented in Indian Rupees in lacs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

18 Note No. 1 to 31 form integral part of the balance sheet and statement of profit and loss.

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

As per our report of even date

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**

**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

**Sd/-**

**(Piyush Agrawal)**

Managing Director

DIN - 01761004

**Sd/-**

**(Chaitanya Agrawal)**

Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023

## INDEPENDENT AUDITOR'S REPORT

To  
 The Members of  
**CRANEX LIMITED**  
 57/1, Industrial Area, Site - IV,  
 Sahibabad, Ghaziabad,  
 Uttar Pradesh - 201010

## Report on the Consolidated Ind AS Financial Statements

## Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of CRANEX LIMITED ("The Parent"), and its associate Company (the Parent Company and its associate are together referred to as "the group") which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flows, and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the consolidated Ind AS Financial Statements).

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter described in the basis of Qualified Opinion section of our report, the aforesaid consolidated Ind AS financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, consolidated net profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## Basis for Qualified Opinion

- a) The parent Company has produced a Joint Venture agreement which it has entered into with M/s Shree Construction on 23/09/2021, whereby the parties have entered into a Joint Venture agreement and a Joint Venture entity namely M/s Shree-Cranex (JV) has been formed. However, the parent company has not applied Equity method of accounting in respect of the investment in the Joint Venture and hence not complied with the provisions of Ind AS 28 (Investment in Associates and Joint Ventures) with respect to accounting Joint Ventures in consolidated financial statements.
- b) We draw attention to the fact that there are differences between Audited Annual Balance sheet and Statement of Profit as on March 31, 2022 furnished in accordance with section 134 of the Companies act 2013 and Statement of audited financial results for the quarter and year ended March 31, 2022 prepared by the company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The differences are as under:-

## Difference in Balance Sheet

(Amount in Lakhs)

Particular	As per Audited Financial Statement As on March 31, 2022	As per Published Results as on March 31, 2022
Property Plant and Equipment	605.41	599.09
Long term loans and advances	158.96	-
Other non-current assets	375.39	492.09
Inventories	1247.71	1257.08
Investments	0.01	-
Other Equity	315.80	334.87
Trade Receivable	1589.19	1491.97
Cash and Cash equivalents	43.84	2.11
Other current assets	236.44	340.19
Borrowings	2277.79	2091.41
Other non-current liabilities	165.56	92.49
Trade Payable	1030.10	939.30
Other Current Liabilities	148.32	109.01
Provisions	27.45	15.45

### Difference in Statement of Profit and Loss

Particular	As per Financial Statement For the year ended 31/03/2022	As per Published Results For the year ended 31/03/2022
Other Income	28.05	24.25
Cost of material consumed	2420.77	2167.78
Purchase of stock in trade	50.78	-
Change in Inventories	50.78	199.71
Employee Benefit expenses	391.87	385.68
Finance cost	122.45	103.75
Other Expenses	887.62	1059.31

We have relied upon the figures as per the audited financial statements for the year ended 31st March 2022 as published in the annual report. The said figures are merely published as previous year figures and not subjected to any audit or review.

- c) The Parent Company has not been produced before us Property, Plant and Equipment (PPE) register for verification. Depreciation of Property, Plant and Equipment has been provided on the basis of figures as certified by the management,
- d) The Parent Company has not produced to us for verification, the necessary documentation for verification of suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. Pending such determination, the information as required to be furnished under section 22 of the Act, has not been furnished,
- e) Goods and Services tax (GST) balances are subject to audit and reconciliation with GST returns. The subsequent reconciliation of the same could have consequential impact on financial statements,
- f) Balances under Trade Receivables and Trade Payables, loans and advances given by the Parent Company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any, required upon such confirmations are not ascertainable and hence not provided for,
- g) The Financial Assets and Liabilities - Trade Receivables and long term borrowings taken from IFE Cranex Elevators and Escalators India Private Limited have not been measured at fair value as required by Ind AS-109 "Financial Instruments". Impairment provisions and fair value measurements have not been measured in accordance with Expected Credit Loss (ECL) method as per Ind AS-109.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013, as amended ("The Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by The Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

#### 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	Auditor's Response
1.	Revenue from the sale of goods (hereinafter referred to as "Revenue" is recognized when the Parent Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in the case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon dispatch, delivery or upon formal customer acceptance depending on customer's terms.	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>• Testing the effectiveness of such controls over revenue cut off at year end.</li> <li>• Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period.</li> </ul>

S. No.	Key Audit Matter	Auditor's Response
2.	<p>The timing of revenue recognition is relevant to the reported performance of the Parent Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer note no. 2.15 - Significant Accounting Policies; and note no. 21 - Revenue from Operations; of the Financial Statement.</p>	<ul style="list-style-type: none"> <li>• Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> <li>• Assessing the appropriateness of the Parent Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers" and testing thereof.</li> </ul>
3.	<p><b>Evaluation of tax positions</b></p> <p>The Parent Company operates in India and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct tax, transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the financial statements. Refer Note 30(A) to the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures include the following substantive procedures:</li> <li>• Obtained an understanding of key tax litigations and potential tax exposures</li> <li>• We along with our internal tax experts -</li> <li>• read and analyzed select key correspondence and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;</li> <li>• discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and</li> <li>• evaluated the status of the recent and current tax assessments / inquiries, results of previous tax assessments and changes in the tax environment to assess management's estimate of the possible outcome of key tax litigations and potential tax exposures.</li> </ul>
4.	<p><b>Taxation Significant</b> judgments are required in determining provision of income taxes, both current and deferred, as well as the assessment of provision for uncertain tax position including estimates where appropriate.</p>	<p>We evaluated the design and implement of controls in respect of provision for current tax and the recognition and recoverability of deferred tax assets.</p> <p>We discussed with management the adequate implementation of policies and control regarding current and deferred tax.</p> <p>We examined the procedure in place for the current and deferred tax calculation for completeness and valuation and audited the related tax computation and estimates in light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist.</p> <p>We performed the assessment of the material components impacting the tax expenses, balance and exposures. We reviewed and challenged the information reported by components with the support of our tax specialist, where appropriate.</p> <p>In respect of deferred tax assets and liabilities, we assess the appropriateness of management's assumption and Estimates to support deferred tax assets for tax losses carried forward and related disclosures in financial statements. Based on the procedure performed above, we obtain sufficient audit evidence to corroborate management's estimates regarding current and deferred tax balances.</p>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Parent Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors of the companies included in the Group are responsible for the assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the company's financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 Ind AS 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 Matter**

1. The audit of consolidated financial statements for the year ended March 31, 2022, was carried out and reported by M/s PRYD & ASSOCIATES, Chartered Accountants, having firm registration no. 011626N, who have expressed unmodified opinion on financial results vide their report dated May 30, 2022, whose report have been furnished to us and which have been relied upon by us for the purpose of review of the statement. Our conclusion is modified in respect of above matter so far as figures reported for the year ended 31st March, 2022 as stated in our Basis of qualified opinion paragraph above. For the purpose of review of this financial statement, the figures for the year ended March 2022 have been taken as per the audited financial statement furnished by the Company in accordance with section 134 of the companies Act 2013.
2. The consolidated unaudited financial statements includes the financial information of an associate which have not been reviewed by their auditors, whose financial information reflect total net loss after tax of Rs. 5.53 Lakhs for the year ended March 31st, 2023, as considered in the consolidated unaudited financial statements. According to the information and explanations given to us by the Management these financial information and not material to the Group.

Our Conclusion on the statement is not modified in respect of the above matter.

#### **Report on Other Legal and Regulatory Requirements**

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are qualifications or adverse remarks in these CARO reports, as stated in "Annexure A" of this report.

In respect of the Associate Company, "IFE CRANEX ELEVATORS AND ESCALATORS INDIA PRIVATE LIMITED" CARO report as required under paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 (the "order"/ "CARO"), has not been made available to us, therefore we are unable to comment on the same.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associates, as noted in the 'other matter' paragraph we report, to the extent applicable, 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements
  - (d) In our opinion, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

- (e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2023 taken on record by the Board of Directors of the Parent Company, and on the basis of written representation received from the Directors of Associate Company as on March 31, 2023 and taken on report by the Board of Directors of Associate Company, none of the Directors of the Parent Company and its Associate Company are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company, refer to our separate Report in "Annexure B" to this report.
- (g) The qualifications relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) The matters described in the Basis for Qualified opinion paragraph above, in our opinion, does not have any adverse effect on the functioning of the Group.
- (i) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by Parent Company to its directors in accordance with the provision of section 197 read with schedule V to the Act;  
No managerial remuneration has been paid / provided by the Associate Company;
- (j) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Consolidated financial statement has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer note no. 30(A))
  - (ii) The Group has made provision in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv)
    - (a) The Management of the Parent Company has represented that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, 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 of the Parent Company has represented to us, 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) As the Parent Company has not declared any dividend during the year. Hence, reporting requirements under rule 11(f) of Companies (Audit and Auditors) Rules, 2014 are not applicable to the Company.
- 3. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Parent Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For V.R. Bansal & Associates  
 Chartered Accountants  
 Firm Registration No. 016534N

Sd/-  
 (Rajan Bansal)  
 Partner

Membership No. 093591  
 UDIN: 23093591BGVOHT7689

Place: Delhi  
 Dated: 30th May 2023

**Annexure - A to the Auditors' Report**

**Report on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.**

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO), details are given below:

S. No.	Name of Entities	CIN	Holding Company/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Cranex Limited	L74899DL1973PLC006503	Holding Company	Clause (1)(a)
2.	Cranex Limited	L74899DL1973PLC006503	Holding Company	Clause (1)(b)
3.	Cranex Limited	L74899DL1973PLC006503	Holding Company	Clause (2)(b)

In respect of the Associate Company, "IFE CRANEX ELEVATORS AND ESCALATORS INDIA PRIVATE LIMITED" CARO report as required under paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 (the "order"/ "CARO"), has not been made available to us, therefore we are unable to comment on the same.

**For V.R. Bansal & Associates  
Chartered Accountants  
Firm Registration No. 016534N**

**Place: Delhi  
Dated: 30th May 2023**

**(Rajan Bansal)  
Partner  
Membership No. 093591  
UDIN: 23093591BGVOHT7689**

### Annexure - B to the Auditors' Report

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

To the Members of Cranex Limited

We have audited the internal financial controls over financial reporting of CRANEX LIMITED ("the Parent Company") as of 31st March, 2023 in conjunction with our audit of the Consolidated financial statements of the Parent Company for the period ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Parent Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Parent 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

**Opinion**

In our opinion, the Parent Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V.R. Bansal & Associates**  
**Chartered Accountants**  
**Firm Registration No. 016534N**

**Place: Delhi**  
**Dated: 30th May 2023**

**(Rajan Bansal)**  
Partner  
Membership No. 093591  
UDIN: 23093591BGVOHT7689

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Amount in Lakhs)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3	579.01	605.41
Investments in Associates, Joint Ventures	4	194.23	-
Financial assets	5		
(i) Non- Current Investments		0.01	0.01
(ii) Loans and Advances		-	158.96
(iii) Other Financial Assets		266.20	375.40
Deferred tax assets (Net)	6	-	-
Other non-current assets	7	2.33	-
		<b>1,041.77</b>	<b>1,139.78</b>
<b>2 Current assets</b>			
<b>Inventories</b>	8	<b>1,609.74</b>	<b>1,247.71</b>
Financial assets	9		
(i) Trade receivables		2,103.34	1,589.19
(ii) Cash and cash equivalents		3.02	43.84
(iii) Other bank balances		242.40	-
(iv) Loans and advances		-	-
(v) Other Financial Assets		12.08	337.72
Current tax assets (Net)	10	3.70	-
Other current assets	11	213.31	236.44
		<b>4,187.59</b>	<b>3,454.89</b>
<b>Total Assets</b>		<b>5,229.36</b>	<b>4,594.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
Equity share capital	12	600.00	600.00
Other equity	13	330.05	315.80
		<b>930.05</b>	<b>915.80</b>
<b>2 LIABILITIES</b>			
Non-current liabilities			
Financial liabilities	14		
(i) Borrowing		641.85	2,277.79
(ii) Lease Liabilities		-	-
Provisions	15	46.77	-
Deferred tax liabilities (Net)	6	30.32	-
Other non-current liabilities	16	-	165.56
		<b>718.94</b>	<b>2,443.35</b>
<b>Current liabilities</b>			
Financial liabilities	17		
(i) Short Term Borrowings		1,768.02	-
(ii) Trade payable		13.96	-
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro and small enterprises			
(iii) Other financial liabilities		1,367.33	1,030.10
Other current liabilities	18	244.42	29.65
Provisions	19	174.31	148.32
Current tax liabilities (Net)	20	12.34	-
		-	27.45
<b>Total Equity and Liabilities</b>		<b>3,580.37</b>	<b>1,235.52</b>
		<b>5,229.36</b>	<b>4,594.67</b>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

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

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**

**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

**Sd/-**

**(Piyush Agrawal)**

Managing Director

DIN - 01761004

**Sd/-**

**(Chaitanya Agrawal)**

Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

(Amount in Lakhs)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>I INCOME</b>			
Revenue from operations	21	4,137.75	4,013.92
Other income	22	46.90	28.05
<b>Total Income</b>		<b>4,184.66</b>	<b>4,041.97</b>
<b>II EXPENSES</b>			
Cost of materials and components consumed	23	2,513.73	2,420.77
Purchase of traded goods	24	9.50	50.78
Change in inventories of FG, Traded Goods and WIP	25	47.54	50.78
Employee benefits expenses	26	526.66	391.87
Finance costs	27	115.72	122.45
Depreciation and amortisation expenses	28	31.01	28.80
Other expenses	29	814.81	887.62
<b>Total Expenses</b>		<b>4,058.97</b>	<b>3,953.08</b>
<b>III Profit before share of profit/(loss) of an associate, exceptional items and tax</b>			
Share of profit/(loss) of an associate (net of tax)		<b>125.69</b> (5.53)	<b>88.89</b>
Add : Exceptional items		-	-
<b>IV Profit before tax</b>		<b>120.15</b>	<b>88.89</b>
<b>V Tax expenses</b>			
Current tax		23.50	15.45
Income tax for earlier year		3.57	
Deferred Tax Liability/(Assets)		36.66	-
<b>Income tax expense</b>		<b>63.73</b>	<b>15.45</b>
<b>VI Profit/ (loss) for the year</b>		<b>56.42</b>	<b>73.44</b>
<b>VII Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
a) Re-measurement gains on defined benefit plans		3.48	-
b) Income tax effect		(0.88)	-
Other comprehensive income for the year, net of tax		<b>2.60</b>	-
<b>VIII Total comprehensive income/ (loss) for the year, net of tax</b>		<b>59.02</b>	<b>73.44</b>
<b>IX Earnings per equity share (nominal value of share Rs.10/-)</b>			
Basic (Rs.)		0.94	1.22
Diluted (Rs.)		0.94	1.22

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

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

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**

**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

**Sd/-**

**(Piyush Agrawal)**

Managing Director

DIN - 01761004

**Sd/-**

**(Chaitanya Agrawal)**

Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before income tax	120.15	93.15
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	31.01	28.80
Interest income	(39.23)	(25.47)
Share of Profit/(loss) of an associate (net of tax)	5.53	-
Interest on Income Tax Refund	-	-
Interest and Financial Charges	115.72	122.45
<b>Operating Profit before working capital changes</b>	<b>233.17</b>	<b>218.93</b>
Movement in working capital		
(Increase)/ Decrease in financial assets loans and advances	127.25	-
(Increase)/ Decrease in inventories	(362.03)	209.08
(Increase)/ Decrease in trade receivables	(514.15)	330.17
(Increase)/ Decrease in other financial assets	(12.08)	40.72
(Increase)/ Decrease in other non-financial assets	23.13	28.82
(Increase)/ Decrease in current financial assets	-	-
Increase/ (Decrease) in other financial liabilities	244.42	-
Increase/ (Decrease) in other non financial liabilities	25.99	(165.05)
Increase/ (Decrease) in trade payables	351.19	(740.95)
Increase/ (Decrease) in other non current asset	(2.33)	-
Increase/ (Decrease) in current Tax liability	(31.15)	-
Increase/ (Decrease) in provisions	12.68	-
<b>Cash generated from operations</b>	<b>96.08</b>	<b>(78.28)</b>
Income tax paid (net of refunds)	(27.07)	(15.45)
<b>Net Cash flow from Operating Activities (A)</b>	<b>69.02</b>	<b>(93.73)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and CWIP		
(net of creditor for capital goods and capital advances)	(4.61)	(250.16)
Proceeds from sale of property, plant and equipment	-	162.63
Proceeds from fixed deposits (Net)	(133.20)	-
Investment in Associates	-	-
Interest Received	39.23	25.47
Loans and Advances taken (Net)	-	-
<b>Net Cash flow from/(used) in Investing Activities (B)</b>	<b>(98.57)</b>	<b>(62.06)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long term borrowings	132.07	288.67
Proceeds/(Repayment) from borrowings - current	-	-
Interest Paid	(115.72)	(122.45)
<b>Net Cash Flow from/(used) in Financing Activities (C)</b>	<b>16.36</b>	<b>166.21</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(13.20)</b>	<b>10.41</b>
Cash and cash equivalents at the beginning of the year	16.22	5.80
<b>Cash and Cash Equivalents at the end of the year</b>	<b>3.02</b>	<b>16.22</b>

## Notes :

- 1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- 2 Components of cash and cash equivalents :-

	As at March 31, 2023	As at March 31, 2022
<b>Cash and cash equivalents</b>		
<b>Balances with banks</b>		
Current accounts	0.28	14.64
Cash on hand	2.74	1.58
	<b>3.02</b>	<b>16.22</b>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

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

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**

**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

**Sd/-**

**(Piyush Agrawal)**

Managing Director

DIN - 01761004

**Sd/-**

**(Chaitanya Agrawal)**

Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023

## (A) Equity Share Capital

(Amount in Lakhs)

Particulars	Nos.	Amount in Lakhs
<b>As at March 31, 2021</b>	<b>6,000,000</b>	<b>600.00</b>
<b>As at March 31, 2022</b>	<b>6,000,000</b>	<b>600.00</b>
<b>As at March 31, 2023</b>	<b>6,000,000</b>	<b>600.00</b>

## (B) Other Equity

(Amount in Lakhs)

Particulars	Reserves and surplus	Total
	Retained Earnings	
<b>As at April 1, 2021</b>	<b>246.62</b>	<b>246.62</b>
Net profit /(loss) for the year	69.18	69.18
<b>Other comprehensive income for the year</b>	-	-
Re-measurement gains on defined benefit plans (net of tax)		
<b>As at March 31, 2022</b>	<b>315.80</b>	<b>315.80</b>
Net profit /(loss) for the year	56.42	56.42
a) Share of Profit of Associate of Earlier Years	5.13	5.13
b) Gratuity Provision Adjustment (Refer note 31(3))	(49.91)	(49.91)
<b>Other comprehensive income for the year</b>		
Re-measurement gains on defined benefit plans (net of tax)	2.60	2.60
<b>As at March 31, 2023</b>	<b>330.05</b>	<b>330.05</b>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

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

As per our report of even date

For V.R. Bansal &amp; Associates

Chartered Accountants

ICAI Firm Registration No.: 016534N

For and on behalf of the Board of Directors

**Sd/-**  
**Rajan Bansal**  
 Partner  
 M. No.: 093591

**Sd/-**  
**(Piyush Agrawal)**  
 Managing Director  
 DIN - 01761004

**Sd/-**  
**(Chaitanya Agrawal)**  
 Whole-Time Director & CFO  
 DIN - 05108809

**Sd/-**  
**Renu**  
 Company Secretary  
 M. No.: A-29246

Place: New Delhi  
 Date: 30/05/2023

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****1 CORPORATE INFORMATION**

Cranex Limited (the Company) was incorporated on 27th February 1973. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Delhi, India. The Company is listed on Bombay Stock Exchange (BSE). The CIN of the Company is L74899DL1973PLC006503.

The Company is primarily engaged in the business of manufacturing and selling cranes and its parts. The Company's corporate office and manufacturing unit are located at 57/1, Industrial Area, Site-IV, Sahibabad, 201010 in Uttar Pradesh.

The Consolidated Financial Statements were authorised by the Board of Directors for issue in accordance with resolution passed on 30th May, 2023

The Company along with its associate has been collectively hereinafter referred to as "the group"

**2 SIGNIFICANT ACCOUNTING POLICIES****2.1 Statement of Compliance**

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods including the year ended 31 March 2017, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The consolidated financial statements were authorised for issue by the Company's Board of Directors on 30th May, 2023.

**2.2 Basis of Consolidation**

The Consolidated Financial Statements of the group comprise the financial statements of Cranex Limited ('the Parent Company'), and its associate namely M/s IFE Cranex Elevators and Escalators India Pvt. Ltd. as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if and only if the group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

**2.3 Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. These standalone financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated

These consolidated financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- (a) Certain financial assets and liabilities that are measured at fair value.
- (b) Assets held for sale-measured at fair value less cost to sell.

(c) Defined benefit plans-plan assets measured at fair value.

#### 2.4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

#### 2.5 Changes in Accounting Policies & Disclosures

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of consolidated financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the companies accounting policy already complies with the now mandatory treatment.

#### 2.5 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (a) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (c) Held primarily for purpose of trading
- (d) Expected to be realized within twelve months after the reporting period, or
- (e) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### 2.6 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective

asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful lives are as follows:

<b>Assets</b>	<b>Useful life (in years)</b>
Property, Plant and Equipment	Over its useful life considered as 30 years as technically assessed
Computer Software	Over a period of 5 years
Other	Over the period of agreement of right to use

Components relevant to fixed assets, where significant, are separately depreciated on straight line basis in terms of their life span assessed by technical evaluation in item specified context.

Lease hold improvements are depreciated on straight line basis over their initial agreement period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.7 (i) Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in IND AS-103 dealing with "Business Combination". Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND AS - 36. Any shortfall in consideration money vis-a-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

## (ii) Intangible assets

Intangible assets including software license of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized on a straight line basis over the estimated useful economic life which generally does not exceed 6 years.

## Type of assets

## Basis

ERP and other Software Straight line basis over a period of six years.

## (iii) Research and Development Costs (Product Development)

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (b) Its intention to complete and its ability and intention to use or sell the asset
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

## 2.8 Investment in Subsidiaries, associates and joint ventures

An associate is an entity over which the Group 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 over those policies.

The Group investment in subsidiary, associate and Joint venture are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 2.9 Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property consist of land which is Carried at Cost.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

## 2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### I Financial Assets

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

- (a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit & loss).
- (b) Those measured at amortised cost.

Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of financial assets. Purchase or sale of financial asset that require delivery of assets within a time frame established by regulation or conversion in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase and sell the

assets.

#### **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in following categories:

- (a) Debt instruments at amortized cost
- (b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (c) Debt instruments at fair value through profit and loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- (e) Equity instruments measured at fair value through profit and loss (FVTPL)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

#### **Debt instruments at amortized cost**

A Debt instrument is measured at amortized cost if both the following conditions are met:

- (i) **Business Model Test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) **Cashflow Characteristics Test:** Contractual terms of asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade, other receivables, loans and other financial assets.

#### **Debt instruments at fair value through OCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (i) **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) **Cashflow Characteristics Test:** The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

#### **Equity investments of other entities**

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instruments classified as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of group of similar financial assets) is primarily derecognised when:

- (a) The right to receive cash flows from the assets have expired, or
- (b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
  - (i) the Group has transferred substantially all the risks and rewards of the asset, or
  - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. Where it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Group continues to recognise the transferred assets to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### Impairment of financial assets

In accordance with IND AS 109, the Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

- (a) Financial assets measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance;
- (b) Financial assets measured at fair value through other comprehensive income(FVTOCI);
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- (d) Financial guarantee contracts which are not measured at FVTPL

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- (a) Trade receivables or contract revenue receivables;
- (b) All lease receivables resulting from the transactions within the scope of IND AS 116

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (a) **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- (b) **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## II Financial liabilities:

### Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through statement of profit or loss, loans and borrowings, and payables, as appropriate.

All financial liabilities are recognised initially at fair value and in case of loans, borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

#### Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

#### Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or

ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

#### Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 2.11 Inventories

#### (a) Basis of valuation

- (i) Raw Materials, Packing Materials and Stores and Spare parts are valued at lower of cost and net realizable value. 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. Raw Material, Packing Materials, Stores and Spares & and Raw Material contents of work in progress are valued by using the first in first out (FIFO) method.
- (ii) Finished goods, traded goods and work in progress are valued at cost or net realizable value whichever is lower.

#### (b) Method of Valuation

- (i) Cost of raw materials has been determined by using FIFO (first-in-first-out) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- (ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on weighted average basis.
- (iii) Cost of traded goods has been determined by using FIFO(first-in-first-out) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 2.12 Business Combinations

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of

interests method.

The pooling of interest method is considered to involve the following:

- (a) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (c) The financial information in the consolidated financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (d) The balance of the retained earnings appearing in the consolidated financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

## 2.13 Provisions and Contingent Liabilities

### Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of time value of money is material, provisions are discounted using a current pre - tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## 2.14 Taxes

Tax expense for the year comprises of direct tax and indirect tax.

### Direct Tax

#### (a) Current Tax

- i) Current income tax, assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India as per Income Computation and Disclosure Standards (ICDS) where the Group operates and generates taxable income.
- ii) Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in statement of profit and loss or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(b) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### Indirect Tax

Goods and Service Tax has been accounted for in respect of the goods cleared. The Group is providing Goods and Service tax liability in respect of finished goods. GST has been also accounted for in respect of services rendered. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

### 2.15 Revenue From Contracts with Customers

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Goods and service tax and net of returns, trade discounts, rebates and amount collected on behalf of third parties. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:

#### (a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts.

Revenue is usually recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

##### i) Variable Consideration:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronics equipment provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

##### ii) Contract Assets:

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

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**(b) Rendering of Services**

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

**(c) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

**(d) Dividend from investment in Shares**

Dividend Income is recognized when the right to receive the payment is established which is generally when shareholders approve the dividend.

**(e) Claims**

Claims are recognised when there exists reasonable certainty with regard to the amounts to be realised and the ultimate collection thereof.

**2.16 Retirement and other Employee benefits**

**Short-term employee benefits and defined contribution plans**

All employee benefits payable/ available within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related services.

**Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

**Gratuity (Unfunded)**

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The Group recognises termination benefit as a liability and an expense when the Group has present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on governments bonds.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the planned assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of :

- (a) The date of the plan amendment or curtailment, and
- (b) The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (a) Service costs comprising current service costs, past service costs, gains and losses on curtailments and
- (b) Net interest expenses or income

#### **Compensated Absences**

Accumulated leave, which is expected to be utilised within next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. Re-measurement, comprising of actuarial gains and losses, are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### **2.17 Borrowing Costs**

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective, interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

#### **2.18 Government Grants**

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

#### **2.19 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

#### **2.20 Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

## 2.21 segment accounting:

Based on "Management Approach" as defined in Ind AS 108- Operating Segments, the executive Management Committee evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated statements of the Group as a whole.

## 2.22 Foreign currencies

The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional and presentation currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions are recorded on initial on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

### Measurement of foreign currency items at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the statement of profit and loss in the period in which they arise.

### Bank Guarantee and Letter of Credit

Bank Guarantee and Letter of Credits are recognised at the point of negotiation with Banks and converted at the rates prevailing on the date of Negotiation. However, outstanding at the period end are recognised at the rate prevailing as on that date and total sum is considered as contingent liability.

## 2.23 Dividend Distributions

The Group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Group and is declared by the shareholders. A corresponding amount is recognized directly in equity.

## 2.24 Fair value measurement

The Group's measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to

measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted(unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization ( based on the lowest level input that is significant to fair value measurement as a whole ) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2.25 Leases

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

### The Group as a lessee

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

#### (a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

#### (b) Lease Liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

#### (c) Short-term leases and leases of low-value assets

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

### The Group as a lessor

Leases for which the group is a lessor is classified as finance or operating lease. Leases in which the group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.26 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

#### (a) Operating lease commitments — Group as lessee

The Group has taken various commercial properties on leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### (b) Assessment of lease contracts

Significant judgment is required to apply lease accounting rules under Appendix C to IND AS 116 : determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Group, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 116.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### a) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### Determining method to estimate variable consideration and assessing the constraint

In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from operation, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

#### (b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of

deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(c) Defined Benefit Plans**

The cost of defined benefit plans (i.e. Gratuity benefit) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans operated in India, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about the assumptions used, including a sensitivity analysis, are given in note no. 31(2).

**(d) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note no. 31(11) for further disclosures.

**(e) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

**(f) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**(g) Expected Credit Loss**

The Group has used a practical expedient by computing the expected credit loss allowances for trade receivables based on a provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates are given in the provision matrix.

**2.27 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash & cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts as they are considered as integral part of Group's cash management.

### 3. Property, Plant and Equipment

(Amount in Lakhs)

Particulars	Land	Factory Building	Plant and Equipments	Vehicles	Office Equipments	Furniture & Fixtures	Air Conditioners	Computer	Total	Capital Work in progress
<b>Gross Block (At cost)</b>										
<b>At April 01, 2021</b>	<b>18.35</b>	<b>162.93</b>	<b>471.29</b>	<b>69.76</b>	<b>35.28</b>	<b>11.29</b>	<b>6.95</b>	-	<b>775.85</b>	<b>98.86</b>
Additions	-	73.54	105.72	-	7.13	-	0.33	-	186.71	63.77
Disposals	-	-	-	-	-	-	-	-	-	162.63
<b>At March 31, 2022</b>	<b>18.35</b>	<b>236.47</b>	<b>577.01</b>	<b>69.76</b>	<b>42.41</b>	<b>11.29</b>	<b>7.28</b>	-	<b>962.57</b>	-
Additions	-	-	-	-	2.97	0.66	-	0.97	4.61	
Disposals	-	-	-	-	-	-	-	-	-	
<b>At March 31, 2023</b>	<b>18.35</b>	<b>236.47</b>	<b>577.01</b>	<b>69.76</b>	<b>45.38</b>	<b>11.95</b>	<b>7.28</b>	<b>0.97</b>	<b>967.17</b>	-
<b>Depreciation</b>										
<b>At April 01, 2021</b>	-	<b>15.82</b>	<b>246.46</b>	<b>33.55</b>	<b>19.28</b>	<b>9.37</b>	<b>3.87</b>	-	<b>328.36</b>	-
Charge for the year	-	3.73	12.65	9.88	1.85	0.37	0.32	-	28.80	-
Disposals	-	-	-	-	-	-	-	-	-	
<b>At March 31, 2022</b>	-	<b>19.55</b>	<b>259.11</b>	<b>43.43</b>	<b>21.13</b>	<b>9.74</b>	<b>4.19</b>	-	<b>357.15</b>	-
Charge for the year	-	11.29	16.55	1.37	1.34	0.14	0.16	0.17	31.01	-
Disposals	-	-	-	-	-	-	-	-	-	
<b>At March 31, 2023</b>	-	<b>30.84</b>	<b>275.66</b>	<b>44.80</b>	<b>22.47</b>	<b>9.88</b>	<b>4.35</b>	<b>0.17</b>	<b>388.16</b>	-
<b>Net carrying amount</b>										
<b>At March 31, 2022</b>	<b>18.35</b>	<b>216.92</b>	<b>317.90</b>	<b>26.33</b>	<b>21.28</b>	<b>1.55</b>	<b>3.09</b>	-	<b>605.41</b>	-
<b>At March 31, 2023</b>	<b>18.35</b>	<b>205.63</b>	<b>301.35</b>	<b>24.96</b>	<b>22.91</b>	<b>2.07</b>	<b>2.93</b>	<b>0.80</b>	<b>579.01</b>	-

#### Notes: -

- (i) Depreciation has been provided prorata basis on straight line method using the useful lives and in the manner as prescribed under Schedule II of the Companies Act, 2013. (Refer Accounting Policies No. 2.6)
- (ii) The Parent Company has not revalued its Property, Plant and Equipment.
- (iii) Interest during construction paid during the year amounting to Rs.Nil/-(March 31, 2022: Rs. Nil/-) has been capitalised.
- (iv) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the parent company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (v) Vehicles taken on finance lease are financed from Yes Bank Limited and Kotak Mahindra Prime Limited. (Refer Note No. 14.1)
- (vii) Property, plant and equipment pledged as security towards liabilities as on March 31, 2023 and March 31, 2022 are as under (refer note no. 14.1):

First and Exclusive Charge on Immovable Property Plot No. 57/1 and 57/1/19, industrial area site IV, Sahibabad, Ghaziabad in the name of the parent company.

### 4 INVESTMENTS IN ASSOCIATES, JOINT VENTURES

(Amount in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Investments in equity instruments (unquoted) non-trade, (valued at cost)</b>		
<b>Investments in Associate Company</b>		
IFE Cranex Elevators & Escalators India Pvt. Ltd.	182.00	-
1,82,000 (26%) (March 31, 2022: 1,82,000 (26%)) equity shares of Rs.100/- each fully paid up		
Add: Accumulated Reserves upto 31.03.2022	(13.95)	-
Add: Share in profit/(loss) for the year ended	168.05	-
<b>Aggregate amount of unquoted investments in associates</b>	<b>(5.53)</b>	<b>-</b>
	<b>162.52</b>	<b>-</b>

	As at March 31, 2023	As at March 31, 2022
<b>Other Investments</b>		
<b>Investments in Joint Ventures</b>		
Shree Cranex (JV) [Refer Note (b) Below]	31.71	-
<b>Aggregate amount of unquoted investments in associates &amp; Joint Ventures</b>	<b>194.23</b>	-
<b>Aggregate amount of impairment on value of investments &amp; Joint Ventures</b>	-	-

**Notes:** -

(a) Management is of the opinion that the fair value of the unquoted equity share of IFE Cranex Elevators & Escalators India Private Limited exceed the amount of investment made and hence there is no impairment in the value of investment.

(b) During the financial year 2021-22, The Parent Company has invested an amount of Rs. 31.71 Lakhs in Shree Cranex (JV), a joint venture with Shree Construction. The share of the Parent Company as a designated partner in the total capital of the Joint Venture (JV) is 25 % which amounts to a capital contribution of Rs. 31.71 Lakhs. The name and share of other designated partner of the Joint Venture (JV) are IFE Elevators Company Limited with a share of 75% which amounts to capital contribution of Rs. 124.55 Lakhs.

## 5 NON-CURRENT FINANCIAL ASSETS

### 5.1 NON-CURRENT INVESTMENTS

#### (a) Investments in equity instruments (unquoted), non trade

##### Valued at Fair Value through Other Comprehensive Income [FVTOCI]

Saraswat Co-operative Bank Ltd.	0.01	0.01
50 (March 31, 2022: 50 ) equity shares of Rs.10/- each fully paid up		
<b>Aggregate amount of unquoted investments (At fair Value)</b>	<b>0.01</b>	<b>0.01</b>
<b>Aggregate amount of unquoted investments (At Cost)</b>	<b>0.01</b>	<b>0.01</b>

**Notes:**

(a) Management is of the opinion that there is no material change in the fair value of above investment.

### 5.2 LONG TERM LOANS AND ADVANCES

(Valued at amortised cost)

(Unsecured, considered good)

Other Loans and Advances	-	158.96
	-	<b>158.96</b>

No loans and advances are due from firms or private companies respectively in which any director is a partner, a director or a member or other officers of the Company either severally or jointly with any other person.

### 5.3 OTHER NON-CURRENT FINANCIAL ASSETS

(Valued at amortised cost)

(Unsecured, considered good)

Security deposits	28.59	-
Fixed deposits held as margin money against bank guarantees having remaining maturity period of more than twelve months	237.60	375.40
	<b>266.20</b>	<b>375.40</b>

**Notes:**

(i) Security deposits includes deposits against rent, electricity, telephone, shipping lines, vendors, etc.

(ii) The deposits maintained by the Company with banks comprise of time deposits of varying periods of more than twelve months and earn interest at the respective deposit rates.

**6 DEFERRED TAX ASSETS (NET)**
**(a) Income tax expense in the statement of profit and loss comprises :**

	(Amount In Lakhs)	As at March 31, 2023	As at March 31, 2022
Current income tax charge	23.50	15.45	
Income Tax for earlier years	3.57		
<b>Deferred Tax</b>			
Relating to origination and reversal of temporary differences	36.66		-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>63.73</b>		<b>15.45</b>

**(b) Other Comprehensive Income**

Re-measurement (gains)/losses on defined benefit plans	(0.88)	-	-
<b>Tax expense related to items recognized in OCI during the year</b>	<b>(0.88)</b>		-

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

Accounting Profit before tax	120.15	88.89	
Applicable tax rate	25.17%	25.17%	
Computed Tax Expense	30.24	22.37	
<b>Difference in tax rate</b>			
Income not considered for tax purpose	32.10	-	
Expense not allowed for tax purpose	-	(6.92)	
Share of Associates not allowed for tax purpose	1.39	-	
<b>Income tax charged to Statement of Profit and Loss at effective rate of 53.04 %</b>			
<b>(March 31, 2022: 17.38%)</b>	<b>63.73</b>		<b>15.45</b>

	Balance Sheet		Statement of profit & loss	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(d) Deferred tax assets/(liability) comprises:</b>				
Accelerated Depreciation for Tax purposes	(45.20)	-	(52.42)	-
Expenses allowable on payment basis	14.88	-	14.88	-
For loss and unabsorbed depreciation carried forward under the Income Tax Act	-	-	-	-
	(30.32)	-	(37.54)	-
MAT Credit entitlement	-	-	(37.54)	-
	(30.32)	-	(37.54)	-
<b>(e) Reconciliation of deferred tax assets/(liability) (net)</b>				
Opening balance			7.21	-
Tax expense recognised in the statement of profit and loss during the year			(36.66)	-
Tax expense recognised in other comprehensive income during the year			(0.88)	-
Closing balance			<b>(30.32)</b>	-

**Notes:**

- Effective tax rate has been calculated on profit before tax and exceptional items.
- The Parent Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>7 OTHER NON CURRENT ASSETS</b>		
(Unsecured, considered good)		
Others		
Prepaid expenses	2.33	-
	<b>2.33</b>	<b>-</b>

## Notes:

(i) Prepaid expenses includes expenses related to License Fees & Insurance.

**8 INVENTORIES**

(Valued at lower of cost and net realisable value unless otherwise stated)

Raw materials	728.52	318.95
Work in progress.	461.20	928.76
Finished goods	420.02	-
	<b>1,609.74</b>	<b>1,247.71</b>

## Notes:

(i) Inventories are hypothecated with the bankers against working capital limits. (refer note no. 17.1(i))

(ii) Refer accounting policy no. 2.11 for mode of valuation of Inventories.

**9 CURRENT FINANCIAL ASSETS**

## 9.1 TRADE RECEIVABLES (valued at amortised cost)

(a) Trade Receivables considered good-Secured	-	-
(b) Trade Receivables considered good-Unsecured	2,103.34	1,589.19
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables -Credit impaired	-	-
	<b>2,103.34</b>	<b>1,589.19</b>
Less: Impairment allowance for trade receivables	-	-
	<b>2,103.34</b>	<b>1,589.19</b>

## Notes:

(i) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

(ii) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables due from firms or private companies respectively in which any director or partner is having a substantial interest are as under:

Shree Cranex -JV	330.69	34.08
	<b>330.69</b>	<b>34.08</b>

## Trade Receivables aging schedule as at 31st March,2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 months 1 year	1 - 2 years	2 - 3 years	more than 3 years	
(i) Undisputed Trade receivables – considered good	1,162.79	556.78	271.87	30.51	23.30	2,045.25
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	58.09	-	-	58.09
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,162.79</b>	<b>556.78</b>	<b>329.96</b>	<b>30.51</b>	<b>23.30</b>	<b>2,103.34</b>
Less: Allowance for Trade Receivable	-	-	-	-	-	-
<b>Total</b>	<b>1,162.79</b>	<b>556.78</b>	<b>329.96</b>	<b>30.51</b>	<b>23.30</b>	<b>2,103.34</b>

## Trade Receivables aging schedule as at 31st March,2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 months 1 year	1 - 2 years	2 - 3 years	more than 3 years	
(i) Undisputed Trade receivables – considered good	824.76	88.47	195.86	110.68	311.33	1,531.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	58.09	-	-	-	58.09
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>824.76</b>	<b>146.56</b>	<b>195.86</b>	<b>110.68</b>	<b>311.33</b>	<b>1,589.19</b>
Less: Allowance for Trade Receivable	-	-	-	-	-	-
<b>Total</b>	<b>824.76</b>	<b>146.56</b>	<b>195.86</b>	<b>110.68</b>	<b>311.33</b>	<b>1,589.19</b>

(Amount In Lakhs)

As at March 31, 2023	As at March 31, 2022
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#### 9.2 CASH AND CASH EQUIVALENTS

Balances with banks:

Current accounts	0.28	42.26
Cash on hand	2.74	1.58
	<b>3.02</b>	<b>43.84</b>

**Notes:**

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period.

#### 9.3 OTHER BANK BALANCES

Fixed deposits pledged with government departments having a original maturity period of more than three months but less than twelve months	242.40	-
	<b>242.40</b>	<b>-</b>

**Notes:**

- (i) The deposits maintained by the Parent Company with banks comprise of time deposits made of varying periods between three months to twelve months and earn interest at the respective short term deposit rates.
- (ii) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances. (refer note no.5.3)

#### 9.4 SHORT TERM LOANS AND ADVANCES

(Valued at amortised cost)	-	-
(Unsecured, considered good)	-	-

#### 9.5 OTHER CURRENT FINANCIAL ASSETS

(Valued at amortised cost)	-	-
(Unsecured, considered good,unless otherwise stated)	-	-
Security deposits	12.08	337.72
	<b>12.08</b>	<b>337.72</b>

**Notes:**

- (i) Security deposits include deposits with material suppliers.
- (ii) No amounts are due to directors or other officers of the Company or any of them either severally or jointly with any other person.

#### 10 CURRENT TAX ASSETS (NET)

Advance Tax and TDS (net of provision for tax of Rs.23.50 Lakhs)	3.70	-
	<b>3.70</b>	<b>-</b>

#### 11 OTHER CURRENT ASSETS

(Unsecured, considered good,unless otherwise stated)	-	-
Advances against materials and services	140.70	-
Balance with Statutory/ Government authorities	0.74	235.94
Income Tax Refund due	31.00	
Prepaid Expenses	7.62	0.50
Other advances	33.24	-
	<b>213.31</b>	<b>236.44</b>

**Notes:**

- (i) Prepaid expenses includes expenses related to License Fees & Insurance.
- (ii) Other advance include outstanding balance in staff imprest accounts, Staff loans & Advances and others.

**12 EQUITY SHARE CAPITAL**
**a) Authorized**

		(Amount In Lakhs)	As at March 31, 2023	As at March 31, 2022
100,00,000 equity shares of Rs.10/- each (March 31,2022:100,00,000 equity shares of Rs.10/- each)		1,000.00	1,000.00	1,000.00

**Issued, subscribed and fully paid up**

60,00,000 equity shares of Rs.10/- each (March 31, 2022: 60,00,000 equity shares of Rs.10/- each)	600.00	600.00
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**b) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
At the beginning of the year	6,000,000	600.00	6,000,000	600.00
Add: Equity shares issued under ESPP	-	-	-	-
At the end of the year	6,000,000	600.00	6,000,000	600.00

**c) Terms/rights attached to equity shares**

The Parent Company has only one class of equity shares having a par value of Rs.10/- per share (March 31,2022 : Rs.10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Mr. Piyush Agrawal	1,668,200	27.80%	1,596,617	26.61%
Mr. Suresh Chandra Agrawal	474,800	7.91%	546,383	9.10%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**e) Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:**

	As at March 31, 2023	As at March 31, 2022
	No. of shares	No. of shares
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash.	Nil	Nil
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account and general reserve.	Nil	Nil
Equity shares bought back	Nil	Nil

**f) Details of Shareholding of promoters in the company :**

**Shares Held by the Promoters at the end of the year**

Name of the Promoter	No. of Shares Held		% of Total Shares		% change during the year
	2022-23	2021-22	2022-23	2021-22	
1 Mr. Piyush Agrawal	1,668,200	1,596,617	27.80%	26.61%	1.19%
2 Mr. Suresh Chandra Agrawal	474,800	546,383	7.91%	9.10%	-1.19%
3 Mrs. Ritu Agrawal	242,345	242,345	4.04%	4.04%	-
4 Chaitanya Agrawal	190,000	190,000	3.17%	3.17%	-
<b>Total</b>	<b>2,575,345</b>	<b>2,575,345</b>			

(Amount in Lakhs)

As at March 31, 2023	As at March 31, 2022
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**13 OTHER EQUITY**

Retained earnings	330.05	315.80
	<b>330.05</b>	<b>315.80</b>

**Notes:**

**(a) Retained earnings**

As per the last balance sheet	315.80	246.62
Net profit /(loss) for the year	56.42	69.18
Share of Profit of Associates of earlier Years	5.13	
Gratuity Liability as on 01/04/2022 (refer note no. 31(3))	(49.91)	-

**Items of other comprehensive income recognised directly in retained earnings**

Re-measurement gains /(losses) on defined benefit plans (net of tax)	2.60	-
Tax Adjustment	-	-
	<b>330.05</b>	<b>315.80</b>

**(b) Nature & Purpose of Reserves**

Retained earnings

Retained Earnings are profit the Parent Company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

**14 NON CURRENT FINANCIAL LIABILITIES**

**14.1 BORROWINGS**

**Term Loan from Banks (Secured)**

Kotak Mahindra Bank Limited	50.16	78.73
Kotak Mahindra Bank Limited	-	339.96

**Loan from Others (Unsecured)**

National Small Industries corporation Limited	-	235.52
Credit Card	-	2.41
	<b>50.16</b>	<b>656.63</b>

Less : Current Maturity of Long Term Borrowing 30.94 -

Non-Current Portion 19.23 656.63

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Finance Lease Obligations</b>		
<b>From Banks</b>		
Yes Bank Limited	1.41	6.35
<b>From Others</b>		
Kotak Mahindra Prime Limited	1.38	7.40
	<b>2.79</b>	<b>13.75</b>
Less : Current Maturity of Finance lease obligations	2.79	-
Non-Current Portion	-	<b>13.75</b>
<b>Term Loan from Others</b>		
IFE Cranex Elevators & Escalators India (Associate)	622.62	541.25
Amitabh Aggarwal (HUF)	-	257.72
Chaitanya Agrawal	-	242.03
Piyush Agrawal	-	495.76
S.C. Agrawal	-	70.67
	<b>622.62</b>	<b>1,607.42</b>
	<b>641.85</b>	<b>2,277.79</b>

**Notes:**
**A) Term Loan from Kotak Mahindra Bank**

- I The Parent Company has been Sanctioned Working capital term loan from Kotak Mahindra Bank Limited for a sum of Rs. 90 Lakhs (Outstanding Balance as on 31st March 2023 is 50.16 Lakhs) under WCCTL Guaranteed Emergency Credit Line (GECL) to provide liquidity support and build up current asset and meet operational liabilities affected due to Covid 19 Pandemic
- II The Term loan is secured by way of Bank Gurantees along with the charge on all existing and future current assets, movable fixed assets or any interest therein.
- III The Term loan is further secured by Exclusive Equitable Charge on Immovable Property Plot No. 57/1 and 57/1/19, industrial area site IV, Sahibabad, Ghaziabad in the name of Cranex Ltd.

**IV Terms of Repayment:**

Term Loan of Rs. 90 Lakhs :- Commencing from 15th Nov. 2020 repayable in total of 48 installments which are as follows:

1st Installment	Rs. 60,983.60/-	Interest Component Only
2nd Installment	Rs. 59,016.39/-	Interest Component Only
3rd Installment	Rs. 61,059.06/-	Interest Component Only
4th Installment	Rs. 61,150.68/-	Interest Component Only
5th Installment	Rs. 55,232.88/-	Interest Component Only
6th Installment	Rs. 61,150.68/-	Interest Component Only
7th Installment	Rs. 59,178.08/-	Interest Component Only
8th Installment	Rs. 61,150.68/-	Interest Component Only
9th Installment	Rs. 59,178.08/-	Interest Component Only
10th Installment	Rs. 61,150.68/-	Interest Component Only
11th Installment	Rs. 61,150.68/-	Interest Component Only
12th Installment	Rs. 59,178.08/-	Interest Component Only
Next 35 Installments	Rs. 282,027.00/-	Principal Component Plus Interest
Last Installment	Rs. 282,189.76/-	Principal Component Plus Interest

- V The Parent Company has borrowings from banks on the basis of current assets. The Parent Company has complied with the requirement of filing of quarterly returns/statements of security of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts except as shown in note no. 31(9).

The differences are due to unaudited/provisional figures filed with banks

VI The borrowings obtained by the Parent Company from banks have been applied for the purposes for which such loans were taken. In respect of term loans which were taken in the previous year, those were applied in the respective year for the purpose for which the loan were obtained.

VII There are no charges or satisfaction which are yet to be registered with the registered with the Registrar of Companies beyond the statutory period.

#### **B) Finance Lease Obligations**

Long term maturities of finance lease obligations secured against hypothecation of respective vehicles under finance lease are as under:-

Name of Lendor	Nature of Lease	Terms of repayments (Including Interest)
Kotak Mahindra Prime Ltd	Finance Lease	Repayable in total 60 monthly equal instalments Rs.20,708/- all including interest, commencing from 05th Oct 2018.
Kotak Mahindra Prime Ltd	Finance Lease	Repayable in total 60 monthly equal instalments Rs.30,345/- all including interest, commencing from 05th Jan 2018.
Kotak Mahindra Prime Ltd	Finance Lease	Repayable in total 60 monthly equal instalments Rs.14,900/- all including interest, commencing from 05th Jan 2018.
Yes Bank Limited	Finance Lease	Repayable in total 60 monthly equal instalments Rs.14,480/- all including interest, commencing from 15th September 2018.
Yes Bank Limited	Finance Lease	Repayable in total 60 monthly equal instalments Rs.17,732/- all including interest, commencing from 15th August 2018.
Yes Bank Limited	Finance Lease	Repayable in total 60 monthly equal instalments Rs.15,952/- all including interest, commencing from 02nd Jan 2018.

C) Unsecured Loan IFE Cranex Elevators & Escalators India Pvt. Ltd.- An Associate Company.

The Said loan has been granted in lieu of bank guarantees given by the Parent Company for projects. The loan is interest free and is repayable on extinguishment of bank guarantees as and when it occurs. There are no amount due for repayment in F.Y 2023-24.

D) The Parent Company has not defaulted in repayment of principal amount and interest during the year and complied with loan covenants of the lenders.

(Amount In Lakhs)

As at March 31, 2023	As at March 31, 2022
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#### **15 NON CURRENT PROVISIONS**

Provision for employee benefits

Gratuity (refer note no.32(1))	46.77	-
	<b>46.77</b>	-

#### **16 OTHER NON-CURRENT LIABILITIES**

-	165.56
-	<b>165.56</b>

#### **17 CURRENT FINANCIAL LIABILITIES**

##### **17.1 SHORT TERM BORROWINGS**

**SECURED (at Amortised Cost)**

**Repayable on Demand**

Cash Credit facility - Kotak Mahindra Bank Limited (see Note i)	446.05	-
Current maturities of long-term borrowings	30.94	-
Current maturities of finance lease obligations	2.79	-
	<b>479.77</b>	-

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>UNSECURED (at Amortised Cost)</b>		
<b>Loan from Related Parties</b>		
Loans and advances from related parties ( See Note ii)	1,049.62	-
<b>Others</b>		
National Small Industries Corporation Limited	238.63	-
	<b>1,288.24</b>	-
	<b>1,768.02</b>	-

**Notes:**

(i) The Parent Company has availed working capital limits of Rs.2850 Lakhs (Previous Year Rs.2850 Lakhs) from Kotak Mahindra Bank which is secured by way of first charge on Book Debts of the Company. In the given working capital limit, fund based limit is of Rs. 1140 Lakhs and Non Fund based limit is to the extent of Rs. 1800 Lakhs.

The Working Capital Limit is secured by way of first and exclusive hypothecation charge on all existing and future and current assets, movable fixed assets or any interest therein.

The Working Capital limit is further secured by Exclusive Equitable Charge on Immovable Property Plot No. 57/1 and 57/1/19, industrial area site IV, Sahibabad, Ghaziabad in the name of the Parent Company

The Parent Company has borrowings from banks on the basis of current assets. The Parent Company has complied with the requirement of filing of quarterly returns/statements of security of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts except as shown in note no. 31(9).

The differences are due to unaudited/provisional figures filed with banks

Aggregate amount of Working Capital Limits secured by way of personal guarantees of Mr. Piyush Aggarwal (Director) and Mr. Chaitanya Aggarwal (Director) **446.05** -

(ii) The Parent Company has been sanctioned an unsecured loan of Rs. 1,796.20 lakhs & Rs. 500.00 lakhs by National Small Industries Corporation Limited (NSICL) for its business needs. The Company has not furnished any security. However, Bank Guarantee equivalent to the value of limit sanctioned from Kotak Mahindra Bank been charged against the said loan.

(iii) The effective rate of interest on short term borrowings ranges between 13% p.a. to 14.5% p.a. during the year, depending upon the prime lending rate of the banks and financial institutions at the time of borrowing, wherever applicable, and interest rate spread agreed with the banks

(iv) Loan from related parties contains Interest free loan from directors which are repayable on demand.

Amounts due to Directors & Related Parties are as under:

Amitabh Aggarwal (HUF)	231.72	-
Chaitanya Agrawal	254.70	-
Piyush Agrawal	492.53	-
S.C. Agrawal	70.67	-
	<b>1,049.62</b>	-

(v) There are no default in the repayment of borrowings and interests as on the date of the balance sheet.

**17.2 TRADE PAYABLES**

Total outstanding dues of micro and small enterprises	13.96	-
Total outstanding dues of creditors other than micro and small enterprises	1,367.33	1,030.10
	<b>1,381.29</b>	<b>1,030.10</b>

**Trade payables ageing schedule for the year ended as on March 31, 2023 :**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Years	1 - 2 years	2 - 3 years	more than 3 years	
(i) MSME	-	13.96	-	-	-	13.96
(ii) Others	-	1,213.53	146.69	0.08	-	1,360.30
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	7.03	-	-	7.03
<b>Total</b>	<b>-</b>	<b>1,227.49</b>	<b>153.72</b>	<b>0.08</b>	<b>-</b>	<b>1,381.29</b>

**Trade payables ageing schedule for the year ended as on March 31, 2022:**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Years	1 - 2 years	2 - 3 years	more than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	502.93	543.20	(59.24)	36.17	1,023.07
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	7.03	-	-	-	7.03
<b>Total</b>	<b>-</b>	<b>509.97</b>	<b>543.20</b>	<b>(59.24)</b>	<b>36.17</b>	<b>1,030.10</b>

**Notes:**

\* Trade payables includes due to related parties Rs. Nil/- (March 31, 2021: Nil/-)

\* The amounts are unsecured and non-interest bearing and are usually on varying trade term.

(i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	13.96	Nil
	Interest	Nil	Nil
(ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

(ii) The information in respect of party determined under the MSMED Act 2006, has been identified on the basis of information available with the Parent Company.

**17.3 OTHER FINANCIAL LIABILITIES**

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Employee Benefit Expenses	89.12	-
Other payables	155.30	29.65
	<b>244.42</b>	<b>29.65</b>

**Notes:**

(i) Employees benefit expenses include payable to directors and other related parties are as under:

Chaitanya Agrawal (Remuneration)	0.98	0.74
S.C Agrawal (Remuneration)	0.13	0.13
Piyush Agrawal	1.50	1.10
Maman Chand Jain	0.10	0.10
Shilpy Chopra	0.15	0.03

(ii) Other payables are in respect of audit fee, payable against letter of credits and provision for other expenses.

**18 OTHER CURRENT LIABILITIES**

Revenue received in advance

Advance from customers	131.81	-
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Statutory dues

Goods and Service Tax (GST)	28.57	107.25
Others statutory dues		
PF Payable	3.62	3.02
ESI Payable	0.45	0.52
TDS Payable	4.16	2.93
Other liabilities (refer note (i) below)	5.70	34.61
	<b>174.31</b>	<b>148.32</b>

**Notes:**

(i) Other liabilities are in respect of miscellaneous liabilities payable.

**19 CURRENT PROVISIONS**

Provision for employee benefits

Gratuity (refer note no.31(2))	12.34	-
	<b>12.34</b>	<b>-</b>

**Notes:**

(i) Provisions are recognized for Gratuity. The provisions are recognized on the basis of past events and probable settlements of the present obligations as a result of the past events, in accordance with Indian Accounting Standard-37 issued by the Institute of Chartered Accountants of India.

**The movement of provisions are as under:-**

**At the beginning of the year**

Gratuity (Non-current Rs 39.62 Lakhs)	49.91	-
Income Tax	15.45	-

**Arising during the year**

Gratuity (Includes items of OCI)	9.68	49.91
Income Tax	23.50	15.45

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Utilised during the year</b>		
Gratuity	0.48	-
Income Tax	15.45	
<b>At the end of the year</b>		
Gratuity (Non-Current Rs. 46.77 Lakhs)	59.11	49.91
Income Tax	23.50	15.45
<b>20 CURRENT TAX LIABILITIES (NET)</b>		
Income Tax	-	27.45
	<hr/>	<hr/>
<b>21 REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>	3,104.04	3,430.08
<b>Sale of services</b>	<hr/>	<hr/>
	1,033.72	583.84
	<hr/>	<hr/>
<b>(i) Timing of Revenue Recognition</b>	<b>4,137.75</b>	<b>4,013.92</b>
Goods transferred at a point in time	3,104.04	3,430.08
Services transferred over the time	1,033.72	583.84
	<hr/>	<hr/>
<b>(ii) Disaggregation of revenue based on product or service</b>	<b>4,137.75</b>	<b>4,013.92</b>
Cranes	2,626.84	-
Accessories	448.39	-
Erection & Installation	929.18	-
Freight	104.54	-
Grocery Items	28.81	-
	<hr/>	<hr/>
<b>(iii) Revenue by location of customers</b>	<b>4,137.75</b>	<b>4,013.92</b>
India	4,040.91	3,959.08
Outside India	96.84	54.84
	<hr/>	<hr/>
<b>(iv) Reconciliation of revenue recognised in statement of profit and loss with contracted price</b>	<b>4,137.75</b>	<b>4,013.92</b>
Revenue as per contracted price	4,137.75	4,013.92
Less: Cash Discount	-	-
	<hr/>	<hr/>
<b>(v) Performance Obligation</b>	<b>4,137.75</b>	<b>4,013.92</b>

**Sale of products:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers

**Sales of services:** The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer.

**22 OTHER INCOME**
**a) Interest received on financial assets carried at amortised cost:**

	(Amount In Lakhs)	As at March 31, 2023	As at March 31, 2022
Interest Income from Banks	36.40	25.47	
Interest Income from others	2.83	-	
<b>b) Other non-operating income</b>			
Foreign Currency Exchange Fluctuations (Net)	-	0.35	
Government grant and assistance	-	0.79	
Miscellaneous income	7.67	1.44	
	<b>46.90</b>	<b>28.05</b>	

**23 COST OF MATERIALS CONSUMED**

Cost of Materials (Including Freight)	-	2,420.77	
MS Plate	794.09	-	
Motor	111.15	-	
Control Panel	87.04	-	
Forging	41.76	-	
Control Gear	61.75	-	
Cable	60.56	-	
Gear Box	76.26	-	
MS Profile	31.00	-	
Brake	48.44	-	
Consumable Stores	1,201.69	-	
	<b>2,513.73</b>	<b>2,420.77</b>	

**24 PURCHASE OF STOCK IN TRADE (TRADED GOODS)**

Purchase Traded Goods (Grocery Items)	9.50	50.78	
	<b>9.50</b>	<b>50.78</b>	

As at March 31, 2023	As at March 31, 2022	(Increase) / Decrease
% holding	No. of shares	% holding

**25 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Inventories at the end of the year	420.02	-	(420.02)
Finished goods	461.20	928.76	467.56
Work-in-Progress	<b>881.22</b>	<b>928.76</b>	<b>-</b>
<b>Inventories at the beginning of the year</b>			
Finished goods	-	-	-
Work-in-Progress	928.76	979.54	50.78
(Increase)/ Decrease in stocks	<b>928.76</b>	<b>979.54</b>	<b>-</b>
	<b>47.54</b>	<b>50.78</b>	<b>-</b>

**Details of inventories at the end of the year****a) Finished Goods**

Escalator	420.02	-	(420.02)
	<b>420.02</b>	-	-

**b) Work-in-Progress**

Cranes	461.20	928.76	467.56
	<b>461.20</b>	<b>928.76</b>	-

**Details of inventories at the beginning of the year****a) Finished Goods**

Escalator	-	-	-
	-	-	-

**b) Work-in-Progress**

Cranes	928.76	979.54	50.78
	<b>928.76</b>	<b>979.54</b>	-

(Amount In Lakhs)

<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
-----------------------------	-----------------------------

**26 EMPLOYEE BENEFITS EXPENSES**

Salary, Wages, Bonus and other benefits	480.08	363.61
Contribution towards PF and ESI	29.48	22.21
Gratuity	13.16	2.40
Staff welfare expenses	3.93	3.64
	<b>526.66</b>	<b>391.87</b>

Employee benefits expense include managerial remuneration as detailed below:

Salary	30.00	30.00
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**27 FINANCE COSTS**

Interest Expense	81.80	122.45
Other Borrowing Costs	33.92	-
	<b>115.72</b>	<b>122.45</b>

**28 DEPRECIATION AND AMORTISATION EXPENSES**

Depreciation on tangible assets	31.01	28.80
	<b>31.01</b>	<b>28.80</b>

**29 OTHER EXPENSES**

Consumption of Stores and Spares	1.97	2.40
Power and Fuel	27.99	31.04
Job Work and Erection Charges	268.20	260.32
Hire Charges	6.01	4.02
Project Site Expenses	54.69	63.95
Testing Charges	4.70	12.54
Rent	4.84	3.30
Repairs to Machinery	17.80	12.13
Repairs Others	0.67	-

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Security Charges	20.94	31.21
Insurance	19.85	13.86
Rates and Taxes	1.86	5.23
Legal & Professional Charges	26.96	20.30
Travel, Conveyance and Vehicle Maintenance	27.27	25.71
Telephone, Internet, Postage & Courier	4.94	4.57
Pattern & Drawing Charges	3.32	6.04
Bad Debts Written off (Customer's Bal) Liquidated Damages & Bad Debts	56.29	229.69
Payment to Auditors		
Audit fee	4.50	1.20
Tax audit fee	0.50	-
Certificate & Other Charges	0.05	-
Commission on Sales	-	7.60
Exchange Fluctuation	24.21	-
Transportation expenses and Export Expenses	199.59	129.37
Business Promotion and Marketing Expenses	4.52	4.79
Miscellaneous expenses	33.13	18.35
	<b>814.81</b>	<b>887.62</b>

**A Contingent liabilities (to the extent not provided for)**

a) Claims filed against the Group not acknowledged as debts (Advance paid Rs.Nil (March 31, 2022: Rs.Nil)) (refer point (i))	9.97	-
b) Bank guarantees obtained from banks (Margin money Rs. 597.64 Lakhs)	1,472.80	1,630.31
c) Disputed tax liabilities in respect of pending cases before Appellate Authorities (refer point (ii)) (Advance paid Rs. 1.85 Lakhs (March 31,2022 Rs. Lakhs))	18.51	-
d) Demand raised by TDS Department (Tax Deduction at Source)(refer point (iii))	1.12	-
	<b>1,502.39</b>	<b>1,630.31</b>

**Notes:**

(i) (a) A claim has been filed against the Parent Company by a supplier for recovery which is pending before The MSME - Arbitral Tribunal, Delhi Arbitration Centre, Delhi. No provision for the same has been made since the Company has disclaimed the liability and in process to file the appeal.	9.97	-
	<b>9.97</b>	<b>-</b>

(ii) The various disputed tax litigations are as under :

Sl.	Description	Court/ Authority	Financial year to which relates	Disputed Amount	
				As at March 31, 2023	As at March 31, 2022
a) (i)	<b>Goods &amp; Services Tax</b> Demand raised by the GST Department (Excluding Penalty)	Addl. Commissioner, Gr. 2(Appeal) - IV, State Goods & Services Tax, Ghaziabad	2018-19	18.51 lakhs	18.51 lakhs

(iii) The Parent Company has outstanding TDS demands of Rs.1.12 Lakhson account of short deductions and interest u/s 201 and 220(2) of the Income Tax Act, 1961. The Company will be filing the revised returns/applications and it is expected that there will be no demand on this account.

## B Commitments

	As at March 31, 2023	As at March 31, 2022
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(i) Capital Commitments

### 31 OTHER NOTES ON ACCOUNTS

1 a) In the opinion of the Board, assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

b) Balance of unsecured short term borrowings from others, trade payables, other current liabilities, long and short term advances, other non-current and current assets and trade receivables are subject to reconciliation and confirmations.

c) Group Information

The Consolidated Financial Statement of the group includes Associates companies as mentioned below:

Name of the Entity	Country of Incorporation	Nature	Ownership Interest	Year Ended	Net Assets i.e.Total Assets minus Total Liabilities	
					As % of consolidated net assets	Amount (In Lakhs)
<b>Parent</b>						
Cranex Limited	India	Parent Company		March 31st, 2023	100%	930.05
				March 31st, 2022	100%	915.80
<b>Associate</b>						
IFE Cranex Elevators & Escalators India Pvt Ltd.	India	Associate Company	26%	March 31st, 2023	-	-
			26%	March 31st, 2022	-	-

Share in Profit and Loss		Share in Total Comprehensive Income		Share in Total Comprehensive Income	
As % of consolidated profit or loss	Amount (in Lakhs)	As % of consolidated other comprehensive income	Amount (in Lakhs)		
<b>Parent</b>					
2022-23	109.81%	61.95	100%	2.60	109.38% 64.56
<b>Associate</b>					
2022-23	-9.81%	(5.53)	-	-	-0.09 (5.53)

2 Disclosures pursuant to Ind AS - 19 "Employee Benefits" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 ) are given below:

#### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Contribution to Defined Contribution Plan, recognised during the year are as under:-		
Employer's Contribution towards Provident Fund (PF) (including Administration Charges)	24.94	17.69
Employer's Contribution towards Employee State Insurance (ESI)	4.54	4.52
	<b>29.48</b>	<b>22.21</b>

**Defined Benefit Plan**
**Gratuity (Unfunded)**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Present value of obligation at the beginning of the year	49.91	-
Current Service Cost	9.58	7.95
Interest Cost	3.58	-
Actuarial (gain) /loss arising during the year	(3.48)	-
Past Service Cost	-	41.96
Benefit paid	(0.48)	-
Present value of obligation at the end of the year	<u>59.11</u>	<u>49.91</u>
Current Liability (Short Term)	12.34	10.28
Non-current Liability (Long Term)	46.77	39.63
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Return on plan assets excluding interest income	-	-
Benefits paid	-	-
Fair value of plan assets at year end	<u>-</u>	<u>-</u>
<b>c) Net Asset/ (Liability) recognised in the balance sheet</b>		
Fair value of plan assets	-	-
Present value of defined benefit obligation	59.11	49.91
Amount recognised in Balance Sheet- Asset / (Liability)	<u>59.11</u>	<u>49.91</u>
<b>d) Expense recognised in the Statement of profit and loss during the year</b>		
Current Service Cost	9.58	7.95
Interest Cost	3.58	-
Past Service Cost	-	41.96
	<u>13.16</u>	<u>49.91</u>

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
e) Actuarial (Gain)/ Loss recognised in other comprehensive income during the year		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(0.75)	-
- changes in experience adjustments	(2.73)	-
Recognised in other comprehensive income	<u>(3.48)</u>	<u>-</u>
f) <b>Broad categories of plan assets as a percentage of total assets</b>		
Insurer managed funds	Nil	Nil
g) <b>Actuarial Assumptions</b>		
Mortality Table (LIC)	100% of IALM	100% of IALM
	2012-14	2012-14
Discount Rate (per annum)	7.44%	7.18%
Rate of escalation in salary (per annum)	8.00%	8.00%
h) <b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Impact of change in discount rate</b>		
Impact due to increase by 0.5 %	(2.03)	-
Impact due to decrease by 0.5 %	2.18	-
<b>Impact of change in salary</b>		
Impact due to increase by 0.5 %	2.16	-
Impact due to decrease by 0.5 %	(2.03)	-
i) <b>Maturity profile of defined benefit obligation</b>		
0 to 1 Year	12.34	-
1 to 2 Year	4.68	-
2 to 3 Year	5.24	-
3 to 4 Year	5.50	-
4 to 5 Year	3.49	-
5 to 6 Year	2.13	-
6 Year onwards	<u>25.73</u>	<u>-</u>
Total expected payments	<u>59.11</u>	<u>-</u>
j) The average duration of the defined benefit plan obligation at the end of the reporting period is 8.09 years.(Previous Year- 8.18 years)		
k) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.		

I) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

m) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

3 The Parent Company has provided gratuity liability with retrospective effect in accordance with actuarial valuation norms to comply with the requirements of Ind AS 19. Accordingly, a sum of Rs. 49.91 Lakhs pertaining to gratuity liability as on 01/04/2022 has been adjusted against retained earnings. Disclosures as required in Ind AS 19 have been made in note no. 31(2).

#### 4 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:

##### A Names of related parties and description of relationship:

###### Key Managerial Personnel

Piyush Agrawal	Managing Director
Chaitanya Agrawal	Whole Time Director & CFO
Ashwani Kumar Jindal	Independent Director
Shilpy Chopra	Independent Director
Shalini Rahul	Independent Director
 Preeti Bhatia (Upto 11th July 2022)	 Company Secretery
Renu Singh (w.e.f 13th July 2022)	Company Secretery

###### Relatives of Key Managerial Personnel

S.C. Agrawal
Amitabh Agrawal
Ritu Agrawal
Payal Agrawal

##### B Associates and Joint Ventures

IFE Cranex Elevators and Escalators India Pvt. Ltd	Associate Company
Shree Cranex (JV)	Joint Ventures

##### C Enterprises in which directors and relative of such directors are interested and Associates/Joint Ventures

Ritu Investments Private Limited
Piyush Agrawal (HUF)
Skylark Associates Pvt. Limited

As at March 31, 2023	As at March 31, 2022
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##### D Transactions during the year:

###### (i) Loans taken from

###### Enterprises in which directors and relative of such directors are interested

IFE Cranex Elevators and Escalators India Pvt. Ltd	94.42	-
Skylark Associates Pvt. Limited	0.10	-
	<b>94.52</b>	-

###### Key Management Personnel

Piyush Agrawal - Managing Director	42.30	-
Chaitanya Agrawal - Whole Time Director & CFO	60.35	-
	<b>102.65</b>	-

		As at March 31, 2023	As at March 31, 2022
<b>Relatives of Key Managerial Personnel</b>			
Ritu Agrawal		4.00	-
		<b>4.00</b>	-
<b>(ii) Loans repaid</b>			
<b>Enterprises in which directors and relative of such directors are interested</b>			
IFE Cranex Elevators and Escalators India Pvt. Ltd		13.05	-
Amitabh Agrawal (HUF)		26.00	-
Skylark Associates Pvt. Limited		0.10	-
		<b>39.15</b>	-
<b>Key Management Personnel</b>			
Piyush Agrawal - Managing Director		45.53	-
Chaitanya Agrawal - Whole Time Director & CFO		47.68	-
		<b>93.20</b>	<b>98.57</b>
<b>Relatives of Key Managerial Personnel</b>			
Ritu Agrawal		4.00	-
		<b>255.65</b>	-
<b>(ix) Rent Paid</b>			
<b>Enterprises in which directors and relative of such directors are interested</b>			
Piyush Agrawal (HUF)		0.60	-
		<b>0.60</b>	-
<b>(x) Sale of Goods and Services</b>			
<b>Enterprises in which directors and relative of such directors are interested</b>			
Shree Cranex (JV)		462.70	-
		<b>462.70</b>	-
<b>(xi) Remuneration</b>			
<b>Key Management Personnel</b>			
Piyush Agrawal - Managing Director		18.00	18.00
Chaitanya Agrawal - Whole Time Director & CFO		12.00	12.00
Preeti Bhatia		0.62	4.03
Renu Singh - Company Secretary		3.26	
		<b>33.88</b>	<b>34.03</b>
<b>Relatives of Key Management personnel</b>			
Payal Agrawal		4.03	-
		<b>4.03</b>	-
<b>(xii) Director Sitting Fees</b>			
<b>Key Management Personnel</b>			
Shilpy Chopra		0.30	-
		<b>0.30</b>	-

**D Balances at the year end**
**(i) Amount Receivables**
**Enterprises in which directors and relative of such directors are interested**

	As at March 31, 2023	As at March 31, 2022
Shree Cranex (JV)	330.69	34.08
	<b>330.69</b>	<b>34.08</b>

**(ii) Amount Payables**
**Enterprises in which directors and relative of such directors are interested**

IFE Cranex Elevators and Escalators India Pvt. Ltd	622.62	541.24
Piyush Agrawal (HUF)	0.30	0.65
	<b>622.92</b>	<b>541.89</b>

**Key Management Personnel**
**Loan Payable**

Piyush Agrawal - Managing Director	492.53	495.76
Chaitanya Agrawal - Whole Time Director & CFO	254.70	242.03
Amitabh Aggarwal (HUF)	231.72	257.72
S.C. Agrawal	70.67	70.67
	<b>1,049.62</b>	<b>1,066.17</b>

**Salary & Other Payable**

Piyush Agrawal - Managing Director	1.50	
Chaitanya Agrawal - Whole Time Director & CFO	0.98	
Shilpy Chopra	0.15	0.25
Preeti Bhatia	-	0.39
Renu Singh - Company Secretary	0.35	-
	<b>2.98</b>	<b>0.64</b>

**Relatives of key management personnel**

Amitabh Agrawal	231.72	257.72
Ritu Agrawal	-	-
Payal Agrawal	0.30	0.30
	<b>232.02</b>	<b>258.02</b>

**Notes:**

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (other than borrowings taken by the Parent Company) and settlement occurs in cash.  
For the year ended March 31, 2023, the Parent Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- b) All the liabilities for post retirement benefits being 'Gratuity' and 'Leave Encashment' are provided on an actuarial basis for the Parent Company as a whole, the amount pertaining to Key management personnel are not included above.
- c) As per the section 149(6) of the Companies Act, 2013, Independent Directors are not considered as "Key Managerial Person", however to comply with the disclosure requirements of Ind AS-24 on "Related party transactions" they have been disclosed as "Key Managerial Person".

## 5 Ratio analysis:-

Particulars	2022-23			2021-22			Variance	Reason
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
(a) Current Ratio (times) = Current Assets / Current liabilities	4,187.59	3,580.37	1.17	3,454.89	1,235.52	2.80	-0.58	N/A
(b) Debt - Equity Ratio (times) = Total Borrowings/ Shareholder's equity	2,409.86	930.05	2.59	2,443.35	915.80	2.67	-0.03	N/A
(c) Debt- Service Coverage Ratio = Earnings available for Debt service/(refer note)	266.88	122.45	217.94%	240.14	122.45	196.11%	0.11	N/A
(d) Return on Equity Ratio % = Net profits after taxes/ Average Shareholder's Equity	56.42	922.93	6.11%	73.44	770.76	0.10	-0.36	N/A
(e) Inventory Turnover Ratio (times) = Revenue from operations/ Average inventory	4,137.75	1,428.73	2.90	4,013.92	1,352.25	2.97	-0.02	N/A
(f) Trade Receivables Turnover Ratio (times) = Net credit revenue from operations/ Average trade receivables	4,137.75	1,846.26	2.24	4,013.92	1,788.98	2.24	-0.00	N/A
(g) Trade Payables Turnover Ratio (times) = Net credit purchases / Average trade payables	2,523.23	1,205.69	2.09	2,471.55	1,444.73	1.71	0.22	N/A
(h) Net Capital Turnover Ratio (times) = Revenue from operations / working capital	4,137.75	607.22	6.81	4,013.92	2,219.37	1.81	2.77	N/A
(i) Net Profit Ratio % = Net profit / Revenue from operations	59.02	4,137.75	0.01	73.44	4,013.92	0.02	-0.22	N/A
(j) Return on Capital Employed % = EBIT / Capital employed (refer note ii)	207.49	1,602.22	0.13	211.34	3,193.60	0.07	0.96	N/A
(k) Return on Investment % = EBIT / Average total assets	207.49	4,912.01	0.04	211.34	4,768.70	0.04	-0.05	N/A

### Notes :

- i) Debt Service = Interest & lease Payments + Principal Repayments
- ii) Capital Employed = Tangible Net Worth + Total Borrowings + Deferred Tax Liability
- iii) Tangible Net Worth is Computed as Total Assets - Total Liabilities .

\*Borrowings does not includes Lease liabilities

## 6 Relationship with struck off companies is as under:

(Amount in Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March,2023	Balance outstanding as at 31 March, 2022	Relationship with the struck off company , if any, to be disclosed
KAN SECURITIES (INDIA) PRIVATE LIMITED CIN No. - U67120DL1994PTC059893	Shares held by struck off company	500 Number of Shares of Rs. 10/- Each	500 Number of Shares of Rs. 10/- Each	Shareholder
SAYA SECURITIES PRIVATE LIMITED CIN No. - U70101DL1996PTC082684	Shares held by struck off company	5 Number of Shares of Rs. 10/- Each	5 Number of Shares of Rs. 10/- Each	Shareholder
VAISHAK SHARES LIMITED CIN No. - U85110KA1994PLC015178	Shares held by struck off company	10 Number of Shares of Rs. 10/- Each	10 Number of Shares of Rs. 10/- Each	Shareholder
CHANDRAMA INVESTMENT FINANCE & LEASING LIMITED CIN No. - U67120UP1995PLC018753	Shares held by struck off company	100 Number of Shares of Rs. 10/- Each	100 Number of Shares of Rs. 10/- Each	Shareholder
MUNDHRA FINANCING PVT LTD CIN No. - U65999WB1987PTC043373	Shares held by struck off company	2000 Number of Shares of Rs. 10/- Each	2000 Number of Shares of Rs. 10/- Each	Shareholder
VKG ELECTRONICS PRIVATE LIMITED CIN No. - U74899DL1991PTC043406	Amalgamated	100 Number of Shares of Rs. 10/- Each	100 Number of Shares of Rs. 10/- Each	Shareholder
Arshi Engineering Works CIN No. - U29214PB2000PTC023464	Payables	0.04	-	Creditors
JB CASTING PRIVATE LIMITED CIN NO.- U51228PB2000PTC023393	Payables	0.12	-	Creditors

## 7 Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net prot of rupees ve crore or more during the immediately preceding nancial year is required to incur at least 2% of the average net prots of the preceding three nancial years towards Corporate Social Responsibility (CSR).

Based on last audited balance sheet dated 31 March, 2023, the Parent Company does not meet any of the threshold prescribed by law. Hence, the provisions of Companies Act, 2013 regarding CSR would not be applicable

8 The Parent Company has borrowings from banks on the basis of current assets. The Parent Company has complied with the requirement of filing of quarterly returns/statements of security of current assets with the banks or nancial institutions, as applicable, and these returns were in agreement with the books of accounts except as under:

(Amount in Lakhs)

S.No.	Particulars	As per Submitted Statement	As Per Books	Difference	Reasons
<b>Quarter-2</b>					
1	<b>Inventory</b>	1,366.37	1,701.37	(335.00)	Due to filing of unaudited/provisional figures with banks.
2	<b>Trade Receivables</b>	1,579.21	1,645.99	(66.78)	
3	<b>Trade Payables</b>	1,227.95	1,546.24	(318.29)	
<b>Quarter-3</b>					
1	<b>Inventory</b>	1,860.78	1,909.28	(48.50)	Due to filing of unaudited/provisional figures with banks.
2	<b>Trade Receivables</b>	1,990.84	2,000.08	(9.24)	
3	<b>Trade Payables</b>	1,469.05	1,923.76	(454.71)	
<b>Quarter-4</b>					
1	<b>Inventory</b>	1,609.74	1,609.74	-	Due to filing of unaudited/provisional figures with banks.
2	<b>Trade Receivables</b>	2,114.66	2,103.34	11.32	
3	<b>Trade Payables</b>	1,014.77	1,381.29	(366.52)	

## 9 Segment Reporting

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group's management and internal reporting structure.

### Operating Segments

The Group's Managing Director and CFO has been identied as the Chief Operating Decision Maker ('CODM'), since Managing Director and CFO are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget and other key decisions.

Managing director reviews the operating results at the Group level to make decisions about the Group's performance. Accordingly, management has identied the business as single operating segment i.e. "Manufacturing of EOT cranes and installation of escalators". Accordingly, there is only one Reportable Segment for the Parent Company i.e. "Manufacturing of EOT cranes and installation of escalators", hence no specic disclosures have been made.

(Amount In Lakhs)

As at March 31, 2023	As at March 31, 2022
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#### a) Information about products and services

Please refer to note 21 of the financial statements

#### b) Revenue as per Geographical Markets

Domestic Market	4040.91	3959.08
Overseas Market	96.84	54.84
<b>Total</b>	<b>4,137.75</b>	<b>4,013.92</b>

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>c) Non-current assets (other than deferred tax assets and financial instruments)</b>		
<b>in Geographical Market</b>		
Within India	775.56	605.41
Outside India	-	-
<b>Total</b>	<b>775.56</b>	<b>605.41</b>
<b>d) Information about major customers</b>		
Customers contributing more than 10% of the Group's total revenue are as under:		
a) Shree Cranex (JV)	462.70	-
	<b>462.70</b>	-
<b>d) Geographical Capital Expenditure</b>		
Domestic Market	4.61	-
Overseas Market	-	-
	<b>4.61</b>	-

## 10 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial instruments by category	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets at amortized cost</b>				
Investments (non-current)	31.72	0.01	31.72	0.01
Loans and advances (non current)	-	158.96	-	158.96
Other financial assets (non-current)	266.20	375.40	266.20	375.40
Trade receivables (current)	2,103.34	1,589.19	2,103.34	1,589.19
Cash and cash equivalents	3.02	16.22	3.02	16.22
Other bank balances	242.40	-	242.40	-
Other financial assets (current)	12.08	-	12.08	-
	<b>2,658.76</b>	<b>2,139.78</b>	<b>2,658.76</b>	<b>2,139.78</b>
<b>Financial Liabilities at amortized cost</b>				
Borrowings (non-current)	641.85	2,277.79	641.85	2,277.79
Borrowings (current)	1,768.02	-	1,768.02	-
Trade payables (current)	1,381.29	1,030.10	1,381.29	1,030.10
Other financial liabilities (current)	244.42	148.32	244.42	148.32
	<b>4,035.57</b>	<b>3,456.21</b>	<b>4,035.57</b>	<b>3,456.21</b>

(\*excluding investments in associates)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- 1) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

- 2) The fair values of the Parent Company's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2023 was assessed to be insignificant.
- 3) Long-term receivables/ payables are evaluated by the Parent Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 4) The significant unobservable inputs used in the fair value measurement categorized within Level 1 and Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at end of each year, are as shown below:

#### **Fair value hierarchy**

The Group Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

(Amount In Lakhs)

	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investments (non-current)	31.72	-	-	31.72
Loans and advances (non current)	-	-	-	-
Other financial assets (non-current)	266.20	-	-	266.20
Trade receivables (current)	2,103.34	-	-	2,103.34
Cash and cash equivalents	3.02	-	-	3.02
Other bank balances	242.40	-	-	242.40
Other financial assets (current)	12.08	-	-	12.08
	<u>2,658.76</u>	<u>-</u>	<u>-</u>	<u>2,658.76</u>
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowings (non-current)	641.85	-	-	641.85
Borrowings (current)	1,768.02	-	-	1,768.02
Trade payables (current)	1,381.29	-	-	1,381.29
Other financial liabilities (current)	244.42	-	-	244.42
	<u>4,035.57</u>	<u>-</u>	<u>-</u>	<u>4,035.57</u>

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022

		(Amount In Lakhs)		
	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investment Property	-	-	-	-
Investments (non-current)	0.01	-	-	0.01
Loans and advances (non current)	158.96	-	-	158.96
Other financial assets (non-current)	375.40	-	-	375.40
Trade receivables (current)	1,589.19	-	-	1,589.19
Cash and cash equivalents	16.22	-	-	16.22
	<u>2,139.78</u>	<u>-</u>	<u>-</u>	<u>2,139.78</u>
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowings (non-current)	2,277.79	-	-	2,277.79
Trade payables (current)	1,030.10	-	-	1,030.10
Other financial liabilities (current)	148.32	-	-	148.32
	<u>3,456.21</u>	<u>-</u>	<u>-</u>	<u>3,456.21</u>

**Note:**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

## 11 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group's policies and Group's risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

### (a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2023. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

#### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AED & Euro exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Parent Company that have not been hedged by a derivative instrument or otherwise are as under:

(Fig. In Lakhs)

Currency	Currency Symbol	March 31, 2023		Gain/ (loss) Impact on profit/ (loss) before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Change in United States Dollar Rate	\$				
Export trade receivables		-	-	-	-
Other receivables		-	-	-	-
Capital Advances		-	-	-	-
Advances against material and services		-	-	-	-
Trade payables		5.30	462.00	4.62	(4.62)
Currency	Currency Symbol	March 31, 2022		Gain/ (loss) Impact on profit/ (loss) before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Change in United States Dollar Rate	\$				
Export trade receivables		-	-	-	-
Other receivables		-	-	-	-
Capital Advances		-	-	-	-
Advances against material and services		-	-	-	-
Trade payables		-	-	-	-

#### (ii) Commodity Price Risk

The Group is exposed to the risk of price fluctuation of raw material as well as finished goods. The Group manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement. To counter raw material risk, the Group works with various suppliers working in domestic and international market with the objective to moderate raw material cost, enhance application flexibility and increased product functionality and also invests in product development and innovation. To counter finished goods risk, the Company deals with wide range of vendors and manages these risks through inventory management and proactive vendor development practices. The Company also passes on the Commodity price hike in case of several customers when Company have fixed price contracts. Fixed price contracts are entered into after due consideration of the Commodity price volatility during the delivery / contract period.

#### (b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

##### (i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Out of that, the Company has 10 customers that owed the Company approx. Rs. 1510.98 lakhs (March 31, 2022: Rs.914.31 lakhs) and accounted for 45.88 % (March 31, 2022: 36.80%) of total trade receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

##### (ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Financial assets for which allowance is measured using 12 months Expected</b>		
<b>Credit Loss Method (ECL)</b>		
Loans and advances (non current)	-	158.96
Other financial assets (non-current)	266.20	375.40
Cash and cash equivalents	3.02	16.22
Other bank balances	242.40	-
Other financial assets (current)	12.08	-
	<u>523.70</u>	<u>550.58</u>

**Financial assets for which allowance is measured using Life time Expected**

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Trade receivables (current)	-	-

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(i) The ageing analysis of trade receivables has been considered from the date the invoice falls due</b>		
<b>Particulars</b>		
0 to 365 days due past due date	1,719.56	913.23
More than 365 days past due date	383.77	675.96
<b>Total Trade Receivables</b>	<b>2,103.34</b>	<b>1,589.19</b>

**The following table summarises the change in loss allowance measured using the life time expected credit loss model:**

	(Amount In Lakhs)	
	As at the beginning of year	As at the end of year
Particulars		
As at the beginning of year	-	-
Provision during the year	-	-
Reversal of earlier provision credited to other Income (Excess Provision written back)	-	-
<b>As at the end of year</b>	<b>-</b>	<b>-</b>

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to below:

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	(Amount In Lakhs)		
<b>As at March 31, 2023</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
Borrowings (non-current)	-	641.85	641.85
Borrowings (current)	1,768.02	-	1,768.02
Trade payables (current)	1,381.29	-	1,381.29
Other financial liabilities (current)	244.42	-	244.42

<b>As at March 31, 2022</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
Borrowings (non-current)	-	2,277.79	2,277.79
Trade payables (current)	1,030.10	-	1,030.10
Other financial liabilities (current)	148.32	-	148.32

**(d) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowings obligations in the form of cash credit carrying floating interest rates.

	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowing	52.58	122.45
Variable rate borrowing	29.22	-
	<b>81.80</b>	<b>122.45</b>

**Sensitivity analysis:** For floating rates liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

**Sensitivity on variable rate borrowings**

**Impact on statement of profit and loss**

Interest rate increase by 0.25%	1.70	2.55
Interest rate decrease by 0.25%	(1.70)	(2.55)

**(e) Equity Price Risk**

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 2,389.20 lakhs as on 31 March 2022 (March 31, 2021: Rs. 2,351.69 lakhs).

12 The Following Table summarises movement in indebtedness as on the reporting date :

**Change in Liabilities arising from financing activities**

12 The Following Table summarises movement in indebtedness as on the reporting date :

**Change in Liabilities arising from financing activities**

Particulars	As on April 1, 2022	Net Cashflow	Foreign Exchange Management	Transfer	(Amount In Lakhs)					
					Change in fair values	As on March 31, 2023				
<b>LONG TERM BORROWINGS</b>										
<b>Secured</b>										
Term loan from Bank	78.73	(28.57)	-	-	-	50.16				
Finance Lease Obligations										
From Banks	-	33.72	-	-	-	33.72				
From Others	-	-	-	-	-	-				
<b>Unsecured</b>										
Term loans from others parties	541.25	50.44	-	-	-	591.68				
<b>SHORT TERM BORROWINGS</b>										
<b>Secured</b>										
Cash credit facility from bank	329.66	118.78	-	-	-	448.44				
Buyer's credit facility from bank	-	-	-	-	-	-				
<b>Unsecured</b>										
Loan from Related Parties	1,066.17	(16.55)	-	-	-	1,049.62				
Loan from others	235.52	3.11	-	-	-	238.63				
	<u>2,251.33</u>	<u>160.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,412.25</u>				

**13 Capital Management**

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2023.

The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The calculation of the capital for the purpose of capital management is as below:

Particulars	(Amount In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Borrowings	641.85	2,277.79
Cash and cash equivalents	3.02	43.84
<b>Net Debt</b>	<b>644.87</b>	<b>2,321.63</b>
Equity share capital	600.00	600.00
Other equity	330.05	315.80
<b>Total Capital</b>	<b>930.05</b>	<b>915.80</b>
<b>Capital and Net Debt</b>	<b>1,574.92</b>	<b>3,237.43</b>
<b>Gearing Ratio (Net Debt/Capital and Debt)</b>	<b>40.95%</b>	<b>71.71%</b>

		(Amount In Lakhs)	
		As at March 31, 2023	As at March 31, 2022
<b>14 Earnings per share</b>			
<b>a) Basic Earnings per share</b>			
Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	59.02	73.44
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	6,000,000	6,000,000
Earnings per share-Basic (one equity share of Rs.10/- each)	(Rs.)	0.98	1.22
<b>b) Diluted Earnings per share</b>			
Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	59.02	73.44
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	6,000,000	6,000,000
Earnings per share-Basic (one equity share of Rs.10/- each)	(Rs.)	0.98	1.22

**Note: There are no instruments issued by the Company which have effect of dilution of basic earning per share.**

**15 Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013:**

		(Amount In Lakhs)				
Sr. No	Name of the Investee	Opening Balance	Investment Made	Impact of fair value	Investment Sold	Outstanding Balance
1	Shree Cranex(JV)	31.71	-	-	-	31.71
2	IFE Cranex Elevators & Escalators India Pvt. Ltd	182.00	-	-	-	182.00

**16 Additional regulatory information required by Schedule III of Companies Act,2013**

- (i) Details of Benami Properties: No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Trasactions (prohibition) Act,1988 (45 of 1988) and the rules made thereunder.
- (ii) Utilization of borrowed funds and share premium:
 

The Company has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entitites (intermediaries) with the understanding that the shall:

  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or;
  - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies) , including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise ) that the company shall:

  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (iii) Compliance with number of layers of Companies: The Company has complied with the number of layers as prescribed under the Companies Act,2013.
- (iv) Undisclosed Income: There is no income undisclosed or surrendered as income during the current or previous year in the tax assessments under the Income Tax Act,1961, that has not recorded in the books of accounts.
- (v) Crypto Currency or Virtual Currency: The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) Valuations of PPE, Intangible assets :The company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- (vii) The Company has not granted any loans or advances in the nature of loans repayable on demand.

17 Amounts in the financial statements are presented in Indian Rupees in lacs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

18 Note No. 1 to 31 form integral part of the balance sheet and statement of profit and loss.

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

As per our report of even date

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**Sd/-**

**Rajan Bansal**

Partner

M. No.: 093591

**For and on behalf of the Board of Directors**

**Sd/-**

**(Piyush Agrawal)**

Managing Director

DIN - 01761004

**Sd/-**

**(Chaitanya Agrawal)**

Whole-Time Director & CFO

DIN - 05108809

**Sd/-**

**Renu**

Company Secretary

M. No.: A-29246

Place: New Delhi

Date: 30/05/2023



## CRANEX LIMITED

CIN: L74899DL1973PLC006503

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**Corporate Office:** 57/1, Industrial Area, Site-IV, Sahibabad (U.P.)-201010

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BSE Script Code: 522001 ISIN: INE608B01010

