

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Bonfiglioli Transmissions Private Limited

**Report on the Audit of the Ind AS Financial Statements****Opinion**

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

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

**Basis for Opinion**

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

**Other Information**

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

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

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



**Responsibility of Management for the Ind AS Financial Statements**

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

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

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

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

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

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

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



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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode as explained in note 45 to the financial statements.
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on December 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended December 31, 2023;
  - (h) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 41A to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief (refer note 43(g) to the Ind AS financial statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The management has represented that, to the best of its knowledge and belief (refer note 43(f) to the Ind AS financial statements), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Chirag Shah**

Partner

Membership Number: 121648

UDIN: 24121648BKGDEN8156

Place of Signature: Chennai

Date: April 02, 2024



**Bonfiglioli Transmissions Private Limited**
**Balance Sheet as at December 31, 2023**

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

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

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

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

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

For and on behalf of the Board of Directors

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

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

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



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

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

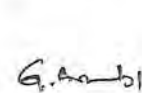
The above statement of profit and loss should be read in conjunction with the accompanying notes.

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

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

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

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

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

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



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

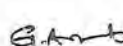
|                                                                            | Year ended<br>December 31, 2023 | Year ended<br>December 31, 2022 |
|----------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>A.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

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

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

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

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

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

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



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

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

**B. Other equity**

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

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

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

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

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



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

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



**Bonfiglioli Transmissions Pvt Limited**
**Notes forming part of the financial statements as at and for the year ended December 31, 2023**
**1 Brief description of the Company**

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

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

**2 Summary of significant accounting policies**
**2.1 Basis of Preparation**
**(a) Preparation and compliance with Ind AS**

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

**(b) Historical cost convention**

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

**(c) Current/Non-current classification**

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

**2.2 Use of Estimates**

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

**2.3 Significant estimates and judgments**

The areas involving significant estimates and judgments are:

**(i) Defined benefit obligation: -**

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

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

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

**(iii) Expected credit loss:**

The company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit).

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's trade receivables and contract assets is disclosed in Note 38.



**Bonfiglioli Transmissions Pvt Limited**
**Notes forming part of the financial statements as at and for the year ended December 31, 2023**
**2.4 Property, plant and equipment and intangible assets**
**(a) Property, plant and equipment**

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

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

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

**(b) Intangible assets**

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

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

**(c) Depreciation and Amortization**

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

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

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

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

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

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

**2.5 Impairment of Assets**

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



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**Bonfiglioli Transmissions Pvt Limited**
**Notes forming part of the financial statements as at and for the year ended December 31, 2023**
**2.6 Foreign Currency Translation**
**(i) Functional and presentation currency**

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

**(ii) Transactions and balances**
**Initial Recognition**

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

**Subsequent Recognition**

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

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

**Forward contracts**

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

**Hedging activities and derivatives**

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

**2.7 Inventories**

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

The cost of raw materials is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work-in-progress comprises of raw materials, direct labour, other direct costs and related production overheads.

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

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

**2.8 Investments and other financial assets**
**(i) Classification**

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

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

b. Those measured at amortized cost.

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

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

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

**(ii) Measurements**
**Initial Recognition:**

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



**Bonfiglioli Transmissions Pvt Limited**
**Notes forming part of the financial statements as at and for the year ended December 31, 2023**
**Subsequent measurement:**
**a. Debt Instruments:**

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

**Amortized Cost:**

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

**Fair Value through profit or loss:**

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

**b. Equity instruments:**

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

**(iii) Impairment of financial assets**

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

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

**(iv) De-recognition of financial assets**

A financial asset is de-recognized only when:

- The Company's contractual right to the cash flow expires or
- The Company has transferred the rights to receive cash flows from the financial asset.

**2.9 Trade receivables**

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

**2.10 Cash and Cash Equivalents**

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

**2.11 Revenue from contract with customer**

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

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

**Sale of goods**

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

**Volume rebates**

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



**Bonfiglioli Transmissions Pvt Limited**
**Notes forming part of the financial statements as at and for the year ended December 31, 2023**
**Sales of Services**

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

**Significant financing component**

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

**Contract balances**
**Contract assets**

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

**Contract liabilities**

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

**2.12 Government Grants**

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

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

**2.13 Employee Benefits**
**a. Short-term**

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

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

**b. Post employment**

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

**(i) Provident fund**

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

**(ii) Gratuity**

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

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

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

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

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



**Bonfiglioli Transmissions Pvt Limited**
**Notes forming part of the financial statements as at and for the year ended December 31, 2023**
**c. Compensated absences**

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

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

**2.14 Current and Deferred Tax**

Tax expense comprises of current and deferred taxes.

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

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

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

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

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

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

**2.15 Borrowing Costs**

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

**2.16 Provisions and Contingent Liabilities**
**(i) Provisions**

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

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

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

**(ii) Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognized as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.



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**Bonfiglioli Transmissions Pvt Limited**
**Notes forming part of the financial statements as at and for the year ended December 31, 2023**
**(iii) Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

**2.17 Segment reporting**

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

**2.18 Earnings Per Share**

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

**2.19 Leases:**

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

**Company Lease**

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

**Right of Use Assets:**

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

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

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

**Lease Liabilities**

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

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

**Short-term leases and leases of low-value assets**

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

**Company as lessor**

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

**2.20 Dividend Payment**

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

**2.21 Changes in accounting policies and disclosures**

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



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

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

|                                                      | Property, plant and equipment |           |                     |                        |                                          |                |        | Intangible assets* |         | Capital work-in-progress | Right-of-use asset (Building) | Right-of-use asset (Land) |
|------------------------------------------------------|-------------------------------|-----------|---------------------|------------------------|------------------------------------------|----------------|--------|--------------------|---------|--------------------------|-------------------------------|---------------------------|
|                                                      | Freehold land                 | Buildings | Plant and machinery | Furniture and fixtures | Office equipment's (including computers) | Motor vehicles | Total  | Computer software  |         |                          |                               |                           |
| <b>Year ended December 31, 2022</b>                  |                               |           |                     |                        |                                          |                |        |                    |         |                          |                               |                           |
| Gross carrying amount                                | 1,035                         | 5,543     | 21,947              | 451                    | 975                                      | 331            | 30,282 | 665                | 763     |                          | 1,533                         |                           |
| Opening gross carrying amount                        | -                             | 57        | 3,194               | 44                     | 312                                      | 67             | 3,674  | 125                | 2,203   |                          | 523                           | 2,880                     |
| Additions                                            | -                             | -         | (99)                | -                      | (95)                                     | (53)           | (247)  | -                  | (2,002) |                          | (124)                         | -                         |
| Disposals                                            | 1,035                         | 5,600     | 25,042              | 495                    | 1,192                                    | 345            | 33,709 | 790                | 964     |                          | 1,932                         | 2,880                     |
| <b>Closing gross carrying amount</b>                 |                               |           |                     |                        |                                          |                |        |                    |         |                          |                               |                           |
| Opening accumulated depreciation/amortisation        | -                             | 936       | 12,047              | 257                    | 721                                      | 122            | 14,083 | 524                | -       |                          | 1,079                         | -                         |
| Depreciation/amortisation charge during the year     | -                             | 219       | 2,538               | 50                     | 170                                      | 66             | 3,043  | 81                 | -       |                          | 395                           | -                         |
| Disposals                                            | -                             | -         | (96)                | -                      | (95)                                     | (53)           | (244)  | -                  | -       |                          | (90)                          | -                         |
| <b>Closing accumulated depreciation/amortisation</b> |                               |           |                     |                        |                                          |                |        |                    |         |                          |                               |                           |
| Net carrying amount as at December 31, 2022          | 1,035                         | 4,445     | 10,553              | 188                    | 396                                      | 210            | 16,827 | 185                | 964     |                          | 548                           | 2,880                     |
| <b>Year ended December 31, 2023</b>                  |                               |           |                     |                        |                                          |                |        |                    |         |                          |                               |                           |
| Gross carrying amount                                | 1,035                         | 5,600     | 25,042              | 495                    | 1,192                                    | 345            | 33,709 | 790                | 964     |                          | 1,932                         | 2,880                     |
| Opening gross carrying amount                        | -                             | 4,616     | 4,652               | 118                    | 908                                      | 93             | 10,387 | 140                | 8,546   |                          | 1,022                         | 9                         |
| Additions                                            | -                             | (0)       | (290)               | (32)                   | (183)                                    | (69)           | (574)  | -                  | (7,484) |                          | (1,761)                       | -                         |
| Disposals                                            | 1,035                         | 10,216    | 29,404              | 581                    | 1,917                                    | 369            | 43,522 | 930                | 2,026   |                          | 1,193                         | 2,889                     |
| <b>Closing gross carrying amount</b>                 |                               |           |                     |                        |                                          |                |        |                    |         |                          |                               |                           |
| Opening accumulated depreciation/amortisation        | -                             | 1,155     | 14,489              | 307                    | 796                                      | 135            | 16,882 | 605                | -       |                          | 1,384                         | -                         |
| Depreciation/amortisation charge during the year     | -                             | 238       | 2,650               | 54                     | 190                                      | 73             | 3,214  | 94                 | -       |                          | 471                           | 31                        |
| Disposals                                            | -                             | (0)       | (281)               | (22)                   | (183)                                    | (56)           | (542)  | -                  | -       |                          | (1,614)                       | -                         |
| <b>Closing accumulated depreciation/amortisation</b> |                               |           |                     |                        |                                          |                |        |                    |         |                          |                               |                           |
| Net carrying amount as at December 31, 2023          | 1,035                         | 8,823     | 12,537              | 242                    | 1,114                                    | 217            | 23,968 | 232                | 2,026   |                          | 952                           | 2,858                     |

\* Other than internally generated

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

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

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

**3.4 Capital-Work-in Progress (CWIP)**

As at 31st December 2023

| CWIP                | Amount in Rs. lakhs |           |           |                   |
|---------------------|---------------------|-----------|-----------|-------------------|
|                     | Less than 1 year    | 1-2 years | 2-3 years | More than 3 years |
| Project in progress | 2,026               | -         | -         | 2,026             |

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

As at 31st December 2022

| CWIP                | Amount in Rs. lakhs |           |           |                   |
|---------------------|---------------------|-----------|-----------|-------------------|
|                     | Less than 1 year    | 1-2 years | 2-3 years | More than 3 years |
| Project in progress | 964                 | -         | -         | 964               |

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



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| <b>Bonfiglioli</b><br><i>We represent</i>                                                                                                                                                                       |                            |                            |                            |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Bonfiglioli Transmissions Private Limited</b><br><b>Notes forming part of the financial statements as at and for the year ended December 31, 2023</b><br>(All amounts in Rs. lakhs, unless otherwise stated) |                            |                            |                            |                            |
|                                                                                                                                                                                                                 | As at<br>December 31, 2023 | As at<br>December 31, 2022 |                            |                            |
| <b>4 Investments (non-current) at FVTPL</b>                                                                                                                                                                     |                            |                            |                            |                            |
| Investment in equity instruments - Unquoted                                                                                                                                                                     |                            |                            |                            |                            |
| 37,500 (December 31, 2022 - 37,500) equity shares of Rs. 10 each fully paid-up in Tulsyan NEC Limited                                                                                                           | 11                         | 11                         |                            |                            |
| <b>Total</b>                                                                                                                                                                                                    | <b>11</b>                  | <b>11</b>                  |                            |                            |
| Aggregate amount of unquoted investments                                                                                                                                                                        | 11                         | 11                         |                            |                            |
| Aggregate amount of impairment in the value of investments                                                                                                                                                      | -                          | -                          |                            |                            |
| These equity shares are valued at a price (represents the fair value) as determined in the<br><b>4.1</b> share purchase agreement entered with Tulsyan NEC Limited                                              |                            |                            |                            |                            |
|                                                                                                                                                                                                                 |                            |                            | Current                    |                            |
|                                                                                                                                                                                                                 | As at<br>December 31, 2023 | As at<br>December 31, 2022 | As at<br>December 31, 2023 | As at<br>December 31, 2022 |
| <b>5 Other financial assets (Unsecured, considered good)</b>                                                                                                                                                    |                            |                            |                            |                            |
| Security deposits                                                                                                                                                                                               | 546                        | 407                        | 76                         | 214                        |
| Other financial assets                                                                                                                                                                                          | -                          | -                          | -                          | 89                         |
| Bank deposits with maturity of more than 12 months                                                                                                                                                              | -                          | 1,500                      | -                          | -                          |
| Interest accrued on deposits with banks                                                                                                                                                                         | -                          | -                          | 537                        | 470                        |
| <b>Derivative instruments at fair value through profit or loss</b>                                                                                                                                              |                            |                            |                            |                            |
| <b>Derivatives not designated as hedges</b>                                                                                                                                                                     |                            |                            |                            |                            |
| Foreign exchange forward contracts                                                                                                                                                                              | -                          | -                          | 42                         | -                          |
| <b>Total</b>                                                                                                                                                                                                    | <b>546</b>                 | <b>1,907</b>               | <b>655</b>                 | <b>773</b>                 |
| <b>6 Other assets</b>                                                                                                                                                                                           |                            |                            |                            |                            |
| <b>(Unsecured, considered good)</b>                                                                                                                                                                             |                            |                            |                            |                            |
| Capital advances                                                                                                                                                                                                | 711                        | 700                        | -                          | -                          |
| <b>Advances other than capital advances:</b>                                                                                                                                                                    |                            |                            |                            |                            |
| Advances to suppliers                                                                                                                                                                                           | -                          | -                          | 380                        | 345                        |
| Advance to employees                                                                                                                                                                                            | -                          | -                          | 33                         | 32                         |
| Prepaid expenses                                                                                                                                                                                                | 8                          | 8                          | 197                        | 149                        |
| <b>Balances with Government Authorities:</b>                                                                                                                                                                    |                            |                            |                            |                            |
| - Goods and services tax (GST)                                                                                                                                                                                  | -                          | -                          | 3,437                      | 1,711                      |
| - Export entitlements                                                                                                                                                                                           | -                          | -                          | 186                        | 286                        |
| - Rebate claim receivable from GST authorities                                                                                                                                                                  | -                          | -                          | 202                        | 735                        |
| <b>Total</b>                                                                                                                                                                                                    | <b>719</b>                 | <b>708</b>                 | <b>4,435</b>               | <b>3,258</b>               |



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**Bonfiglioli Transmissions Private Limited**

**Notes forming part of the financial statements as at and for the year ended December 31, 2023**

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

**7 Deferred tax assets**

The balance comprises temporary differences attributable to:

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

**Movement in deferred tax assets**

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

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

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

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

**8.1 Inventories:** Refer note 14.1 for details on encumbrances on inventories

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

**9 Trade receivables**

|                                                                  |               |               |
|------------------------------------------------------------------|---------------|---------------|
| Trade receivables                                                | 30,845        | 27,318        |
| Trade receivables from related parties (Refer note 36)           | 10,574        | 10,785        |
| Less: Allowance for doubtful debts                               | (386)         | (430)         |
| <b>Total</b>                                                     | <b>41,033</b> | <b>37,673</b> |
| Current portion                                                  | 41,033        | 37,673        |
| Non-current portion                                              | -             | -             |
| <b>Break up of security details</b>                              |               |               |
| Trade receivables considered good - Secured                      | 1,287         | 1,965         |
| Trade receivables considered good - Unsecured                    | 39,746        | 35,708        |
| Trade receivables which have significant increase in credit risk | 147           | 181           |
| Trade receivables - credit impaired                              | 239           | 249           |
|                                                                  | <b>41,419</b> | <b>38,103</b> |
| Less: Allowance for doubtful debts                               | (386)         | (430)         |
| Less: Allowance for doubtful debts                               |               |               |
| Trade receivables which have significant increase in credit risk | (147)         | (181)         |
| Trade receivables - credit impaired                              | (239)         | (249)         |
| <b>Total</b>                                                     | <b>41,033</b> | <b>37,673</b> |

**9.1 Movement in provision of Allowance for bad and doubtful debts**

|                                                  |              |              |
|--------------------------------------------------|--------------|--------------|
| Amount as at the beginning of the year           | (430)        | (640)        |
| Add: (Provision) / reversal made during the year | 39           | (11)         |
| Less: Utilized from reserve                      | 5            | 221          |
| <b>Amount as at the end of the year</b>          | <b>(386)</b> | <b>(430)</b> |

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

**Trade receivables ageing schedule**
**For the year ended 31st December 2023**

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





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

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

**For the year ended 31st December 2022**

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

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

11.1 Held as lien by bank against bank guarantees.



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

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

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

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

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

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

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

|                                                                                                | As at<br>December 31, 2023 |        | As at<br>December 31, 2022 |        |
|------------------------------------------------------------------------------------------------|----------------------------|--------|----------------------------|--------|
| Equity shares held by<br>Bonfiglioli S.p.a, Italy,<br>the holding company,<br>and its nominees | 127.941.176                | 12.794 | 127.941.176                | 12.794 |

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

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

**(e) Details of Shareholding by promoters**

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

**12.1** Equity shares are not listed in any stock exchange.


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

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

|                                                                                                                                                                                                                                                                                                                                                     | As at<br>December 31, 2023 | As at<br>December 31, 2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>13 Other equity</b>                                                                                                                                                                                                                                                                                                                              |                            |                            |
| Reserves and surplus                                                                                                                                                                                                                                                                                                                                |                            |                            |
| (i) Securities premium (Refer note 13.2)                                                                                                                                                                                                                                                                                                            | 3,093                      | 3,093                      |
| (ii) Retained earnings                                                                                                                                                                                                                                                                                                                              | 64,328                     | 56,332                     |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                        | <b>67,421</b>              | <b>59,425</b>              |
| <b>13.1 Reserves and surplus</b>                                                                                                                                                                                                                                                                                                                    |                            |                            |
| <b>(a) Securities premium</b>                                                                                                                                                                                                                                                                                                                       |                            |                            |
| Balance as at the beginning of the year                                                                                                                                                                                                                                                                                                             | 3,093                      | 3,093                      |
| Add: Pursuant to allotment of right issue equity shares                                                                                                                                                                                                                                                                                             | -                          | -                          |
| <b>Balance as at the end of the year</b>                                                                                                                                                                                                                                                                                                            | <b>3,093</b>               | <b>3,093</b>               |
| <b>(b) Retained earnings</b>                                                                                                                                                                                                                                                                                                                        |                            |                            |
| Balance as at the beginning of the year                                                                                                                                                                                                                                                                                                             | 56,332                     | 55,414                     |
| Less: Dividend Paid to the Share holders                                                                                                                                                                                                                                                                                                            | (6,556)                    | (16,390)                   |
| Add: Profit for the year                                                                                                                                                                                                                                                                                                                            | 14,953                     | 17,145                     |
| Remeasurements of post-employment benefit obligations, net of tax                                                                                                                                                                                                                                                                                   | (401)                      | 163                        |
| <b>Balance as at the end of the year</b>                                                                                                                                                                                                                                                                                                            | <b>64,328</b>              | <b>56,332</b>              |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                        | <b>67,421</b>              | <b>59,425</b>              |
| <b>13.2 Nature and purpose of other reserves</b>                                                                                                                                                                                                                                                                                                    |                            |                            |
| <b>Securities premium</b>                                                                                                                                                                                                                                                                                                                           |                            |                            |
| Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shared in accordance with the provisions of the Companies Act. 2013.                                                                                                                           |                            |                            |
| <b>Retained Earnings</b>                                                                                                                                                                                                                                                                                                                            |                            |                            |
| Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. |                            |                            |



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

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

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

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

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

**14.3 Net debt reconciliation:**

| Movement                               | December 31, 2023 | December 31, 2022 |
|----------------------------------------|-------------------|-------------------|
| Current borrowings                     | 11,079            | 14,374            |
| Interest accrued and due on borrowings | 18                | 20                |
| <b>Net debt</b>                        | <b>11,097</b>     | <b>14,394</b>     |

|                                        | Non-current       |                   | Current           |                   |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                        | As at             | As at             | As at             | As at             |
|                                        | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| <b>15 Other financial liabilities</b>  |                   |                   |                   |                   |
| Interest accrued and due on borrowings | -                 | -                 | 18                | 20                |
| Other interest accrued and due         | -                 | -                 | -                 | 3                 |
| Capital creditors                      | -                 | -                 |                   |                   |
| MSME (Refer note 33)                   |                   |                   | 745               | 294               |
| Non-MSME                               |                   |                   | 1,241             | 643               |
| Employee benefits payable              | 203               | 110               | 754               | 967               |
| Foreign exchange forward contracts     | -                 | -                 | -                 | 234               |
| <b>Total</b>                           | <b>203</b>        | <b>110</b>        | <b>2,759</b>      | <b>2,161</b>      |

**16 Provisions**

Provision for employee benefits:

|                                        |     |     |     |     |
|----------------------------------------|-----|-----|-----|-----|
| Compensated absences (Refer note 35.1) | 621 | 457 | 94  | 78  |
| Gratuity                               | -   | -   | 667 | 210 |

Other provisions:

|                                                  |     |     |       |       |
|--------------------------------------------------|-----|-----|-------|-------|
| Provision for product warranty (Refer note 16.1) | 455 | 443 | 1,336 | 1,131 |
| Others (Refer note 16.2)                         | -   | -   | 1,047 | 688   |

|              |              |            |              |              |
|--------------|--------------|------------|--------------|--------------|
| <b>Total</b> | <b>1,076</b> | <b>900</b> | <b>3,144</b> | <b>2,107</b> |
|--------------|--------------|------------|--------------|--------------|

**16.1 Movement in provision for product warranty**

|                                                  |  |  |              |              |
|--------------------------------------------------|--|--|--------------|--------------|
| Amount as at the beginning of the year           |  |  | 1,574        | 1,508        |
| Add: Provision / (reversal) made during the year |  |  | 1,004        | 743          |
| Less: Claims settled during the year             |  |  | (787)        | (677)        |
| <b>Amount as at the end of the year</b>          |  |  | <b>1,791</b> | <b>1,574</b> |

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

**16.2 Movement of Other provisions**

|                                                          |  |  |              |            |
|----------------------------------------------------------|--|--|--------------|------------|
| Amount as at the beginning of the year                   |  |  | 688          | 797        |
| Add: Provision made during the year (Sales tax - C Form) |  |  | -            | 11         |
| Add: Provisions made during the year (Income tax)        |  |  | 382          | 46         |
| Less: Provision used against payment during the year     |  |  | (23)         | (166)      |
| <b>Amount as at the end of the year</b>                  |  |  | <b>1,047</b> | <b>688</b> |

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

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



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

|                                                      | Non-current                |                            | Current                    |                            |
|------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                      | As at<br>December 31, 2023 | As at<br>December 31, 2022 | As at<br>December 31, 2023 | As at<br>December 31, 2022 |
| <b>18 Tax assets (net)</b>                           |                            |                            |                            |                            |
| Opening balance                                      | 355                        | 49                         | 709                        | 965                        |
| Refund / written off the refund made during the year | (86)                       | 306                        | -                          | -                          |
| Less: Provision for current tax                      | -                          | -                          | (5,673)                    | (5,925)                    |
| Advance income tax and tax deducted at source        | -                          | -                          | 5,889                      | 5,669                      |
| <b>Closing balance</b>                               | <b>269</b>                 | <b>355</b>                 | <b>925</b>                 | <b>709</b>                 |

|                                                                            |               |  |               |  |
|----------------------------------------------------------------------------|---------------|--|---------------|--|
| <b>19 Trade payables</b>                                                   |               |  |               |  |
| <b>Current</b>                                                             |               |  |               |  |
| Total outstanding dues of micro and small enterprises (Refer note 33)      | 5,765         |  | 4,679         |  |
| Total outstanding dues of creditors other than micro and small enterprises |               |  |               |  |
| Acceptances                                                                | 78            |  | 1,084         |  |
| Payables to related parties (Refer note 36)                                | 14,119        |  | 11,145        |  |
| Payables to others                                                         | 18,196        |  | 11,265        |  |
|                                                                            | <b>32,393</b> |  | <b>23,494</b> |  |
| <b>Total</b>                                                               | <b>38,158</b> |  | <b>28,173</b> |  |

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

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

**For the year ended 31st December 2022**

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

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

|                                     |              |  |              |  |
|-------------------------------------|--------------|--|--------------|--|
| <b>20 Other current liabilities</b> |              |  |              |  |
| Statutory dues                      |              |  |              |  |
|                                     | 1,358        |  | 1,011        |  |
| <b>Total</b>                        | <b>1,358</b> |  | <b>1,011</b> |  |

|                                |            |  |            |  |
|--------------------------------|------------|--|------------|--|
| <b>21 Contract liabilities</b> |            |  |            |  |
| Advances from customers        |            |  |            |  |
|                                | 313        |  | 237        |  |
|                                | <b>313</b> |  | <b>237</b> |  |



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

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

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

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

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

|                                                                              | Year ended<br>December 31, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Year ended<br>December 31, 2022 |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b>24 Cost of materials consumed</b>                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| Raw materials and components consumed:                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| Opening inventory                                                            | 7,550                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 8,077                           |
| Add: Purchases (net)                                                         | 115,333                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 98,661                          |
| Less: Inventory as at the end of the year                                    | 9,755                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 7,550                           |
| <b>Total</b>                                                                 | <b>113,128</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>99,188</b>                   |
| <b>25 Changes in inventories of finished goods and work-in-progress</b>      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| <b>Stock as at the beginning of the year</b>                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| Finished goods                                                               | 6,345                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 7,303                           |
| Work-in-progress                                                             | 12,389                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 11,471                          |
| <b>Total (A)</b>                                                             | <b>18,734</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>18,774</b>                   |
| <b>Stock as at the end of the year</b>                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| Finished goods                                                               | 7,269                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 6,345                           |
| Work-in-progress                                                             | 16,132                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 12,389                          |
| <b>Total (B)</b>                                                             | <b>23,401</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>18,734</b>                   |
| <b>Increase in inventories of finished goods and work-in- progress (A-B)</b> | <b>(4,667)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>40</b>                       |
| <b>26 Employee benefits expense</b>                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| Salaries, wages and bonus                                                    | 9,614                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 8,141                           |
| Contribution to:                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| Provident fund (Defined contribution plan) (Refer note 35.2)                 | 555                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 456                             |
| Gratuity (Defined benefit plan) (Refer note 35.3)                            | 166                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 383                             |
| Staff welfare expenses                                                       | 521                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 474                             |
| <b>Total</b>                                                                 | <b>10,856</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>9,454</b>                    |
| <b>26.1</b>                                                                  | The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant. |                                 |
| <b>27 Depreciation and amortisation expense</b>                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| Depreciation of property, plant and equipment (Refer note 3)                 | 3,206                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3,037                           |
| Amortisation of intangible assets (Refer note 3)                             | 94                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 81                              |
| Amortisation - Right-of-use asset (Refer note 3)                             | 501                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 395                             |
| <b>Total</b>                                                                 | <b>3,801</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>3,513</b>                    |
| <b>28 Finance costs</b>                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |
| Interest on borrowings                                                       | 776                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 329                             |
| Interest on lease liabilities                                                | 53                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 60                              |
| Other borrowing costs                                                        | 486                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 339                             |
| <b>Total</b>                                                                 | <b>1,315</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>728</b>                      |



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

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

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

\*Represents amount less than INR 1 Lakh.



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

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

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




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

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

**31 IND AS 116 - Lease Disclosure**

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

There are several lease contracts that include extension and termination options which are further discussed below.

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

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

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

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

| Particulars                    | 31-Dec-23  | 31-Dec-22  |
|--------------------------------|------------|------------|
| Current                        | 366        | 371        |
| Non Current                    | 601        | 196        |
| <b>Total Lease Liabilities</b> | <b>967</b> | <b>567</b> |

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

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

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

| Particulars          | 31-Dec-23  | 31-Dec-22  |
|----------------------|------------|------------|
| Less than one year   | 366        | 423        |
| One to five years    | 601        | 214        |
| More than five years | -          | -          |
| <b></b>              | <b>967</b> | <b>637</b> |

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

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

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

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

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

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



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

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

**33 Dues to micro and small enterprises**

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

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

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

**34 Segment information**
**(a) Description of segments and principal activities**

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

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

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

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

**(d) Details of sale of products and Services**

| Particulars  | December 31, 2023 | December 31, 2022 |
|--------------|-------------------|-------------------|
| Gear box     | 96,174            | 88,078            |
| Gear motor   | 52,319            | 51,345            |
| Others       | 21,362            | 16,796            |
| <b>Total</b> | <b>169,855</b>    | <b>156,219</b>    |



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

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

**35 Employee benefit obligations**

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

**35.1 Compensated absences**

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

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

**Post-employment obligations**
**35.2 Defined contribution plan - Provident fund**

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

**Amount recognised in statement of profit and loss**

| Particulars    | Year ended<br>December 31,<br>2023 | Year ended<br>December 31,<br>2022 |
|----------------|------------------------------------|------------------------------------|
| Provident fund | 555                                | 456                                |
| <b>Total</b>   | <b>555</b>                         | <b>456</b>                         |

**35.3 Defined benefit plan - Gratuity**

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

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

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



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

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

| Particulars                                                                    | Present value of obligation | Fair value of plan assets | Net amount |
|--------------------------------------------------------------------------------|-----------------------------|---------------------------|------------|
| <b>Jan 1, 2023</b>                                                             | <b>1,612</b>                | <b>1,402</b>              | <b>210</b> |
| Current service cost                                                           | 166                         | -                         | 166        |
| Interest expense/(income)                                                      | 115                         | 105                       | 10         |
| Past service costs                                                             | -                           | -                         | -          |
| <b>Total amount recognised in profit or loss</b>                               | <b>281</b>                  | <b>105</b>                | <b>176</b> |
| <i>Remeasurements:</i>                                                         |                             |                           |            |
| (Gain)/loss from change in demographic                                         | (18)                        | -                         | (18)       |
| (Gain)/loss from change in financial                                           | 383                         | -                         | 383        |
| Effect of Experience (gains)/losses                                            | 161                         | -                         | 161        |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | (9)                       | 9          |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>526</b>                  | <b>(9)</b>                | <b>535</b> |
| Employer contributions                                                         | -                           | 254                       | (254)      |
| Benefit payments                                                               | (77)                        | (77)                      | -          |
| <b>December 31, 2023</b>                                                       | <b>2,342</b>                | <b>1,675</b>              | <b>667</b> |

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

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

**(b) Significant actuarial assumptions**

The significant actuarial assumptions were as follows:

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

**Notes:**

- The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.
- The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

**(c) Sensitivity analysis**

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

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

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

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



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

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

**(d) Plan assets**

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

**(e) Risk exposure**

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

**Asset volatility**

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

**Changes in bond yields**

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

**(f) Defined benefit liability and employer contributions**

Expected contributions to post-employment benefit plan for the year ending December 31, 2023 is Rs. 232 lakhs. (December 31, 2022 is Rs. 158 lakhs.)

The weighted average duration of the defined benefit obligation is 8 years (December 31, 2022 - 8 years).

The expected maturity analysis of undiscounted gratuity is as follows:

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



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

**35 Related party transactions**

**A Name of related parties and nature of relationship**

**(i) Where control exists**

Ultimate Holding Company  
Holding company

**Year ended December 31, 2023**

Bon-Fi SRL  
Bonfiglioli S.p.A.

**Year ended December 31, 2022**

Bon-Fi SRL  
Bonfiglioli S.p.A.

**(ii) Other related parties with whom transactions have taken place during the year**

**Fellow subsidiaries**

Bonfiglioli Transmission (Aust.) Pty Ltd - Australia  
Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand  
Bonfiglioli Vectron GmbH  
Bonfiglioli South Africa Pty Ltd.  
Bonfiglioli U.S.A. Inc.  
Bonfiglioli Vietnam Co. Ltd  
Bonfiglioli Riduttori S.p.A.  
Bonfiglioli Cuc Aktarma VE  
Bonfiglioli (U.K) Ltd  
Bonfiglioli South East Asia Pte. Ltd.  
Bonfiglioli Trading (Shanghai) Co. Ltd  
Ternotrans Bonfiglioli SA  
Bonfiglioli Deutschland GmbH  
Bonfiglioli Drives (Shanghai) Co. Ltd  
Bonfiglioli Slovakia sro  
Bonfiglioli Redutores do Brasil Industria e comercio Ltd  
Bonfiglioli Transmission S.A.S  
O&K Antriebstechnik GmbH  
Bonfiglioli Drive Solutions Private Ltd  
Bonfiglioli Swiss SA  
Bonfiglioli Canada Inc.  
Bonfiglioli Renewable Power Conversion India Private Limited  
Selcom Group S.p.A.  
Selcom Electronics (Shanghai) Co., Ltd.

Bonfiglioli Transmission (Aust.) Pty Ltd - Australia  
Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand  
Bonfiglioli Vectron GmbH  
Bonfiglioli South Africa Pty Ltd.  
Bonfiglioli U.S.A. Inc.  
Bonfiglioli Vietnam Co. Ltd  
Bonfiglioli Riduttori S.p.A.  
Bonfiglioli Cuc Aktarma VE  
Bonfiglioli (U.K) Ltd  
Bonfiglioli South East Asia Pte. Ltd.  
Bonfiglioli Trading (Shanghai) Co. Ltd  
Ternotrans Bonfiglioli SA  
Bonfiglioli Deutschland GmbH  
Bonfiglioli Drives (Shanghai) Co. Ltd  
Bonfiglioli Slovakia sro  
Bonfiglioli Redutores do Brasil Industria e comercio Ltd  
Bonfiglioli Transmission S.A.S  
O&K Antriebstechnik GmbH  
Bonfiglioli Drive Solutions Private Ltd  
Bonfiglioli Swiss SA  
Bonfiglioli Canada Inc.  
Bonfiglioli Renewable Power Conversion India Private Limited

**(iii) Enterprises significantly influenced by the Company**

Clementino Bonfiglioli Charitable Trust

Clementino Bonfiglioli Charitable Trust

**(iv) Key management personnel**

Mrs. Sonia Bonfiglioli, Chairman  
Mr. Fausto Carboni, Director  
Mr. Ravi Pisharody, Director  
Mr. G.A Balaji, CFO & Director  
Mr. Kennedy v Kaipally, Director

Mrs. Sonia Bonfiglioli, Chairman  
Mr. Fausto Carboni, Director  
Mr. Ravi Pisharody, Director  
Mr. G.A Balaji, CFO & Director  
Mr. Kennedy v Kaipally, Director  
Ms. Hindhu Mudhawi M. Company Secretary (till April 21, 2023)

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



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

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

**B Particulars of transactions and balances with related parties**

| Description                                              | Holding company   |                   | Fellow subsidiaries |                   | Total             |                   |
|----------------------------------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
|                                                          | December 31, 2023 | December 31, 2022 | December 31, 2023   | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| <b>(a) Transactions during the year</b>                  |                   |                   |                     |                   |                   |                   |
| <b>Sale of goods</b>                                     |                   |                   |                     |                   |                   |                   |
| Bonfiglioli Transmission (Aust.) Pty Ltd - Australia     | -                 | -                 | 1,025               | 1,175             | 1,025             | 1,175             |
| Bonfiglioli Vietnam Co. Ltd                              | -                 | -                 | 375                 | 276               | 375               | 276               |
| Bonfiglioli U.S.A. Inc.                                  | -                 | -                 | 3,288               | 1,791             | 3,288             | 1,791             |
| Bonfiglioli Slovakia sro                                 | -                 | -                 | 1,768               | 1,012             | 1,768             | 1,012             |
| Bonfiglioli South Africa Pty Ltd.                        | -                 | -                 | 82                  | 7                 | 82                | 7                 |
| Bonfiglioli Transmission S.A.S                           | -                 | -                 | 2,161               | 2,989             | 2,161             | 2,989             |
| Bonfiglioli Redutores do Brasil Industria e Comercio Ltd | -                 | -                 | 258                 | 986               | 258               | 986               |
| Bonfiglioli Transmission (Aust.) Pty Ltd - New Zealand   | -                 | -                 | 182                 | 88                | 182               | 88                |
| Bonfiglioli Drives (Shanghai) Co. Ltd                    | -                 | -                 | 895                 | 1,635             | 895               | 1,635             |
| Bonfiglioli Deutschland GmbH                             | -                 | -                 | 5,710               | 7,755             | 5,710             | 7,755             |
| Bonfiglioli Riduttori S.p.A.                             | -                 | -                 | 3,362               | 3,339             | 3,362             | 3,339             |
| Bonfiglioli Guc Aktarma VE                               | -                 | -                 | 862                 | 632               | 862               | 632               |
| Bonfiglioli (U.K) Ltd                                    | -                 | -                 | 604                 | 941               | 604               | 941               |
| Bonfiglioli South East Asia Pte. Ltd.                    | -                 | -                 | 376                 | 770               | 376               | 770               |
| Bonfiglioli Trading (Shanghai) Co. Ltd.                  | -                 | -                 | 4,993               | 3,145             | 4,993             | 3,145             |
| Tecnotrans Bonfiglioli SA                                | -                 | -                 | 531                 | 856               | 531               | 856               |
| O&K Antriebstechnik GmbH*                                | -                 | -                 | -                   | 0                 | -                 | 0                 |
| <b>Total</b>                                             | -                 | -                 | <b>26,674</b>       | <b>27,398</b>     | <b>26,674</b>     | <b>27,398</b>     |
| <b>Sale of services</b>                                  |                   |                   |                     |                   |                   |                   |
| Bonfiglioli S.p.A.                                       | 2,950             | 2,317             | -                   | -                 | 2,950             | 2,317             |
| Bonfiglioli Vectron GmbH                                 | -                 | -                 | -                   | -                 | -                 | -                 |
| Bonfiglioli Riduttori S.p.A.                             | -                 | -                 | 27                  | 9                 | 27                | 9                 |
| Bonfiglioli Drives (Shanghai) Co. Ltd                    | -                 | -                 | 2                   | 3                 | 2                 | 3                 |
| Bonfiglioli Trading (Shanghai) Co. Ltd.                  | -                 | -                 | 37                  | 9                 | 37                | 9                 |
| Bonfiglioli Transmission S.A.S                           | -                 | -                 | -                   | 2                 | -                 | 2                 |
| Bonfiglioli Deutschland GmbH                             | -                 | -                 | 1                   | 6                 | 1                 | 6                 |
| O&K Antriebstechnik GmbH                                 | -                 | -                 | 103                 | 83                | 103               | 83                |
| Bonfiglioli Slovakia sro                                 | -                 | -                 | -                   | -                 | -                 | -                 |
| Bonfiglioli South East Asia Pte. Ltd.*                   | -                 | -                 | 1                   | 0                 | 1                 | 0                 |
| Bonfiglioli Vietnam Co. Ltd                              | -                 | -                 | -                   | 7                 | -                 | 7                 |
| Tecnotrans Bonfiglioli SA                                | -                 | -                 | -                   | 2                 | -                 | 2                 |
| Bonfiglioli Vectron GmbH                                 | -                 | -                 | 77                  | 10                | 77                | 10                |
| Bonfiglioli Drive Solutions Private Ltd                  | -                 | -                 | 18                  | 13                | 18                | 13                |
| <b>Total</b>                                             | <b>2,950</b>      | <b>2,317</b>      | <b>266</b>          | <b>146</b>        | <b>3,216</b>      | <b>2,464</b>      |
| <b>Commission income</b>                                 |                   |                   |                     |                   |                   |                   |
| Bonfiglioli Riduttori S.p.A.                             | -                 | -                 | 20                  | 42                | 20                | 42                |
| O&K Antriebstechnik GmbH                                 | -                 | -                 | 18                  | 8                 | 18                | 8                 |
| <b>Total</b>                                             | -                 | -                 | <b>38</b>           | <b>50</b>         | <b>38</b>         | <b>50</b>         |


*h*

| Bonfiglioli Transmissions Private Limited                                                     |                   |                   |                     |                   |                   |                   |
|-----------------------------------------------------------------------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| Notes forming part of the financial statements as at and for the year ended December 31, 2023 |                   |                   |                     |                   |                   |                   |
| (All amounts in Rs. lakhs, unless otherwise stated)                                           |                   |                   |                     |                   |                   |                   |
| B Particulars of transactions and balances with related parties                               |                   |                   |                     |                   |                   |                   |
| Description                                                                                   | Holding company   |                   | Fellow subsidiaries |                   | Total             |                   |
|                                                                                               | December 31, 2023 | December 31, 2022 | December 31, 2023   | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| <b>Purchase of goods</b>                                                                      |                   |                   |                     |                   |                   |                   |
| Bonfiglioli Drives (Shanghai) Co. Ltd                                                         | -                 | -                 | 74                  | 22                | 74                | 22                |
| Bonfiglioli Vietnam Co. Ltd                                                                   | -                 | -                 | -                   | -                 | -                 | -                 |
| Bonfiglioli Vectron GmbH                                                                      | -                 | -                 | 30                  | 17                | 30                | 17                |
| Bonfiglioli Deutschland GmbH                                                                  | -                 | -                 | 1                   | 47                | 1                 | 47                |
| Bonfiglioli U.S.A. Inc.                                                                       | -                 | -                 | 4                   | 23                | 4                 | 23                |
| Bonfiglioli Riduttori S.p.A.                                                                  | -                 | -                 | 23,033              | 16,284            | 23,033            | 16,284            |
| Bonfiglioli Redutores do Brasil Industria e Comercio Ltd                                      | -                 | -                 | 1                   | 0                 | 1                 | 0                 |
| Bonfiglioli Transmission (Aust.) Pty Ltd - Australia                                          | -                 | -                 | 2                   | 6                 | 2                 | 6                 |
| Bonfiglioli South Africa Pty Ltd.                                                             | -                 | -                 | 7                   | 9                 | 7                 | 9                 |
| Bonfiglioli (U.K) Ltd*                                                                        | -                 | -                 | -                   | 0                 | -                 | 0                 |
| Bonfiglioli Transmission S.A.S                                                                | -                 | -                 | 0                   | -                 | 0                 | 0*                |
| Tecnotrans Bonfiglioli SA*                                                                    | -                 | -                 | -                   | (0)               | -                 | (0)               |
| O&K Antriebstechnik GmbH                                                                      | -                 | -                 | 12                  | 1                 | 12                | 1                 |
| Bonfiglioli Trading (Shanghai) Co. Ltd.                                                       | -                 | -                 | 118                 | -                 | 118               | -                 |
| Bonfiglioli Drive Solutions Private Limited                                                   | -                 | -                 | 172                 | -                 | 172               | -                 |
| Bonfiglioli Guc Aktarma VE*                                                                   | -                 | -                 | 0                   | 0                 | 0                 | 0                 |
| <b>Total</b>                                                                                  | -                 | -                 | <b>23,455</b>       | <b>16,410</b>     | <b>23,455</b>     | <b>16,410</b>     |
| <b>Professional fees</b>                                                                      |                   |                   |                     |                   |                   |                   |
| Bonfiglioli S.p.A.                                                                            | 4,412             | 3,711             | -                   | -                 | 4,412             | 3,711             |
| <b>Total</b>                                                                                  | <b>4,412</b>      | <b>3,711</b>      | -                   | -                 | <b>4,412</b>      | <b>3,711</b>      |
| <b>Sales commission expense</b>                                                               |                   |                   |                     |                   |                   |                   |
| Bonfiglioli U.S.A. Inc.                                                                       | -                 | -                 | 251                 | 237               | 251               | 237               |
| <b>Total</b>                                                                                  | -                 | -                 | <b>251</b>          | <b>237</b>        | <b>251</b>        | <b>237</b>        |
| <b>Repairs and Maintenance</b>                                                                |                   |                   |                     |                   |                   |                   |
| Bonfiglioli Riduttori S.p.A.                                                                  | -                 | -                 | -                   | 1                 | -                 | 1                 |
| <b>Total</b>                                                                                  | -                 | -                 | -                   | <b>1</b>          | -                 | <b>1</b>          |
| <b>Rates and Taxes</b>                                                                        |                   |                   |                     |                   |                   |                   |
| Bonfiglioli Vietnam Co. Ltd*                                                                  | -                 | -                 | -                   | 0                 | -                 | 0                 |
| Bonfiglioli Drives (Shanghai) Co. Ltd*                                                        | -                 | -                 | 0                   | 0                 | 0                 | 0                 |
| <b>Total</b>                                                                                  | -                 | -                 | <b>0</b>            | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Miscellaneous expenses</b>                                                                 |                   |                   |                     |                   |                   |                   |
| Bonfiglioli Riduttori S.p.A.                                                                  | -                 | -                 | 6                   | 5                 | 6                 | 5                 |
| Bonfiglioli Drives (Shanghai) Co. Ltd                                                         | -                 | -                 | 5                   | -                 | 5                 | -                 |
| Bonfiglioli Slovakia sro                                                                      | -                 | -                 | 6                   | -                 | 6                 | -                 |
| Bonfiglioli Vietnam Co. Ltd                                                                   | -                 | -                 | -                   | 1                 | -                 | 1                 |
| Bonfiglioli Vectron GmbH*                                                                     | -                 | -                 | -                   | 0                 | -                 | 0                 |
| Bonfiglioli Redutores do Brasil Industria e Comercio Ltd                                      | -                 | -                 | -                   | 11                | -                 | 11                |
| Bonfiglioli (U.K) Ltd                                                                         | -                 | -                 | 2                   | -                 | 2                 | -                 |
| Bonfiglioli U.S.A. Inc.                                                                       | -                 | -                 | 6                   | 2                 | 6                 | 2                 |
| <b>Total</b>                                                                                  | -                 | -                 | <b>26</b>           | <b>20</b>         | <b>26</b>         | <b>20</b>         |
| <b>Royalty</b>                                                                                |                   |                   |                     |                   |                   |                   |
| Bonfiglioli S.p.A.                                                                            | 7,413             | 6,416             | -                   | -                 | 7,413             | 6,416             |
| <b>Total</b>                                                                                  | <b>7,413</b>      | <b>6,416</b>      | -                   | -                 | <b>7,413</b>      | <b>6,416</b>      |
| <b>Donation</b>                                                                               |                   |                   |                     |                   |                   |                   |
| Clementino Bonfiglioli Charitable Trust                                                       | -                 | -                 | 32                  | 29                | 32                | 29                |
| <b>Total</b>                                                                                  | -                 | -                 | <b>32</b>           | <b>29</b>         | <b>32</b>         | <b>29</b>         |
| <b>Dividend Paid</b>                                                                          |                   |                   |                     |                   |                   |                   |
| Bonfiglioli S.p.A.                                                                            | 6,397             | 15,993            | -                   | -                 | 6,397             | 15,993            |
| Bonfiglioli Vectron GmbH                                                                      | -                 | -                 | 159                 | 398               | 159               | 398               |
| <b>Total</b>                                                                                  | <b>6,397</b>      | <b>15,993</b>     | <b>159</b>          | <b>398</b>        | <b>6,556</b>      | <b>16,390</b>     |



**B Particulars of transactions and balances with related parties**

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

**C Key Managerial Person**

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

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

|                              |             |             |
|------------------------------|-------------|-------------|
| <b>Director Remuneration</b> | <b>2023</b> | <b>2022</b> |
| Mr. Ravi Pisharody           | 20          | 20          |

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

**Transaction with related party - Transfer price:**

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

\*Represents amount less than INR 1 Lakh.



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

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

**37 Fair value measurements**
**(a) Financial instruments by category and hierarchy**

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

**(b) Fair value hierarchy**

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

**Hierarchy:**

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

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

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

**(c) Valuation process**

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

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

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

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

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

**Bonfiglioli Transmissions Private Limited**
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(All amounts in Rs. lakhs, unless otherwise stated)

**38 Financial risk management**

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

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

**(A) Credit risk**

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

**(i) Credit risk management**

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

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

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

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

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

**(ii) Provision for expected credit losses**

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

**Year ended December 31, 2023:**

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

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

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

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



**Bonfiglioli Transmissions Private Limited**
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(All amounts in Rs. lakhs, unless otherwise stated)

**Year ended December 31, 2022:**

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

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

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

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

**(iv) Reconciliation of loss allowance provision**
**(a) Other financial assets**

There is no loss allowance provision created for other financial assets.

**(b) Trade receivables**

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

|                                                        |            |
|--------------------------------------------------------|------------|
| <b>Loss allowance on December 31, 2022</b>             | <b>430</b> |
| Changes in loss allowance - changes in risk parameters | (44)       |
| <b>Loss allowance on December 31, 2023</b>             | <b>386</b> |

**(B) Liquidity risk**

Liquidity risk refers to risk that the Company cannot meet its financial obligations. The objective of a prudent liquidity risk management is to maintain sufficient liquidity and ensure availability of funds to meet its obligations through:

(a) internal financing by way of daily cash flow projection

(b) fund and non-fund based working capital limits from various banks.

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

**(i) Financing arrangements**

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

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

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



**Bonfiglioli Transmissions Private Limited**
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(All amounts in Rs. lakhs, unless otherwise stated)

## (ii) Contractual maturities of financial liabilities:

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

**(C) Market risk**

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

**(i) Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions on account of sale / purchase of goods denominated in a currency that is not the Company's functional currency (Rs). The risk is measured through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held.

The company review the import and exports in specific currency and if there be the need to make payment over and above the receivables, then forward cover is taken to cover the exposure.

**a) Foreign currency exposure**

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

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

| <u>Derivative</u>                  | December 31, 2023           |                                  | December 31, 2022           |                                  |
|------------------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|
|                                    | Derivative financial assets | Derivative financial liabilities | Derivative financial assets | Derivative financial liabilities |
| Foreign exchange forward contracts | 42                          | -                                | -                           | 234                              |
| <b>Total</b>                       | <b>42</b>                   | <b>-</b>                         | <b>-</b>                    | <b>234</b>                       |



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

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

**b) Sensitivity**

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

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

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

\* Holding all other variables constant.

**(ii) Cash flow and fair value interest rate risk**

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

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

**a) Interest rate risk exposure**

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

|                          | December 31, 2023 | December 31, 2022 |
|--------------------------|-------------------|-------------------|
| Variable rate borrowings | 11,079            | 14,374            |
| <b>Total</b>             | <b>11,079</b>     | <b>14,374</b>     |

**b) Sensitivity**

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

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

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



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

**39 Capital management**

**Risk management**

The Company's objectives when managing capital are to:

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

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

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

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

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

|               | As at<br>December 31, 2023 | As at<br>December 31, 2022 |
|---------------|----------------------------|----------------------------|
| Total equity  | 80,533                     | 74,537                     |
| Total debt    | 11,079                     | 14,374                     |
| Gearing ratio | 14%                        | 20%                        |

**40 Dividend Distribution:**

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

**41 Contingent liabilities and Commitments**

**A. Contingent liabilities**

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

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

**B. Commitments**

| Particulars                                                                                     | As at December<br>31, 2023 | As at December<br>31, 2022 |
|-------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for. | 3,627                      | 4,159                      |

**42 Following Ratios to be disclosed:-**

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

Note: Reason for Variance more than 25%.

**(b) Debt-Equity Ratio**

Due to decrease in the borrowing at the year end

**(c) Debt Service Coverage Ratio (Times)**

Due to decrease in the borrowing at the year end & Reduction in Profit

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

- a) The Company does not have any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- b) The Company is not declared as a willful defaulter by any bank or financial Institution or other lender.
- c) The Company has balance with below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

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



## Bonfiglioli Transmissions Private Limited

Notes forming part of the financial statements as at and for the year ended December 31, 2023

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

- d) The Company does not have any charges or satisfaction to be registered with ROC beyond stipulated statutory period.
- e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide any guarantee, security or the link on behalf of the Ultimate Beneficiaries.
- g) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or funds of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- h) The Company has not granted any loans or advances in nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other persons. Hence disclosure under clause (v) of Schedule III of The Companies Act 2013, is not applicable.
- i) There are no scheme of arrangements approved. Hence disclosure under clause (xvi) of Schedule III of The Companies Act 2013, is not applicable.
- j) There are no transactions in the nature of undisclosed income or income surrendered which needs to be accounted in the books of accounts during the year in the tax assessments under the Income Tax Act, 1961.

## 44 Corporate Social Responsibility (CSR)

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

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

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

| (v) Details related to spent / unspent obligations:                       | As at December 31, 2023 | As at December 31, 2022 |
|---------------------------------------------------------------------------|-------------------------|-------------------------|
| a) Contribution to Public Trust                                           |                         |                         |
| b) Contribution to Charitable Trust                                       | 85                      | 74                      |
| c) Contribution to Enhancing Vocation Skills                              | 280                     | 268                     |
| d) Contribution to Ensuring environmental sustainability                  | 5                       | 43                      |
| e) Contribution to Promoting health care including preventing health care | -                       | -                       |
| f) Unspent amount in related to:                                          |                         |                         |
| - Ongoing project                                                         | 183                     | -                       |
| - Other than ongoing project                                              | -                       | 117                     |
| (vi) Total of previous years shortfall                                    | -                       | -                       |
| (vii) Reason for shortfall                                                | Planned for next year   |                         |

|                                                                                                                                                                                        |                                                                                                              |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--|
| (viii) Nature of CSR activities.                                                                                                                                                       | Promoting Education<br>Promoting Healthcare<br>Enhancement of Vocation Skills<br>Homes for women and orphans |  |
| (ix) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.                | Clementino Bonfiglioli Charitable Trust - Rs. 31.5 lakhs                                                     |  |
| (x) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately | Nil                                                                                                          |  |

## Details of Ongoing project and other than ongoing project

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

## 45 Maintenance of books and records of the Company

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

## 46 Whole time Company Secretary

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

## 47 Subsequent events

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

## 48 Previous year numbers are regrouped and reclassified wherever applicable.

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

For S.R. Batliboi &amp; Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Chirag Shah

Partner

Membership Number: 121648

Place: Chennai

Date: April 02, 2024

For and on behalf of the Board of Directors

Balaji GA

CFO &amp; Director

Din: 06630726

Place: Chennai

Date: April 02, 2024

Kendao

Director

Din: 08110794

Place: Chennai

Date: April 02, 2024

