Craftsman
AUTOMATION

26th May, 2022

To

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

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

Dear Sir/Madam,

Sub: Submission of 36th Annual Report of the Company

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2021-22 which is being sent through electronic mode to the Members.

The Annual Report and the Notice of the 36th Annual General Meeting are also uploaded on the Company's website.

Kindly take the same into your records.

Thanking you.

Yours faithfully,
for CRAFTSMAN AUTOMATION LIMITED

CRAFTSMAN AUTOMATION LIMITED SENTHEL TOWERS 4th FLOOR 1078,AVANASHI ROAD COIMBATORE-18

Shainshad Aduvanni
Company Secretary & Compliance Officer

Encl: As above

Craftsman Automation Limited

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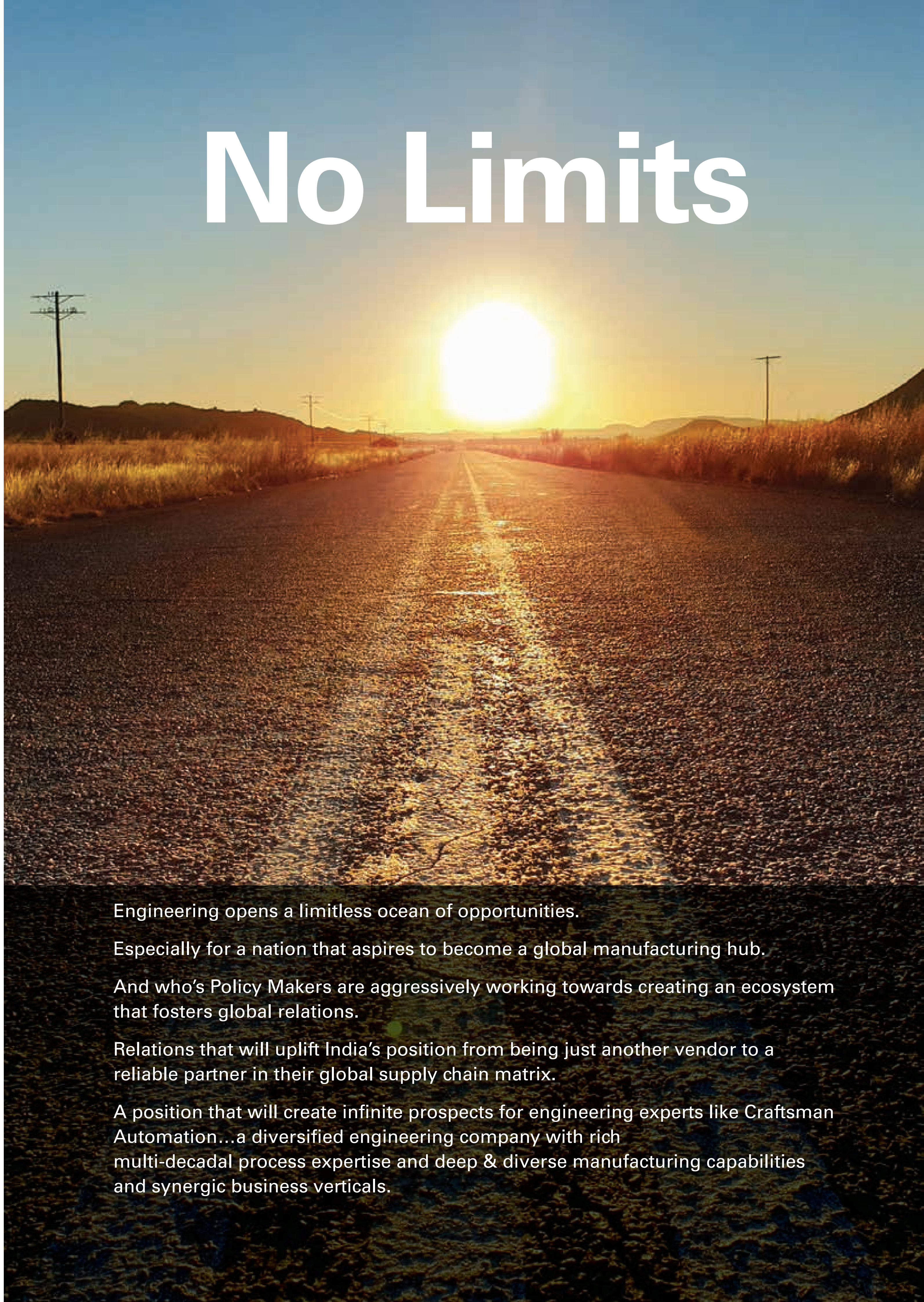
GST No : 33AABCC2461K1ZW

Annual Report - 2022

Craftsman Automation

ENGINEERING ADVANTAGE

Contents



No Limits

Engineering opens a limitless ocean of opportunities.

Especially for a nation that aspires to become a global manufacturing hub.

And who's Policy Makers are aggressively working towards creating an ecosystem that fosters global relations.

Relations that will uplift India's position from being just another vendor to a reliable partner in their global supply chain matrix.

A position that will create infinite prospects for engineering experts like Craftsman Automation…a diversified engineering company with rich multi-decadal process expertise and deep & diverse manufacturing capabilities and synergic business verticals.

For Craftsman, the opportunity basket has only begun to unfold.

43%
Revenue growth over FY21

20%
EBITDA growth over FY21

30%
EBIT growth over FY21

66%
Net Profit growth over FY21

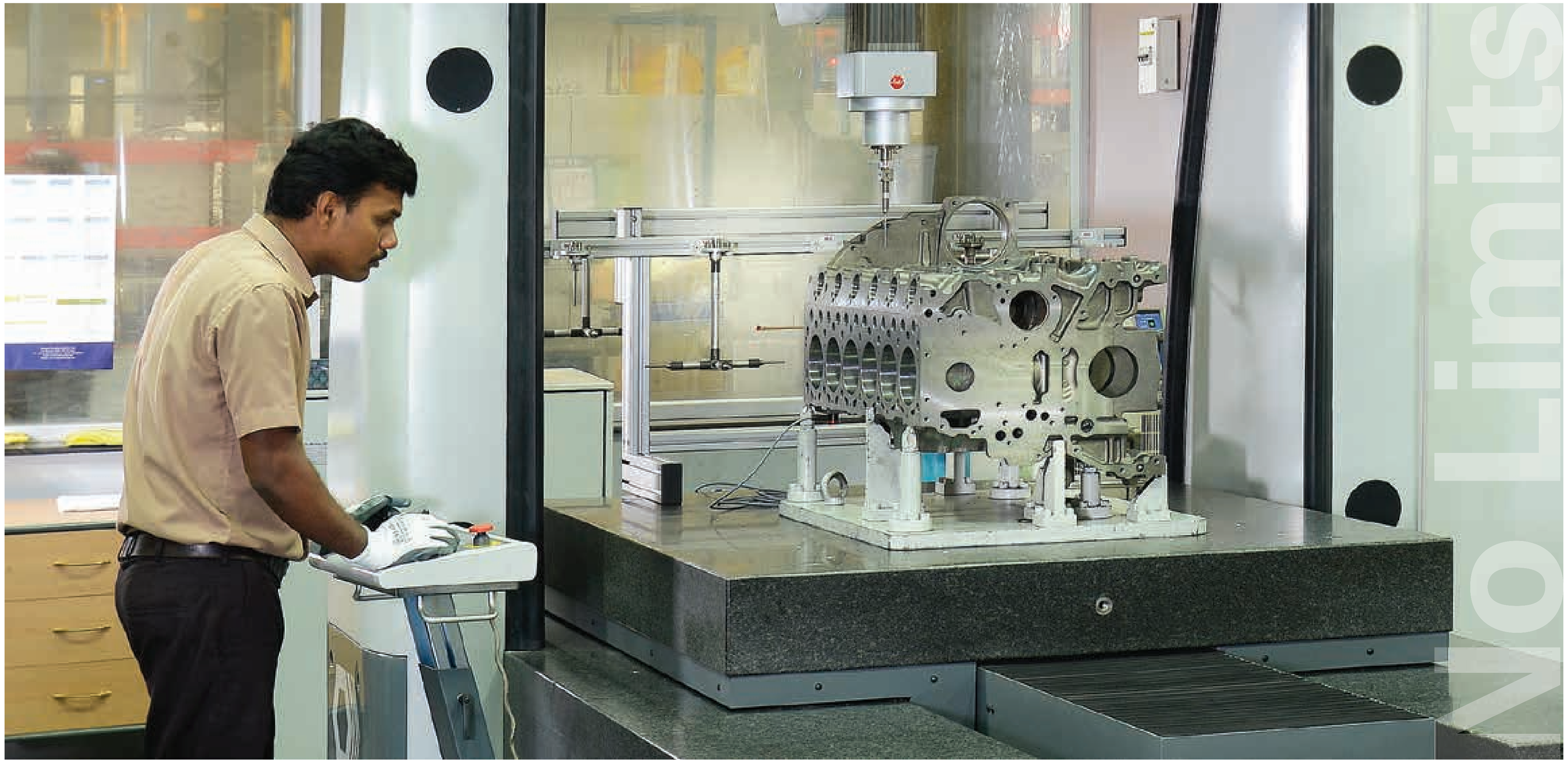
11% CAGR
Revenue growth
2018: 1,471 * (₹ Crores)
2022: 2,206 (₹ Crores)
* Excluding Excise Duty.

17% CAGR
EBITDA growth
2018: 290 (₹ Crores)
2022: 539 (₹ Crores)

21% CAGR
EBIT growth
2018: 154 (₹ Crores)
2022: 333 (₹ Crores)

49% CAGR
PAT growth
2018: 32 (₹ Crores)
2022: 160 (₹ Crores)

Our penchant for strengthening our relevance in this dynamic ecosystem has positioned us in the right place at the right time to capitalise on the *limitless* opportunities arising out of changing trends.



In a sweet spot

to go beyond perceived limits

After a lull of about three years, the fortunes of MHCV segment are poised for a turnaround – driven by an uptick in economic growth, a pick-up in the private capex cycle, higher freight demand, and investment in manufacturing capacities consequent to numerous PLI schemes.

Industry experts estimate a sustained growth in volumes between FY21 and FY25 at a 28% CAGR. Moreover, the peak of FY25 is expected to surpass the peak volumes attained in FY19.

Along with an increase in volumes, sector specialists also suggest that there would be an increase in content owing to the following realities

- In an upcycle, tonnage growth usually outpaces volume growth
- BS6 and changes in axle load norms have also led to increase in content which is yet to reflect fully due to muted volumes.
- Large MHCV OEMs, despite having in-house capacities, will need to outsource to meet the growing demand as vehicle offtake increase.

Being a leading player in manufacturing and machining critical engine and transmission components, primarily for MHCVs, we are in a sweet spot to capitalise on emerging opportunities.

MHCV space: In this segment, in the last two years we won orders from a global OEM operating in India, for machining of engine components to be exported primarily to Brazil, Japan and Germany. Initially, the order was for components for this customer's heavy-duty engines, recently we also received the order for components for medium-duty engines. As such, volumes are expected to ramp up.

We are also working with multiple Tier 1 companies who supply casting components to global CV OEMs and other Tier 1 suppliers – this business is expected to scale-up owing to the focus of global companies to increase component sourcing from India.

Even as the MHCV space presents interesting prospects, as a prudent diversification, we have widened our presence across the automotive sector.

Passenger vehicles segment: We won orders to supply fully machined cylinder blocks and heads for a leading domestic OEM for its new SUV models which are high in demand. We also secured orders for supplying machined engine components for a European PV OEM in India (earlier manufactured and machined in Europe).

Tractor segment: We bagged orders from a leading domestic OEM for machining engine and transmission components for tractors. We will set-up a plant in Nagpur for this order over the next 2 years.

Off-highway space: We received an order for machining an engine block for a global OEM engaged in manufacturing off-highway equipment in India.

As we commence commercialising these opportunities

1) Business growth will become more secular
   Earlier it was primarily dependent on the MHCV segment.
2) We will strengthen our presence with customers in other segments of the automotive sector
   It should help us sustain our growth over the medium-term.

Perfectly positioned for

unlimited growth

Aluminium is gaining credence in the automotive space.

Over the medium to long-term, aluminium content in vehicles is expected to increase owing to the light-weighting trend driven by increasingly stringent emission and fuel efficiency norms, premiumisation and addition of new features. These factors add to the vehicle weight and necessitate reduction in other areas. Moreover, the rising penetration of electric vehicles is driving an increasing use of aluminium because OEMs need to compensate for higher battery size and weights in order to extract maximum range.

Passenger vehicles: India's average aluminium content in a passenger vehicle (PV) is only 50-60 kg vs. 140-210 kg in other large and developed geographies. The yawning gap suggests a significant scope for increasing the aluminium content in Indian PVs going forward.

Commercial Vehicles: There is considerable scope for increasing aluminium content in Commercial Vehicles (CV). The average aluminium content in trucks made in a developing economy was estimated at 120-130 kg per vehicle with major usage in transmission housings, fuel tanks, gas tanks and heat exchangers. This trend is expected to be replicated in India soon. Going forward, aluminium usage in Indian CVs is also expected to increase materially in body parts, structural parts and trailers.

Electric vehicles: Additionally, rising Electric Vehicle (EV) penetration will provide a further fillip to aluminium as its usage in EVs is significantly higher than ICE vehicles – 300-320 kg vs.140-210 kg in regions like Europe and North America. For India, the 2-Wheeler market is likely to see a quicker transition towards to the EV platform. Aluminium content in ICE 2Ws and electric scooters is currently the same (in the range of 15-20 kg/vehicle). But this could change in favour of aluminium going forward.

At Craftsman, we are at the right place at the right time.

Leveraging the die-casting capabilities (foundry + machining) of our industrial business and our experience of dealing with OEMs operating in India, we entered the automotive aluminium die-casting business in 2016. In less than six years, we have made considerable inroads in all segments of the automotive sector.

In the 2-wheeler segment, we are working with a leading OEM and enjoy a commendable share of business with them.

In the Commercial Vehicle space, a global OEM operating in India, has transitioned its gearbox and flywheel housings from cast iron to aluminium. We received the order to supply gearbox housings. While supplies commenced in FY21 end, the ramp-up in volumes will progressively happen over coming years. We are also working with a domestic CV OEM on a similar project to transition cast iron housings to aluminium variants. More recently, we won orders from domestic CV OEMs (small to start with) for light-weighting its vehicles. Hopefully, they should transition into large volume despatches.

In the passenger vehicle segment, we received orders from a gearbox and engine manufacturing major to supply gearbox housings, oil pan and cam carriers. We will initiate supplies (small volumes) in the current fiscal. We will also manufacture aluminium castings for cylinder blocks for a domestic PV OEMs for its SUV models.

In the electric vehicle space, we bagged orders from two 2W EV OEMs to supply die-casting parts.

As these orders transition into commercial volumes, important things will transpire.

1) Our revenue growth will be healthier.
   While this business has registered a topline growth of 17% CAGR between FY18 and FY22, this number is expected to improve over the coming years.
2) Our dependence on the 2-wheeler segment will even out.
   Currently majority of our business accrues from the 2-wheeler space. Having added clients in all verticals, we will now have a diversified customer base and a more balanced sectoral exposure.
3) Our profitability could improve.
   An increase in asset utilisation coupled with a better share of business from the CV and PV segment (complex parts) is expected to improve profitability.

With the right skill and speed,

our growth appears limitless

Warehousing has come of age.

From dusty godowns that were an insignificant part of the commercial real estate, to today's sparkling and swanky warehouses that play a pivotal role in India's logistics sector.

While the pandemic left a debilitating mark on our world, it did a world of good to the warehousing sector, enhancing its relevance in an increasingly digital world.

As a result, two trends have emerged. 1) e-commerce has penetrated to the lesser-known Indian towns, creating demand for warehouses across India. Earlier warehouses were largely found around the periphery of metros and urban cities.
2) Warehousing requirement have moved beyond e-commerce, to other nimble-footed, fast growing business spaces such as pharmaceuticals, textiles, auto components, to name a few.

According to Knight Frank Research, Indian e-commerce is to occupy most warehousing spaces in the next 5 years from FY 2022 - 2026 at 9.1 mn sq.m. (98 mn sq.ft.), 165% more than the preceding period of FY 2017 – 2021 while annual warehousing transactions will grow at a 19% CAGR to 7.08 mn sq m (76.2 mn sq ft) in FY 2026 from 2.95 mn sq m (31.7 mn sq ft) in FY 2021.

Moreover, as space shortage kicks in, entrepreneurs will increasingly consider compact solutions that enhance Returns on their Investment.

Credible sources suggest that the Automated Storage and Retrieval System (ASRS) globally valued at US$7,351 million in 2019, is expected to reach US$12,928 million by 2027 – at a 7.2% CAGR between 2020 and 2027. The Indian market is expected to outperform the global market – it is currently moving northward at a 12% CAGR.

Despite a late entrant to this storage solution space, Craftsman has moved with speed to emerge as one among the top three storage solutions company in the country. We occupy the leading position in India's automated storage solution space.

We have delivered small and large complete solutions for conventional/automated storage and products like pallets, racking, shelving, vertical storage solutions, automated storage solutions etc. to several sectors such as FMCG, e-commerce, logistics, auto, textile, pharmaceutical and electronics.

Our ability in delivering quality products with speed (owing to inhouse design and manufacturing) has allowed us to earn the confidence of leading e-commerce and FMCG players. As a result, our storage solutions business has ramped up from ₹8 Crores in FY18 to ₹253 Crores in FY22.

And we believe it has only scratched the surface. Because warehouses are mushrooming across the Indian landmass. Moreover, storage solutions have become an important part of every shopfloor.

We remain focused on capitalising on the new demand that is mushrooming from various sectors such as pharmaceuticals, auto components, electronics, capital goods and cold storage, among others.

That will bring about an important change in the Company's architecture

1) It will broad base the Company's fortunes outside the automotive segment
Currently, a large proportion of the Company's business is dependent on the automotive segment.

2) It will transition the Company from products to knowledge-based solutions
This holds the promise to improve the Company's profitability a few notches higher.

3) Storage solutions will emerge as the key growth driver for the Company.
Until a couple of years ago, it was considered only as a flanking vertical.

Our Journey: A proxy to India's engineering space

Craftsman Automation started the journey in the year 1986 as a small scale industry in the southern Indian city of Coimbatore, has grown to become a leader in precision manufacturing in diverse fields.

Our years of experience in the field of Engineering has strengthened our commitment to customer focus, culture of quality and facilitates greater emphasis on social responsibility.

Our journey

1986
- Established "Craftsman Automation Pvt. Ltd."

2001-2006
- Aluminium Foundry Unit at Kurichi Satellite Unit at Pithampu
- ISO 9001:2000 & ISO/TS 16949:2002 registration certification

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

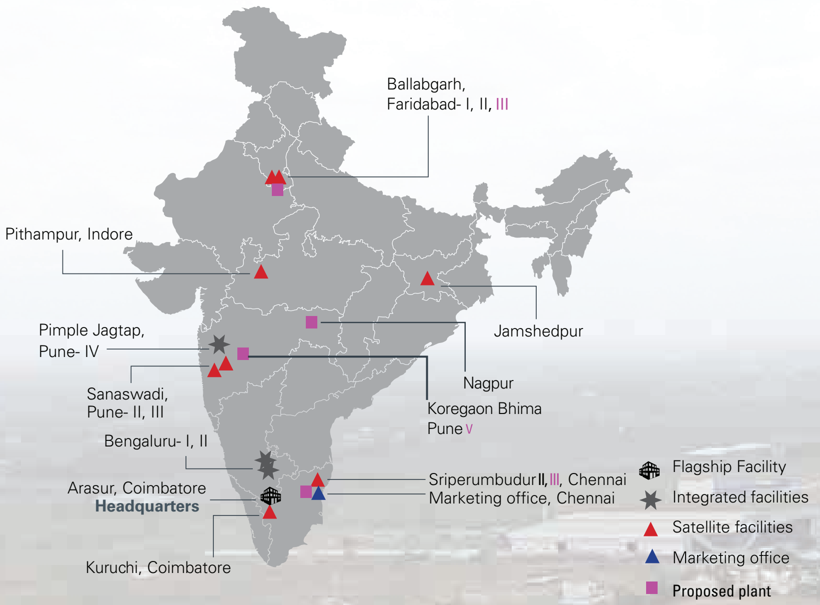
2012-2016
- Storage Solutions in Arasur, Coimbatore
- Second satellite unit at Pune Technology Division & HPDC Foundry at Bengaluru
- Aluminium Sand Foundry HPDC & LPDC in Arasur, Coimbatore

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

2021
- IPO launched in March
- Equity shares listed on BSE & NSE

2022
- Commissioning new plant at Nagpur; additional plants at Faridabad, Pune & Sriperumbudur

Our facilities



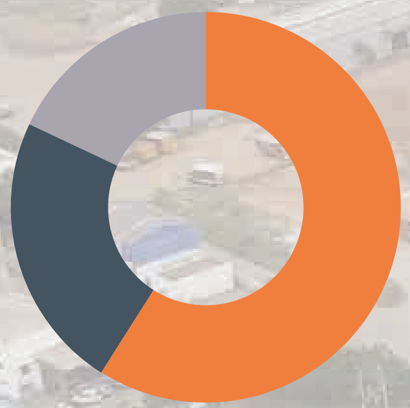
1
Flagship facility

8
Satellite facilities

1.6 Million Sq. ft.
Total built up area

Our customer matrix

Revenue based on Customer relationship



- > 10 Years: 59%
- 5-10 Years: 23%
- < 5 Years: 18%

Revenue concentration

- Top 10 customers 58%
- Others 42%

Our verticals

Automotive Powertrain
Craftsman is a leading player for machining of critical engine and transmission components, primarily for MHCVs, tractors and off-highway segments.

Automotive Aluminium
Craftsman is a relatively new entrant in the aluminium die-casting business and is primarily involved in casting and machining of parts like crank cases and cylinder blocks primarily for 2-wheelers and passenger vehicles.

Industrial & Engineering
Craftsman leverages its in-house engineering and design capabilities along with process capabilities to create two sub-segments (1) storage solutions, and (2) high-end sub-assembly and contract manufacturing products.

Our earnings

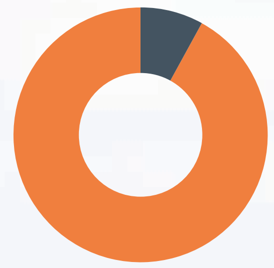
2,206
Revenue (₹ Crores)

539
EBITDA (₹ Crores)

160
Net Profit (₹ Crores)

4,983
Market Capitalisation(₹ Crores)

Revenue mix



Revenue split by geography

- Domestic 92%
- Exports 8%

Revenue split by business

- Automotive Powertrain: 52%
- Automotive Aluminium: 20%
- Industrial & Engineering: 28%

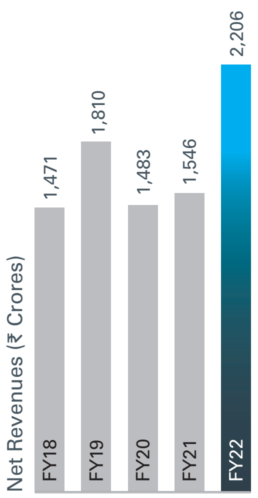
Our Mission

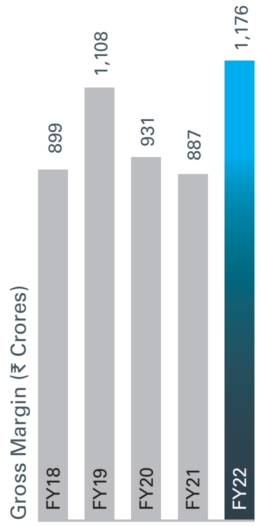
We are a leading engineering organisation engaged in the manufacturing of precision components, where quality is at the heart of every aspect of each component that we make at the benchmark of reliability.

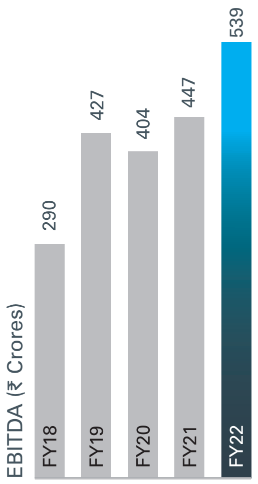
We are engineers and inventors. We Design, Develop and Manufacture engineering products offer inventive solutions using state-of-the-art engineering technology and efficient manpower to meet the requirements of our customers.

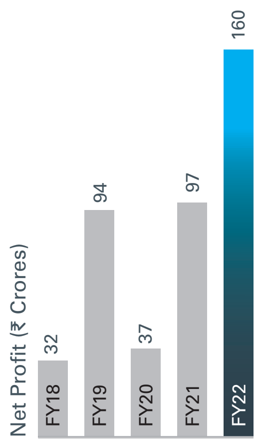
Key Performance Indicators

Performance

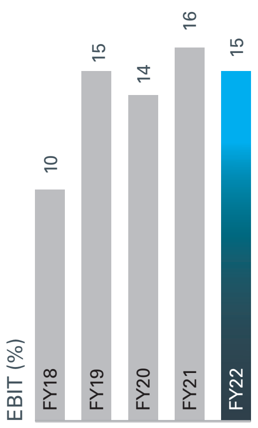


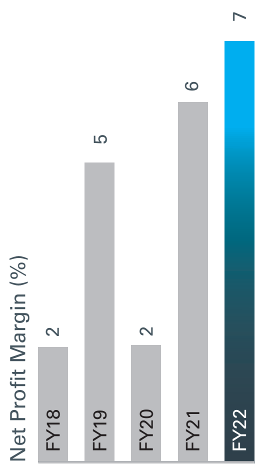


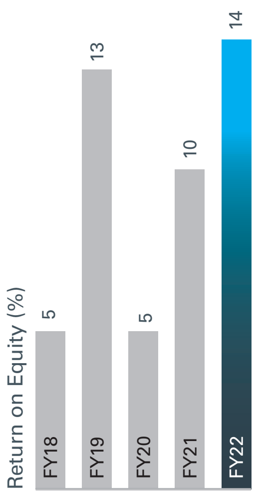


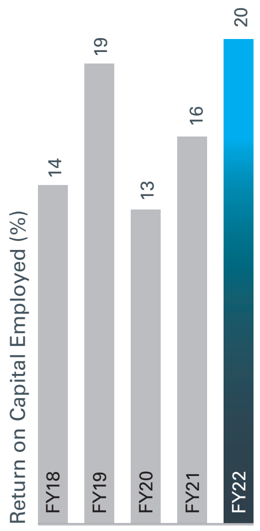


Profitability

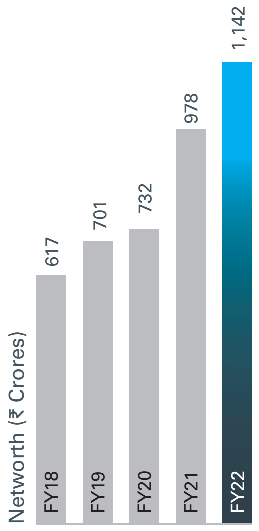


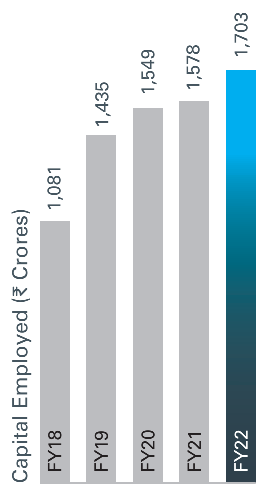


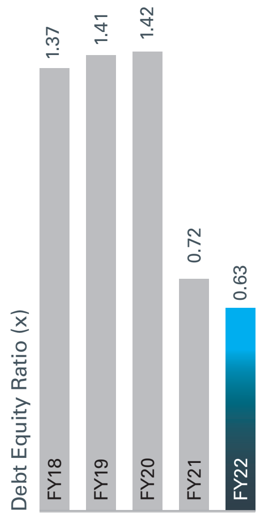


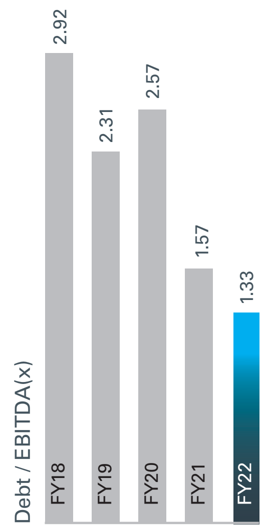


Position









From the Chairman's desk

"The India opportunity in the engineering space has only just started to play out. India's manufacturing is likely set for long-term growth and to gain a major share of global manufacturing output."

Dear Shareholders,

It gives me great pleasure to address you through this communique as the team demonstrated, yet again, that we have the capability, grit and determination to respond to harsh challenges that surface on the horizon.

Despite a rather volatile start to fiscal 2021-22 owing to the lethal second wave of the pandemic, our team performed exceedingly well to report very satisfying results. Our revenue increased by 43% as did our EBITDA by 20% and our Net Profit by 66%. What was very heartening is that in the first nine months of the fiscal, we surpassed our topline and bottomline numbers for FY 2020-21.

All three vertical made meaningful contributions to the organisation's growth. We endorsed business engagement contracts with existing and new customers which hold the potential to sustain business growth in the current year. Our storage solution vertical, the most recent addition to our business portfolio, reported a commendable performance as the team made considerable inroads in existing user sectors in addition to establishing a foothold in new user sectors – widening our opportunity canvas.

Looking ahead

Going forward, I remain hopeful for the engineering sector. For I believe that the India opportunity in the engineering space has only just started to play out.

India's manufacturing is likely set for long-term growth and to gain a major share of global manufacturing output aided by (1) infrastructure improvements which are helping drive down macro costs and improve reliability, and (2) a supportive global environment – the Western world is looking to broad base supply sources away from China and (3) India's increasing focus on import substitution.

The positive sentiment combined with low cost of capital is likely to lead to increasing prospects for private sector capex initiatives over the next few years. Some interesting trends are transpiring which lend credibility to India's manufacturing narrative
1) Western engineering companies that supply machines to India are now localising in India 2) Western companies are increasing their sourcing volumes for global operations from India – this is visible in auto components, castings, forgings, gear boxes, among others 3) Indian capital goods manufacturers are benefitting from the resulting expansion in capacity by foreign and Indian manufacturers of goods in India.

There is evidence of these trends translating into on-ground realities. Credible sources have noted that the Capex by the Centre and more than 25 states has crossed the pre-Covid levels and is likely to remain robust over the next 18-24 months. These are good indicators for the engineering sector which is the backbone of the Indian economy. And for Craftsman.

What differentiates Craftsman?

We have a unique operating model which we refer to as a 'Company-within-Company' model. This is our unique way of running all verticals as independent profit-making enterprises, even while sharing common philosophies, best-practices and facilities. This allows every division to help the other to be more competitive and productive.

The most potent advantage of this model rests in its speed of response. In today's dynamic ecosystem, fortunes and promises of a sector can change almost overnight. Our unique operating model gives us flexibility to change from a low-performing sector to a high-performing sector in no time. This prevents sharp declines in our performance owing to specific sectoral troughs.

Going forward, we will utilize this operating leverage and inherent strength to sustain our performance over the medium-term.

ESG taking centre stage

Climate change and environment management has become the talking point at all forums across the world. This consciousness has mandated that enterprises which are high consumers of finite natural resources need to run their operations responsibly.

ESG is now emerging as an important filter in appraising enterprises for an investment. Moreover, it is not simply compliant with the statutory norms, it will require concerted effort to move higher periodically in bettering the ESG Score. India's engineering companies will need to take cognizance of this reality with speed to capitalise on global opportunities.

At Craftsman, while we more than comply with all statutory requirements set by the regulatory authorities, we are setting our foot on our ESG journey with the objective of running our business successfully and responsibly.

Acknowledgement

As we place our feet firmly on new journeys to capitalise on exciting opportunities and make our business sustainable, I take the opportunities to thank my colleagues on the Board for their invaluable guidance in progressing the Company on the right path. I thank the entire team for their persistent perseverance in delivering upto customer expectations. I also take the opportunity to thank all our stakeholders for their unstinted support in our journey and multiple endeavours.

Srinivasan Ravi
Chairman & Managing Director

Business Segment 1

Automotive – Powertrain segment

Craftsman is a leading player for machining of critical engine and transmission components, primarily for MHCVs (#1 position), tractors (among top 3-4 outsourced players) and off-highway segments.

Under this segment, the Company machines automotive powertrain parts like Engine crankcases, cylinder heads, camshafts, transmission housing, differential carrier and axle housing. The cylinder block and cylinder heads are relatively high margin products for Craftsman vis-à-vis transmission products. This is owing to the complexity involved in machining these products.

Given its strong technical and execution capabilities and its strategically located units (proximate to its customers' manufacturing facilities) the Company has garnered a decent share of business with its key customers and added new customers as well.

10

Operating Units

52 %

Share of overall revenue

Value proposition to customers

Competitive skillset	Value to customers
Process expertise: Craftsman's core skillset lies in identifying the machines needed (both general purpose machines and special purpose machines) and designing the optimum process for machining of critical components and executing the same at scale. All line managers and shop floor managers have been groomed in-house over many years and play an important role in driving process innovations. Passion for value-addition has enabled the Company to progress from providing mere machining services to becoming a solution provider and working in collaboration with the OEMs to develop manufacturing processes. **Engineering capability:** Craftsman's ability to manufacture special purpose machines in-house allows for design flexibility and improved productivity. We design and manufacture leak testing and product washing machines in-house. We also design and manufacture the fixtures in-house required for these machines. Moreover, the Company's general-purpose machines are fungible and can be used to machine components ranging from MHCVs to tractors.	• Shorter lead times • Rapid scale-up and scale down of capacity (especially important given presence in the highly cyclical MHCV industry) • Ability to handle multiple models and variants • Limited capex commitment for clients

Performance in FY22

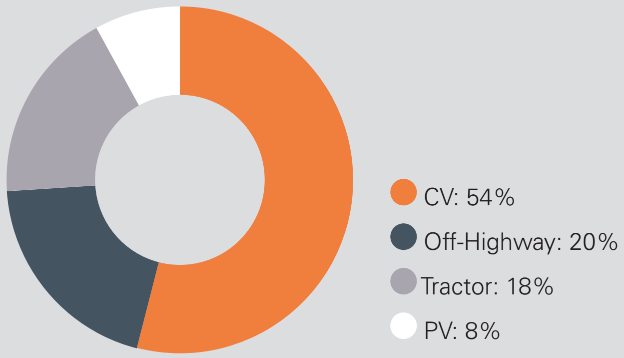
1,154

Revenue (₹ Crores)

42 %

Growth over previous year

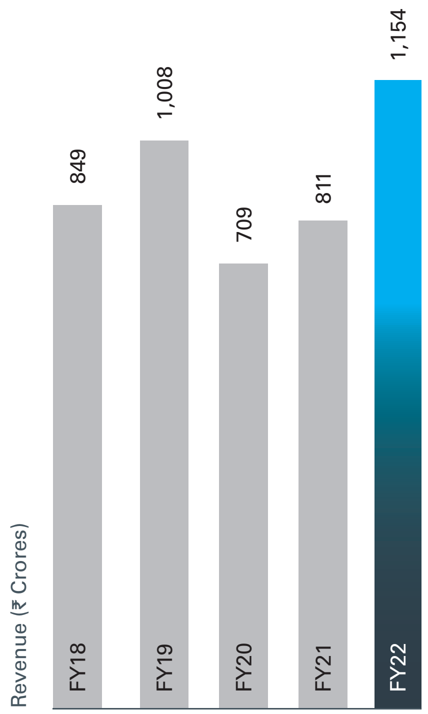
Revenue breakup by customer segment



Craftsman registered healthy growth in FY22 owing to growth in volumes from existing customers. The wide sectoral diversity helped the division cushion a drop in volumes from the automotive segment. The team successfully increased its wallet share with key existing OEs and Tier 1customers and forged new engagements during the year.

During the year, the team focused on process improvement with the objective of improving man-machine efficiency and productivity. Towards this goal, the team.

- Transferred the machining of high volume parts for general purpose machining row onto a special purpose machining row resulting in higher productivity and better resource utilisation.
- Concentrated the team's energy on utilising the tools of the Lean Manufacturing Philosophy for minimising wastages.



New engagements in FY22

1) Under the heavy duty truck improvement program, all CV players introduced an improved design for the ‘bogey bracket’. The Company developed parts which were submitted for validation to leading CV OEMs operating in India; it received approval from a couple of CV OEMs, supplies of which are to commence in FY23.

2) Received business for machining parts used in a carrier housing assembly through a leading Tier-1 auto components manufacturer; supplies of parts will commence in FY23.

3) Received business for multiple machining jobs from a leading global off-highway equipment manufacturing company; commercial supplies of the parts will happen in FY23.

4) Received business from a global heavy machinery and agricultural machinery manufacturer for machining cylinder blocks; this engagement is expected to generate commercial volumes in FY23.

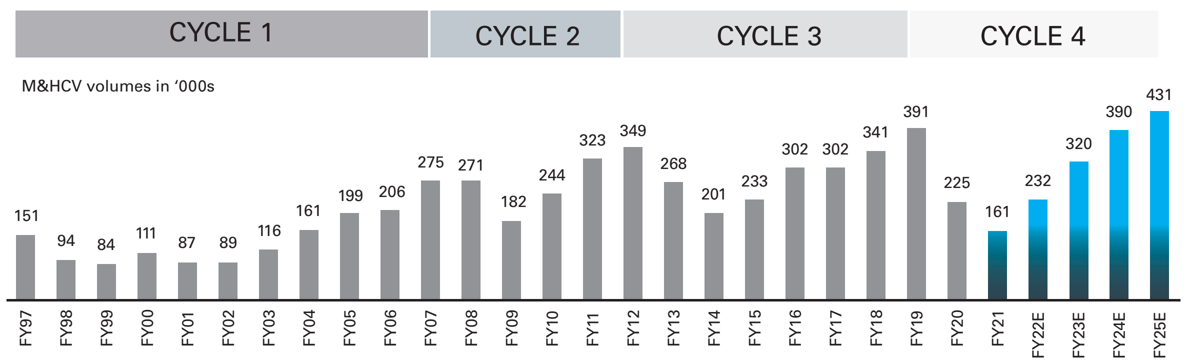
5) Engaged with a leading Indian tractor manufacturer for machining some parts used in tractors. The Company is setting up a new unit in Nagpur to cater to this customer which should commence operations in FY23.

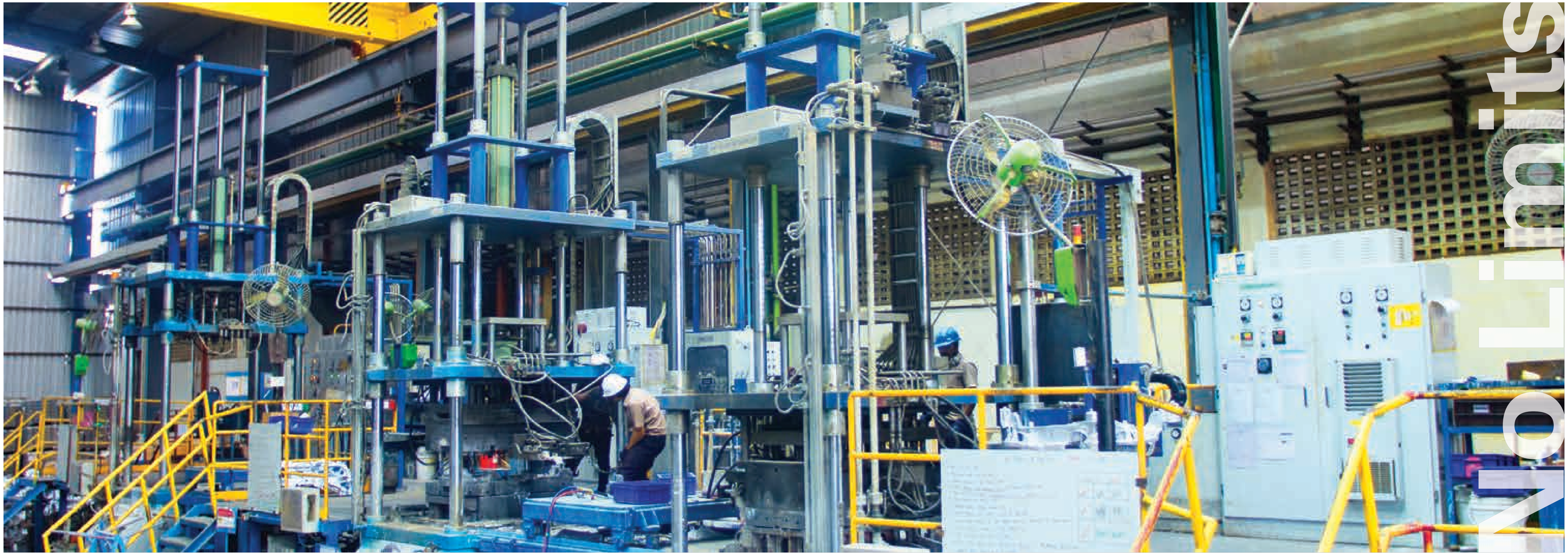
Looking ahead

Credible estimates suggest that the domestic MHCV sector is expected to witness an upswing in business fortunes aided by an uptick in economic growth, pick-up in private capex cycle and higher freight demand. It is estimated that the industry will surpass the FY19 peak volumes in FY25E.

The CV cycle recover and the consequent demand for large-sized trucks which will benefit Craftsman in more ways than one. Additionally, factors such as a thrust on the BS6 standards and change in axle load is expected to open interesting growth opportunities for the Company going forward.

Long term CV cycles - improvement in CV after steep decline in the industry





Business Segment 2

Automotive – Aluminium

Despite being a relatively new entrant in the highly competitive aluminium die-casting space, Craftsman has established a strong reputation as a dependable partner for leading automotive OEMs operating in India and other customers from diverse sectors. The Company is involved in the end-to-end manufacturing (casting + machining) of products such as crank case and cylinder blocks for 2Ws, engine and structural parts for passenger vehicles and gear box housings for MHCVs. Given its technical capabilities and strong execution track record, Craftsman continues to grow its business with key customers in the face of growing competition.

2
Operating Units

20%
Share of overall revenue

Value proposition to customers

Competitive skillset	Value to customers
Technology advantage: It is one of the few players in the country who have capabilities across die-casting technologies viz. high pressure, low pressure, gravity, and sand. **In-house facilities:** Facilities such as tool room for manufacturing tools and fixtures, die manufacturing for developing dies and machine manufacturing unit that assembles special purpose machines, significantly reduces the time to develop high-quality complex castings. It helps in maintaining a stable process for commercial supplies. **Machining skills:** Machining skills allow the Company to provide ready-to-use castings.	• Can cater to diverse sectoral requirements • Shorter lead times • Rapid scale-up and scale-down of capacity

Performance in FY22

440
Revenue (₹ Crores)

10
EBIT (₹ Crores)

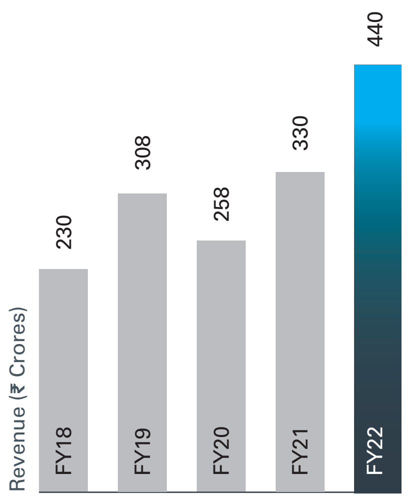
34%
Growth over previous year

277%
Growth over previous year

FY22 was an important milestone for the Aluminium casting vertical. This is owing to the Company's success in widening its sectoral exposure.

The Company made interesting inroads into the passenger and commercial vehicle spaces which will reduce its dependence on the 2-wheeler segment, over the coming years.

The vertical's overall performance was subdued as demand remained muted. The 2-wheeler segment witnessed a significant slowdown owing to multiple waves of the pandemic during the year.



New engagements in FY22

1) Won orders from existing 2-wheeler customers for more parts such as crankcases and cylinder blocks. The Company expects to commence supplies in FY23.

2) Received orders from 2-wheeler EV OEMs to supply die-casting parts for electric 2Ws. These include parts such as battery housings and other structural parts. The Company is hopeful of commencing supplies in FY24.

3) Craftsman will also be manufacturing aluminium castings for cylinder blocks for a domestic PV OEMs for its SUV models.

Looking ahead

Over the long term, this business is well-placed to benefit from rising aluminium content due to light-weighting of vehicles and increasing penetration of EV. Aluminium content in India PV/ CV remains well below global levels. As such, significant industry tailwinds exist for this business.

1) Opportunities in Passenger Vehicles

In India, the aluminium content in a passenger vehicle is currently only 50-60 kg against 140-210 kg in other large and developed economies. Hence, there is significant scope for aluminium content to increase in Indian PVs moving forward. Light-weighting of vehicles will further drive higher aluminium content in the long-term.

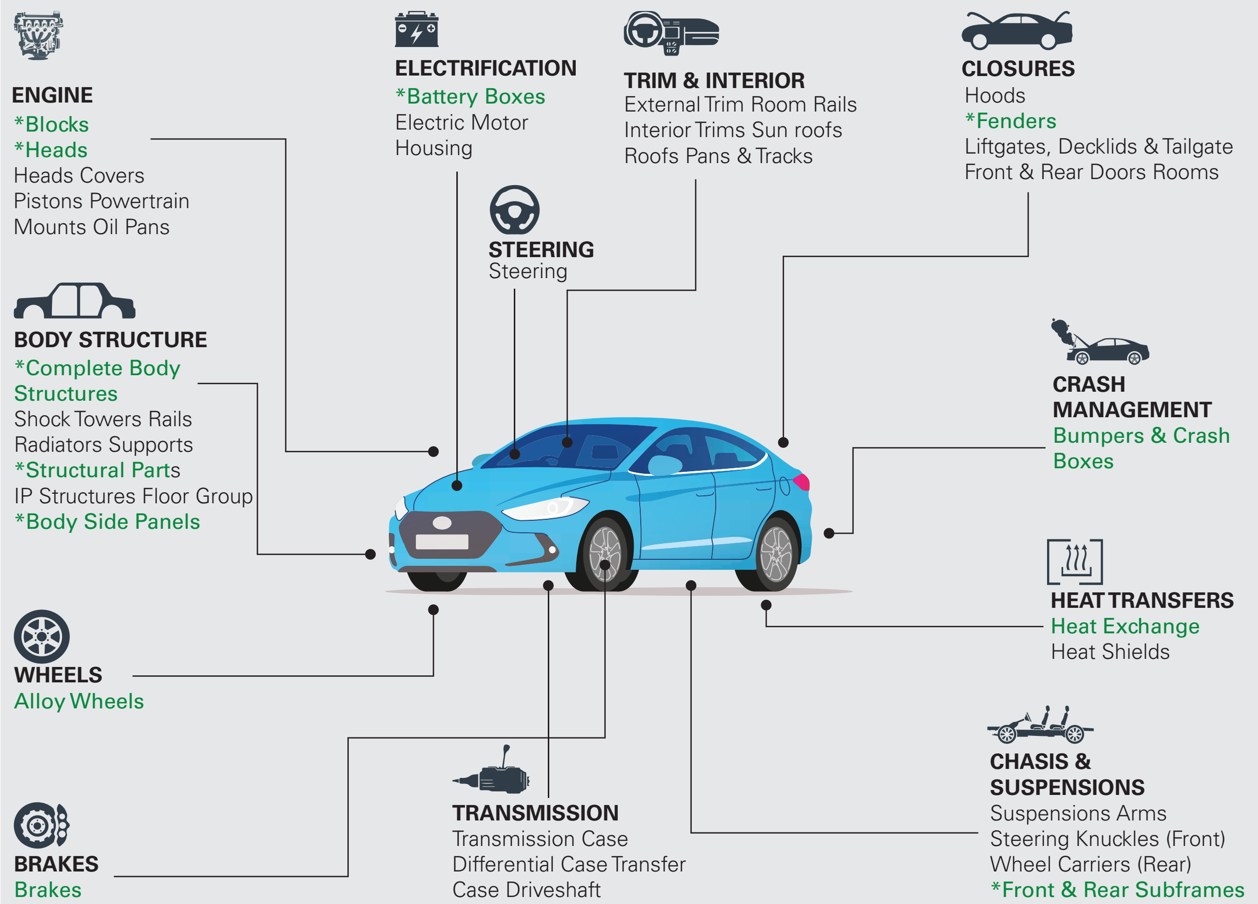
2) Opportunities in Commercial Vehicles

The scope for increased aluminium usage is even higher in CVs. Average aluminium content in trucks in other similar developing economies is estimated to be 120-130 kg per vehicle with major usage in transmission housings, fuel tanks, gas tanks and heat exchangers. Going forward, usage of aluminium is expected to increase materially in body parts, structural parts and trailers.

3) Opportunities in Electric Vehicles

Rising EV penetration will provide a fillip to aluminium as its content in EVs is significantly higher than ICE vehicles – 300-320 kg vs.140-210 kg in regions like Europe and North America.

Potential application for Aluminium Components in Passenger Vehicles



The components of the car listed above encompasses all aluminium appllications in European passenger car and is based on the analysis of car sample covering nearly 95% of total EU28 production.

Components highlighted "green" depicts components of a standard Indian car made from aluminium.

Business Segment 3

Industrial & Engineering

Leveraging its in-house engineering and design capabilities along with process capabilities, Craftsman started off as an Industrial and Engineering company. Over the years, it has developed a diverse product portfolio across two sub-segments viz. (1) storage solutions, and (2) high-end sub-assembly and contract manufacturing.

High-end sub-assemblies and contract manufacturing products sub-segment includes multiples categories such as (1) aluminium products for power transmission, (2) gears and gear boxes, (3) material handling equipment, (4) tool room, mould base and sheet metal and (5) special purpose machines. This sub-segment is the major revenue generator for this business segment.

Storage solutions is a more recent sub-segment, which has ramped up rapidly over the last 2-3 years. The Company provides complete solutions for conventional/automated storage and manufactures products like pallets, racking, shelving, vertical storage solutions, automated storage solutions etc. for several sectors such as FMCG, e-commerce, logistics, auto, pharmaceutical and electronics.

Revenue of the storage sub-segment has seen 138% CAGR over FY18-22, driven entirely by the ramp-up of storage solutions business while high-end precision product revenue has been flattish over this period.

3
Operating Units

28%
Share of overall revenue

High end sub-assembly, contract manufacturing & others

Products

SPM	Material handling	Gear & Gear boxes	Tool room, mould base & Sheet Metal	Aluminium Casting for power transmission
Metal cutting, drilling and mining machines among other SPMs	Chain, wire rope & grab hoists, crane kits, pallet trucks and light crane systems	Transmission & housing components	Mould base, plastic, moulding tools, dies, sheet metal, casing and housings	Machines castings for GIS

Applications

SPM	Material handling	Gear & Gear boxes	Tool room, mould base & Sheet Metal	Aluminium Casting for power transmission
Automotives	Process Industries Automotives Foundries	Elevators Metro Compressor & Printing Machines Automotives Steel Rolling Mills	Engineering Automotives	Power Transmission & Distribution

Storage Solutions
Pallets, racking, shelving and vertical storage solutions (V-store), roll-form products and Automated Storage and Retrieval Systems (ASRS)

FMCG
E-Commerce
Food & Beverages
Logistics
Pharmaceutical
Electronics

Value proposition to our storage solution customers

Competitive skillset	Value to customers
Engineering capability: Ability to develop any kind of tooling, special-purpose machinery and conveyors required, leveraging in-house knowledge and expertise. **Manufacturing capabilities:** A combination of in-house manufacturing and local sourcing (of some components) provides speed and flexibility. **Service capability:** A strong and well-spread service team provides faster resolution to all customer issues.	• Shorter lead times • High equipment uptime • Seamless customisation of solutions to customer requirements • A very low Mean Time to Repair

Performance in FY22

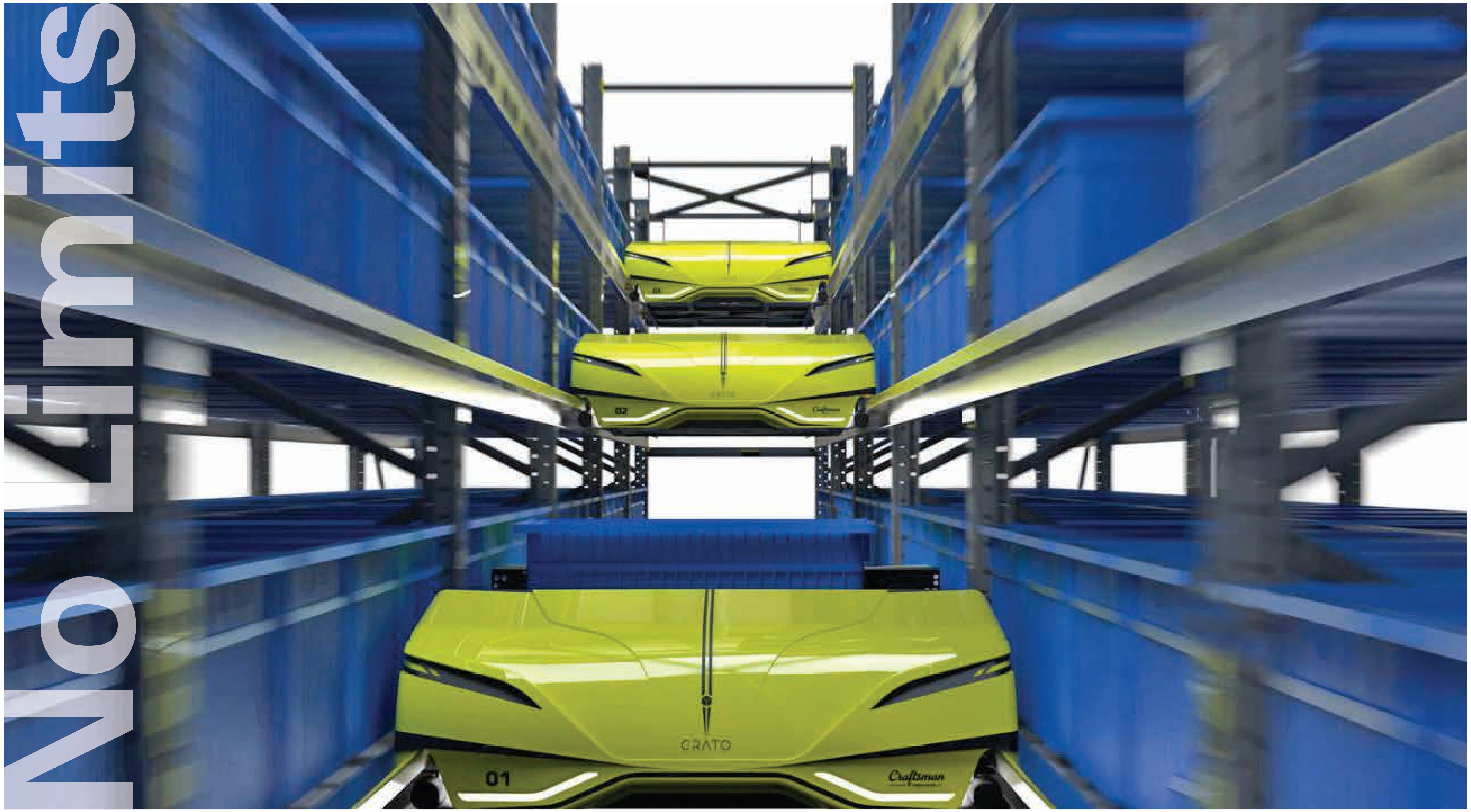
612
Revenue (₹ Crores)

51%
Growth over previous year

Revenue Mix

High end sub-assembly : 59%
Storage : 41%

Craftsman registered healthy growth in FY22 in this business segment – the growth was driven by the storage solutions sub-segment. Business in the high-end precision product sub-segment, which is largely dependent on the capital goods sector, remained subdued. Infrastructure creation in the power sector also remained muted since additional power demand was met by reducing T&D losses. In the non-automotive aluminium business, as an essential diversification, the Company established a foothold in the marine transmission and compressor business spaces – thereby de-risking the sub-segment from an overdependence on the power transmission segment.



New engagements in FY22

Industrial engineering:

1) Won orders for machining of large size iron castings from (a) a machine tool manufacturer in India – this is for machining of gearboxes and (b) renewable energy companies – machining of castings for windmill parts. Both these parts were earlier imported.

2) Won orders from a global player for supplying gearbox housings, oil pan and cam carriers for its gearboxes and engines manufacturing unit set up in India. Supplies are expected to commence in FY23.

3) Achieved healthy business volumes with a multinational company in the compressor space.

4) Received orders for some parts for a leading player in the marine transmission space; commercial supplies to commence in FY23.

Storage solutions: Craftsman continued to improve the output and product acceptability of this vertical through the following measures.

On the operations side, the team worked on standardising profiles, tweaked processes to improve man-machine productivity, worked on ways to optimise the consumption of inputs and utilities without compromising on the product quality.

On the business development side, in addition to securing business from existing clients in the e-commerce space, the team successfully secured business from other sectors such as pharma, auto and cold storage among others. This helped the Company to widen its opportunity canvas which should assist in sustaining its growth momentum over the coming years.

V-store: The Company successfully delivered and installed 150 units of its V-store product – a niche fully automated storage solution that effectively uses the vertical height of the warehouse or production area. Currently, the Company occupies the podium position in the automated storage solution market. The team is working on growing the basket of V-Store products with bigger variants to increase its sectoral acceptance and drive demand.

Looking ahead

Industrial segment: The successful break-through with existing clients (execution of bigger ticket-size orders), addition of new customers (in existing verticals), entry into machining of higher castings in wind energy and machine tools segments would help in driving growth over the medium term.

Storage solutions: Having streamlined manufacturing operations, the Company is working with disciplined determination to strengthen its presence in e-commerce and other sectors which are expected to register significant growth. This will allow it to utilise its assets optimally and strengthen divisional profitability. Cost optimisation and lean manufacturing practices will be another area of keen focus, as this will allow the team to deliver projects faster.

Strategic direction

Defining our limits in a no-limits ecosystem

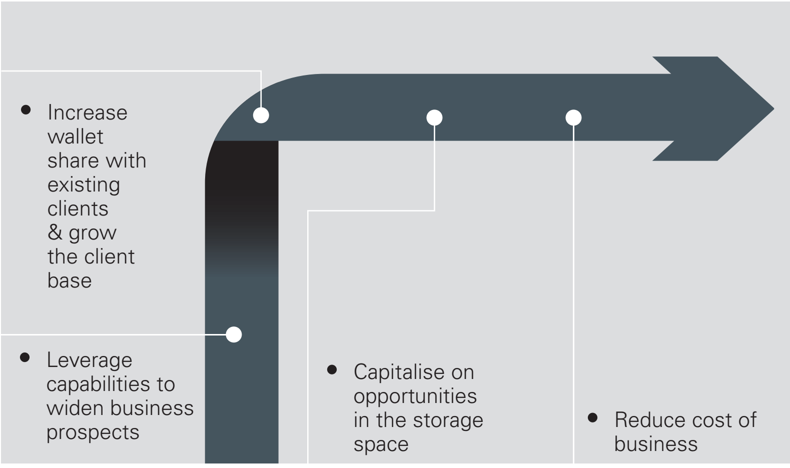
Craftsman remain astutely focused on treading its strategic blueprint which aims to sustain its growth momentum and improve business profitability.

1) Leverage manufacturing and engineering capabilities

- Capitalise on the growing opportunities and emerging trends in the industry, particularly in the Automotive – Aluminium Products segment
- Focus on manufacturing critical power transmission components, castings for gas insulated switchgear in the industrial & engineering segment
- Utilise expertise to capitalise on the light-weighting of vehicles trend
- Focus on widening the user-sector presence to de-risk from an overdependence on any one business space

2) Increase wallet share and acquire new business

- Capitalise on an early mover advantage in certain segments; leverage long-term relationships with customers
- Expand the array of existing products and solutions and develop products and solutions aligned to customer needs
- Explore opportunities that could arise from key Government announcements such as Make in India, Atmanirbhar Bharat, among others



3) Grow opportunities in storage solutions

- Leverage on strong product development, designing, engineering and manufacturing capabilities along with strong relationships with existing customers
- Grow the presence in the warehouse space and other end-user sectors such as e-commerce, organised retailing, consumer durables, auto components and pharmaceuticals as well as cold storage space

4) Continue to reduce operating costs and improve operational efficiencies

- Focus on improving capacity utilisation at production facilities
- Enhance operating efficiencies and operating resource utilisation in manufacturing and business operations
- Focus on standardising components and assemblies in machines developed for in-house utilisation
- Reduce dependence on external funds to reduce interest costs

Risk Management

Our 'No Limits' ethos continues to strengthen our business model to withstand external headwinds.

Craftsman's effective risk management system continues to evolve. It enables the Company to achieve its strategic objectives and deliver sustainable, long-term growth with a commitment to responsible business practices.

Demand risk

Drop in the fortunes of the automotive sector could impact business growth.

Mitigation measures:
Craftsman has a significant exposure to the auto sector as majority of its clients are in this business space. Realising this, the Company has worked strategically to diversify its presence into other sectors. The storage solutions vertical has performed commendably to feature among the top three in the country in this space in such a short time.

Additionally, within the auto sector, the Company has widened its presence beyond its traditional business spaces. For example, in the aluminium casting space, the Company has moved beyond 2-wheeler OEMs to PV and CV manufacturers. A similar diversification is playing out in the Automotive – Powertrain business vertical.

Competition risk

Growing competitive intensity in business spaces in which the Company operates could impact margins.

Mitigation measures:
Craftsman's engineering and process skill and capabilities is its competitive edge that allows it to develop and deliver products with speed, scale-up and scale-down volumes as and when required (which is critical while working with auto sector OEMs – vehicle variants come and go).

This positions the Company as a preferred partner for leading auto sector OEMs.

Moreover, Craftsman's engagement flexibility allows it to gain confidence and hence wallet share with key customers. Further, the Company's scale of operation affords economies which allows Craftsman to score above competition.

People risk

Lack of skilled people could stagger the Company's progress.

Mitigation measures:
Craftsman continues to add fresh graduates from lead engineering institutes. They undergo a comprehensive training curriculum to understand and imbibe the Company's policies, systems and processes. Moreover, every day at Craftsman, provides team members with a learning opportunity. Because every business prospect mandates teams to come to the drawing board to brainstorm on the processes to be followed and machines to be used for making a component. This continuous on-job training enables the team, including freshers, to pick up the ropes with ease.

Funding risk

Securing low-cost funds is essential for facilitating the Company meet its growth aspiration.

Mitigation measures:
Craftsman's financial strength is reflected in its Financial Statements. The Company's low debt-equity ratio as 0.63 x (as on March 31, 2022) and a healthy Cash Flow Statement (Net Cash from Operations as ₹322 Crores in FY22) showcases its ability to garner adequate low-cost funds to finance its strategic initiatives going forward.

Board of Directors

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

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

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

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

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

Mr. Chandrashekhar Bhide
Independent Director
(DIN: 00027967)

He holds a bachelor's degree in technology in mechanical engineering from Indian Institute of Technology, Bombay and a post-graduate diploma in business administration from Indian Institute of Management, Ahmedabad. He has been on our Board since January 31, 2011. He has rich experience in automotive industry. He was associated with Mahindra & Mahindra Limited in the past.

Mr. Sundararaman Kalyanaraman
Independent Director
(DIN: 01252878)

He holds a bachelor's degree in mechanical engineering from University of Madras. He has attended advanced management program at Indian Institute of Management. He has been on our Board since June 30, 2017. He has rich experience in automotive industry. He was associated with TG Kirloskar Automotive Private Limited, Kirloskar Systems Limited, BPL Limited and Widia (India) Limited in the past. Further, he is a trustee in Caring with Colours – A Manasi Kirloskar Initiative and has completed a training course for preparation as an award assessor for the "Confederation of Indian Industry Award for Business Excellence" by European Foundation for Quality Management ("EFQM"). He is a member of Indian Society for Advancement of Materials and Process Engineering and is also a member of Project Management Institute (a global membership association dedicated to advancing the practice, science and profession of project management).

Mrs. Vijaya Sampath
Independent Director
(DIN: 0064110)

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

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

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

CORPORATE INFORMATION

CRAFTSMAN AUTOMATION LIMITED
CIN: L28991TZ1986PLC001816
Website: www.craftsmanautomation.com

BOARD OF DIRECTORS

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

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

Mr. Chandrashekhar Madhukar Bhide
Independent Director (DIN: 00027967)

Mr. Sundararaman Kalyanaraman
Independent Director (DIN: 01252878)

Mrs. Vijaya Sampath
Independent Director (DIN: 00641110)

Mr. Tamraparni Srinivasan Venkata Rajagopal*
Additional Director (DIN: 07148250)
*(Appointed w.e.f 19th March, 2022)

Mr. Udai Dhawan#
Non Executive Director (DIN: 03048040)
(Resigned w.e.f 19th March, 2022)

Chief Financial Officer:
Mr. C.B.Chandrasekar

Company Secretary and Compliance Officer:
Mr. Shainshad Aduvanni

Statutory Auditors:
Sharp & Tannan,
Chartered Accountants, Chennai

Internal Auditors:
MC Ranganathan & Co.,
Chartered Accountants, Chennai

Cost Auditors:
S.Mahadevan & Co,
Cost Accountants, Coimbatore

Secretarial Auditors:
KSR & Co Company Secretaries LLP, Coimbatore

REGISTERED OFFICE
"Senthel Towers", IV Floor,
No. 1078, Avanashi Road,
Coimbatore – 641 018
Tamil Nadu, India

Registrar and Share Transfer Agent
Link Intime India Private Limited
Surya 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore - 641028.

COMMITTEES OF DIRECTORS

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

Nomination and Remuneration Committee
- Mrs. Vijaya Sampath, Chairperson
- Mr. Chandrashekhar Madhukar Bhide, Member
- Mr. Sundararaman Kalyanaraman, Member

Stakeholders Relationship Committee
- Mr. Chandrashekhar Madhukar Bhide, Chairman
- Mr. Srinivasan Ravi, Member
- Mr. Sundararaman Kalyanaraman, Member

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

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

BANKERS AND LENDERS

- State Bank of India
- IDBI Bank Limited
- Indian Bank
- Standard Chartered Bank
- ICICI Bank Limited
- Kotak Mahindra Bank Limited
- HDFC Bank Limited
- Citibank N.A.
- IndusInd Bank Limited
- RBL Bank Limited
- YES Bank Limited
- IDFC First Bank Limited
- Axis Bank Limited
- InternationalFinanceCorporation
- Bajaj Finance Limited
- Export-Import Bank of India

STATUTORY SECTION

DIRECTORS' REPORT

To
The Members,

The Directors are pleased to present the Thirty Sixth (36th) Annual Report of the Company together with the audited financial statements (consolidated and standalone) for the year ended 31st March, 2022.

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this report covers the financial results and other developments during the financial year ended 31st March, 2022, in respect of Craftsman Automation Limited.

1. FINANCIAL HIGHLIGHTS & STATE OF AFFAIRS:

1.1 The financial performance of the Company for the financial year ended 31st March, 2022 is summarised below:

(₹ in Crores)

Particulars	Year ended		Year ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	Standalone		Consolidated	
Operating revenue	2206.43	1546.29	2217.02	1559.95
Other income	9.27	13.22	7.40	10.08
EBITDA	538.58	447.25	541.94	448.49
Less: Finance Cost	84.20	107.28	84.22	107.28
Less: Depreciation and Amortization	205.98	192.41	205.99	192.45
Less: Exceptional items	-	-	-	-
Profit before Tax (PBT)	248.40	147.56	251.73	148.76
Less: Provision for Current Tax (Net)	88.55	53.89	88.55	53.89
Less: Deferred Tax	(0.60)	(3.09)	0.09	(2.49)
Profit after Tax for the year (PAT)	160.45	96.76	163.09	97.36
Other Equity opening balance	967.89	721.64	958.87	711.53
Add: Profit for the year	160.45	96.76	163.09	97.36
Add: Securities premium (net) on IPO	(1.85)	145.13	(1.85)	145.13
Add/(Less) Other Comprehensive Income /(Loss)	5.15	4.36	5.07	4.85
Dividend paid on equity shares	-	-	-	-
Other Equity closing balance	1131.64	967.89	1125.18	958.87

Standalone Financial Results:

During the Financial Year (FY) 2021-22, the Company has achieved highest ever operating income of ₹2206.43 Crores as compared to ₹1546.29 Crores in FY 2020-21. The profit before tax for FY 2021-22 stood at ₹248.40 Crores compared to ₹147.56 Crores achieved in FY 2020-21. The profit after tax stood at ₹160.45 Crores for FY 2021-22 as compared to ₹96.76 Crores for the previous year.

Consolidated Financial Results:

The Company's consolidated revenue for FY 2021-22 was ₹2217.02 Crores as compared to ₹1559.95 Crores for the previous year. During the year under review, the consolidated profit after tax stood at ₹163.09 Crores as compared to ₹97.36 Crores for the previous year.

2. DIVIDEND:

The Board of Directors at their meeting held on 9th May, 2022 has recommended payment of ₹3.75/- (Three Rupees and Seventy-Five Paisa Only) per equity share being 75% on the face value of ₹5 each as final dividend for the financial year ended 31st March, 2022. The payment of dividend is subject to approval of the shareholders at the 36th Annual General Meeting ("AGM") of the Company.

The dividend if approved by the members would involve a cash outflow of ₹ 792.31 Lakhs.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. Your Company shall, accordingly, make the payment of the dividend after deduction of tax at source.

Pursuant to provisions of Regulation 43A of the Listing Regulations as amended from time to time, the Company has formulated Dividend Distribution Policy. The policy is available on the Company's website at https://www.craftsmanautomation.com/wp-content/uploads/2021/05/14.CAL-DIVIDEND-DISTRIBUTION-POLICY.pdf.

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

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

In terms of the foregoing provisions of the Act, there is no dividend which remains outstanding or remain to be paid and require to be transferred to the IEPF by the Company during the year ended 31st March, 2022.

4. SHARE CAPITAL:

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

The Paid-up Share Capital of the Company as on 31st March, 2022 is ₹10,56,41,555 divided into 2,11,28,311 Equity Shares of ₹5 each fully paid up.

5. RESERVES AND SURPLUS:

The Company has not transferred any amount to the Reserves for the financial year ended 31st March, 2022.

6. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Pursuant to Regulation 34(2)(e) of the Listing Regulations, Management Discussion and Analysis Report is given in **Annexure-1.**

7. CORPORATE GOVERNANCE:

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

8. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In accordance with the requirements of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee and also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at https://www.craftsmanautomation.com/wp-content/uploads/2021/03/1.-CAL-Policy-on-Corporate-Social-Responsibility-05.05.2021.pdf. An Annual Report on CSR activities of the Company during the financial year 2021-22 as required to be given under Section 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided as an **Annexure–4** to this Report.

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year ended 31st March, 2022 to which the Financial Statements relates and the date of signing of this report.

10. RISK MANAGEMENT POLICY:

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

Following are the major risk concerns:

Competition:

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

Economy:

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

Automobile Industry:

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

Risk Mitigation Measures:

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

The Board has constituted Risk Management Committee under the Chairmanship of Mr. Srinivasan Ravi, which reviews the various risks faced by the Company and advises the Board on risk mitigation plans. Risk Management policy may be accessed on the Company's website at the link: https://www.craftsmanautomation.com/wp-content/uploads/2021/03/4.-CAL-Risk-Management-Policy.pdf.

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

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

The mechanism provides adequate safeguards against victimization of directors or employees who avail of the mechanism. The Whistle Blower Policy has been placed in the website of the Company at https://www.craftsmanautomation.com/wp-content/uploads/2018/09/2.-CAL-WhistleBlowerPolicy.pdf

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

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

No complaints on sexual harassment were received during the year 2021-22.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During Financial Year 2021-22, all contracts/ arrangements/transactions entered into by the Company with related parties under Section 188(1) of the Act were in the ordinary course of business and on an arm's length basis. The Company has not entered into material contracts or arrangements or transactions with related parties in accordance with Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. There were no materially significant Related Party Transactions made by the Company during the year that would have required shareholders' approval under the Listing Regulations.

The Related Party Transactions are placed before the Audit Committee for prior approval, as required under the Act and Listing regulations. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature and value of the transactions.

The Company has adopted policy on Related Party Transactions and can be accessed on the Company's website at https://www.craftsmanautomation.com/wp-content/uploads/2021/03/11.-CAL-RPT-Policy.pdf .

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act and in compliance with the Listing Regulations, is enclosed to this report as **Annexure–5.**

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

Pursuant to Section 186 of the Act, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements in note no. 1.5, 1.6 and 3.5 of Standalone Financial Statements.

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

No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2021-22.

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

Not applicable during the financial year.

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

There were no significant / material orders passed by the regulators or courts or tribunals during the financial year 2021-22, impacting the going concern status and Company's operations in future.

18. ANNUAL RETURN:

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

19. CREDIT RATING:

During the year under review, CRISIL Limited, a credit rating agency registered with the Securities and Exchange Board of India has upgraded the credit rating assigned to the long term loan facilities from BBB+/Stable to A/Stable and short term loan facilities from A2 to A1.

20. PUBLIC DEPOSITS:

The Company has not accepted any deposits falling within the meaning of Section 73 or 74 of the Act read with the Companies (Acceptance of Deposits)

Rules, 2014 during the financial year and as such, no amount on account of principal or interest on deposits from public was outstanding as on 31st March, 2022.

21. AWARDS AND RECOGNITIONS:

The Company has always been singled out by its customers as a supplier partners known for its reliability and quality. During the year, the Company has received Certificate of Appreciation from John Deere Dewas Works for supporting in reaching 200K tractors milestone.

22. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE:

22.1 Details of Foreign wholly owned subsidiaries:

A. CRAFTSMAN EUROPE B.V., THE NETHERLANDS (FORMERLY KNOWN AS CRAFTSMAN MARINE B.V):

i. During the year under review, Craftsman Europe B.V., Wholly Owned Subsidiary has posted a turnover of ₹1890 Lakhs (Euro 21.73 Lakhs) as against ₹1741 Lakhs (Euro 20.06 Lakhs). The profit for the year amounted to ₹226 Lakhs (Profit of Euro 4.42 Lakhs) increased from Loss of ₹0.53 Lakhs (Loss of Euro 0.01 Lakhs).

B. CRAFTSMAN AUTOMATION SINGAPORE PTE LIMITED:

i. Craftsman Automation Singapore Pte Limited (CAS), the Wholly Owned Subsidiary of the Company was dissolved through members voluntary winding up during the quarter ended 30th June, 2021.

ii. CAS was not a material subsidiary of the Company.

22.2 Details of Joint Venture Companies:

Carl Stahl Craftsman Enterprises Private Limited which is an associate Company in which your Company is holding 30% of equity shares notched a turnover of ₹34.15 Crores in FY 2021-22 as against the ₹22.07 Crores of FY 2020-21. The Profit for the year was ₹1.27 Crores as against profit of ₹0.55 Crores in FY 2020-21.

Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's Subsidiaries and Associate Company in Form No. AOC-1 is attached to this report as **Annexure-6.**

23. CHANGE IN NATURE OF BUSINESS:

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

24. DIRECTORS:

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

During the financial year 2021-22 under review, the shareholders of the Company at the 35th AGM held on 21st June, 2021 had approved the re-appointment of Mr. Srinivasan Ravi as the Chairman and Managing Director and Mr. Ravi Gauthamram as Whole Time Director for a further period of 5 years with effect from 1st October, 2021 and approved the appointment of Mr.Udai Dhawan as Non Executive Non Independent Director.

The Board at its meeting held on 19th March, 2022 on recommendation of the Nomination and Remuneration Committee, had appointed Mr.Tamraparni Srinivasan Venkata Rajagopal (DIN: 07148250) as an Additional Director of the Company with effect from 19th March, 2022 upto the ensuing Annual General Meeting of the Company..

Further, Mr.Udai Dhawan (DIN: 03048040) has tendered his resignation as Non-Executive Non-Independent Director w.e.f 19th March, 2022. The Board appreciated the guidance and contribution on various matters made by Mr.Udai Dhawan during his tenure as a Director of the Company.

The Board at its meeting held on 9th May, 2022, based on the recommendation of Nomination and Remuneration Committee, has recommended to the shareholders, the appointment of Mr.Tamraparni Srinivasan Venkata Rajagopal (DIN: 07148250) as an Independent Director of the Company. Necessary resolution seeking the approval of the Shareholders for his appointment along with explanatory Statement justifying the appointment are included in the Notice convening the 36th AGM of the Company.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr.Srinivasan Ravi (DIN: 01257716), Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing AGM. His appointment is placed

for approval of the members and forms part of the notice of the 36th AGM. The information about the Director seeking his reappointment as per Para 1.2.5 of Secretarial Standards on General Meetings and Regulation 36 (3) of Listing Regulations has been given in the notice convening the 36th AGM.

25. KEY MANAGERIAL PERSONNEL:

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

i. Mr. Srinivasan Ravi, Chairman and Managing Director;

ii. Mr. Ravi Gauthamram, Whole Time Director;

iii. Mr. C.B.Chandrasekar, Chief Financial Officer;

iv. Mr. Thiyagaraj Damodharaswamy, Chief Operating Officer;

v. Mr. Shainshad Aduvanni, Company Secretary.

The remuneration and other details of these Key Managerial Personnel for Financial Year 2021-22 are provided in the Annual Return which is available on the website of the Company.

26. COMMITTEES:

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

i. Audit Committee:

During the year under review, the Board at its meeting held on 19th March, 2022 has reconstituted the Audit Committee and the members of the Audit Committee are as follows:

1. Mr.Chandrashekhar Madhukar Bhide, Independent Director (Chairman);
2. Mr.Sundararaman Kalyanaraman, Independent Director (Member);
3. Mrs.Vijaya Sampath, Independent Director (Member)
4. Mr.Tamraparni Srinivasan Venkata Rajagopal, Additional Director (Member)^
5. Mr.Udai Dhawan, Non-Executive Director (Member)*

^Mr.Tamraparni Srinivasan Venkata Rajagopal, Additional Director was appointed as a member with effect from 19th March, 2022.

*Mr.Udai Dhawan, Non-Executive Director ceased to be a member with effect from 19th March, 2022.

During the financial year 2021-22, the Audit Committee met four times on 5th May, 2021, 14th July, 2021, 18th October, 2021 and 24th January, 2022.

ii. Nomination and Remuneration Committee:

The Composition of the Nomination and Remuneration Committee is as follows:

1. Mrs.Vijaya Sampath, Independent Director (Chairperson);
2. Mr. Chandrashekhar Madhukar Bhide, Independent Director (Member) and
3. Mr. Sundararaman Kalyanaraman, Independent Director (Member).

During the financial year 2021-22, Nomination and Remuneration Committee met two times on 5th May, 2021 and 18th March, 2022.

iii. Stakeholders Relationship Committee:

The Composition of the Stakeholders Relationship Committee is as follows:

1. Mr. Chandrashekar Madhukar Bhide, Independent Director (Chairman)
2. Mr. Srinivasan Ravi, Chairman and Managing Director (Member) and
3. Mr. Sundararaman Kalyanaraman, Independent Director (Member)

During the financial year 2021-22, Stakeholders Relationship Committee met once on 24th January, 2022.

iv. CSR Committee:

The CSR Committee was reconstituted after the resignation of Mr.Udai Dhawan, Non-Executive Non-Independent Director from the Board of the Company with the following Compositions:

1. Mr.Srinivasan Ravi, Chairman and Managing Director (Chairman);
2. Mr.Chandrashekhar Madhukar Bhide, Independent Director (Member);

3. Mr.Tamraparni Srinivasan Venkata Rajagopal, Additional Director (Member)^
4. Mr.Udai Dhawan, Non-Executive Director (Member)*;

^Mr.Tamraparni Srinivasan Venkata Rajagopal, Additional Director was appointed as member with effect from 19th March, 2022.
*Mr.Udai Dhawan, Non-Executive Director ceased to be a Member with effect from 19th March, 2022.

During the financial year 2021-22, the CSR Committee met two times on 5th May, 2021 and 24th January, 2022.

v. Risk Management Committee:

The Board has constituted Risk Management Committee at its meeting held on 5th May, 2021 as required under Regulation 21 of the Listing Regulations with the following members:

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

During the financial year 2021-22, the Risk Management Committee met two times on 25th September, 2021 and 18th March, 2022.

vi. Management Committee:

The Composition of the Management Committee is as follows:

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

During the financial year 2021-22, the Management Committee met once on 9th February, 2022.

vii. IPO Committee:

The Company has successfully completed the Initial Public Offering (IPO) and listed its equity shares on the BSE Limited and National Stock Exchange of India Limited on 25th March, 2021. Accordingly, IPO Committee was dissolved by the Board of Directors at their meeting held on 24th January, 2022.

27. INTERNAL FINANCIAL CONTROLS:

Internal Financial Controls and their Adequacy

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

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

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

28. AUDITORS & AUDITORS REPORT:

A. Statutory Auditors

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

B. Statutory Audit Report

There are no qualifications, reservations or adverse remarks made by Sharp & Tannan, Statutory Auditors in their report for the financial year ended 31st March, 2022.

C. Internal Auditor

MC Ranganathan & Co., Chartered Accountants, Chennai, who are the Internal Auditors have carried out internal audit for the financial year 2021-22. Their reports were reviewed by the Audit Committee.

D. Cost Auditor

During the Financial Year 2021-22, the Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company which were audited by S.Mahadevan & Co, Cost Accountants, Coimbatore, (Registration No. 000007).

In accordance with Section 148 of the Act, the Board of Directors of the Company, on recommendation of the Audit Committee, has re-appointed S.Mahadevan & Co, Cost Accountants, Coimbatore, (Registration No. 000007) as the Cost Auditors to conduct the Audit of the Cost Accounting Records maintained by the Company for the Financial Year 2022-23. S.Mahadevan & Co have confirmed that their appointment is within the limits of Section 141(3)(g) of the Act and have also certified that they are free from any disqualifications specified under section 141(3) read with Section 148(5) of the Act.

As per the provisions of the Act, a resolution seeking members' ratification for the remuneration payable to S.Mahadevan & Co, Cost Auditors is included at item no.6 of the Notice convening the 36th AGM.

E. Secretarial Auditor and Secretarial Audit

Pursuant to the Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed KSR & Co., Company Secretaries LLP, Coimbatore as the Secretarial Auditors of the Company to undertake the Secretarial Audit of the Company for the FY 2021-22.

The Secretarial Audit Report in form MR-3 forms part of the Directors' Report as **Annexure-7.** The report does not contain any qualification, reservation, adverse remark or disclaimer.

F. Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year ended 31st March, 2022 for all applicable compliances as per the Regulation 24A of the Listing Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by KSR & Co, Company Secretaries LLP has been submitted to the stock exchanges within 60 days of the end of the financial year.

G. Reporting of Frauds by Auditors:

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

29. MEETINGS OF THE BOARD AND COMMITTEES:

During the Financial Year 2021-22, the Board of Directors met six (6) times and the details of the meetings of the Board and its Committees are given in the Corporate Governance Report **(Annexure 2).** The gap intervening between two meetings was within the time prescribed under the Act and Listing Regulations.

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

30. MEETING OF INDEPENDENT DIRECTORS:

In terms of requirements under Schedule IV of the Act and Regulation 25 (3) of Listing Regulations, a separate meeting of the Independent Directors was held on 18th March, 2022.

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

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

31. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from each Independent Director of the Company under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations confirming compliance with the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Directors during the year 2021-22.

All Independent Directors of the Company have affirmed compliance with the Schedule IV of the Act and Company's Code of Conduct for Directors and Employees for the Financial Year 2021-22.

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

32. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

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

33. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

The details of the familiarization programme undertaken have been uploaded on the Company's website and the same is accessible at the web-link https://www.craftsmanautomation.com/wp-content/uploads/2022/04/Familiarisation-Programme_Website.pdf.

34. PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEES:

Pursuant to the provisions of the Act and Listing Regulations and as per Guidance Note on Board Evaluation issued by SEBI on 5th January, 2017, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Committees at its meeting held on 19th March, 2022.

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

35. DIRECTORS' APPOINTMENT AND REMUNERATION POLICY:

The Company has on the recommendation of the Nomination & Remuneration Committee framed and adopted a Nomination and Remuneration Policy in terms of the Section 178 of the Act with effect from 2nd July, 2018. The policy, inter alia lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel and senior management personnel of the Company.

The Nomination & Remuneration Policy of the Company is available on the website of the Company at web-link https://www.craftsmanautomation.com/wp-content/uploads/2019/05/3.-CAL-Nomination-Remuneration-and-Board-Evaluation-Policy.pdf.

36. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The details as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure–8** of this Report.

The information required under Section 197(12) of Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including amendment thereto, is provided in the **Annexure-9** forming part of the Report.

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

37. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an environmental, social and governance perspective for the Financial Year 2021-22 has been given in the Business Responsibility and Sustainability Report (BRSR) as per the format specified by SEBI Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10th May, 2021 which forms part of this report as **Annexure–10.** The Company has voluntarily adopted the BRSR for the Financial Year 2021-22.

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

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

A) Conservation of energy:

I. Steps taken or impact on conservation of energy

- **Reduction of Power Consumption in Furnace:**

  Holding furnace contactor controller was replaced with thyristor controller for reducing power consumption in furnace. By this practice, the Company has saved 10% of power consumption unit in each furnace.

- **Compressor Energy Saving:**

  The Company has reduced 5% of the Compressor running consumption motor by replacing new motor for the compressor motors running with excess power.

  The Company has saved 20% of power consumption in Unit 2 Foundry by replacing new energy efficient compressor for the excess power consuming old compressor.

  The Company has reduced the unload timing of Compressor in Sriperumbudur plant by replacing compressor line, installing in new location and by centralising all compressors in a single pipe line with ring loop.

- **Reduction in Melting Cost:**

  The Company has saved 20% of melting cost by replacing existing diesel burner to LPG Gas burner.

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

The Company during the year under review utilized wind power from its group captive wind mills and also from group captive waste heat power producer.

III Capital investment on energy conservation equipment's

Replacement of oil fired burner with gas fired burner in melting furnaces for the purpose of improving combustion efficiency with reduction of fuel consumption.

B) Technology Absorption:

The Company has effectively integrated and absorbed general technology in the area of air generation equipment's.

<u>The expenditure incurred on Research and Development</u>

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

C) Foreign Exchange earnings and Outgo:

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

Foreign Exchange Earnings	₹163.96 Crores
Foreign Exchange Outgo	₹287.78 Crores

39. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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

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

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

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

40. SECRETARIAL STANDARDS:

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

41. PROHIBITION OF INSIDER TRADING:

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

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

The aforesaid Codes are posted on the Company's website and can be accessed by using web link at: https://www.craftsmanautomation.com/wp-content/uploads/2021/03/7.-CAL-Code-of-Fair-Disclosure-of-UPSI-new.pdf and https://www.craftsmanautomation.com/wp-content/uploads/2021/03/6.-CAL-Code-of-Conduct-under-SEBI-PIT.pdf

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

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

43. CEO/CFO CERTIFICATION:

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and CFO of the Company have certified the accuracy of the Financial Statements and adequacy of Internal Control Systems for financial reporting for the year ended 31st March, 2022. The certificate is given in **Annexure-11.**

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

The Code of Conduct of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is reviewed on an annual basis and the latest Code is available on the website of the Company at weblink https://www.craftsmanautomation.com/wp-content/uploads/2021/03/10.-CAL-Code-of-Conduct-for-Directors-and-SM.pdf . Pursuant to the Listing Regulations, a confirmation from the Managing Director regarding compliance with the Code by all the Directors and senior management of the Company is given in **Annexure–12.**

45. CAUTIONARY STATEMENT:

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

46. ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
09.05.2022

ANNEXURE -1

MANAGEMENT DISCUSSION AND ANALYSIS:

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

A. INDUSTRY STRUCTURE AND DEVELOPMENT

According to IMF World economic Outlook (Apr-2022), Global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones.

Economic damage from the Ukraine war will contribute to a significant slowdown in global growth in 2022. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations - particularly in low-income countries being the most affected. Elevated inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. In addition, the conflict adds to the economic strains wrought by the pandemic. Although many parts of the world appear to be moving past the acute phase of the COVID-19 crisis, deaths remain high, especially among the unvaccinated.

Moreover, recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere. Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6 % in 2022 and 2023.

The base metal index initially retreated from a 10-year high in July 2021, mainly owing to iron ore prices falling 13.8 percent amid temporary restrictions on steel production and slowing construction activity in China

For 2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging market and developing economies

Indian Economy

According to IMF, GDP of India for 2021 was at 8.9% and is projected at 8.2% for 2022. IMF expects weaker domestic demand owing to higher oil prices will weigh on consumption.

Inflation continues to face pressure from high international commodity prices, including edible oils and metals, which are at decadal highs and crude oil prices which remain beyond the comfort zone at over ~$70 per barrel. Recent data has indicated firms passing on rising input costs to consumers despite weak demand conditions.

The lid on overall inflation will be kept by food, as it benefits from the high base of last year. However, the progress of monsoon and impact of rising global food prices will remain a key monitorable. Due to these factors, the CPI inflation is forecasted to 5.8% for fiscal 2022.

Automobile Industry in India

In FY 21-22, the passenger vehicles, commercial vehicles and three wheeler have witnessed growth compared to FY 20-21. However, Two wheeler segment has declined by 11%., hence there was an overall decline in automobile industry sales by 6%. The automobile industry is still recovering from supply challenges and the chip shortage faced during 2021. Society of Indian Automobile Manufacturers (SIAM) noted that the two-wheeler dispatches in last fiscal were the lowest in 10 years. Similarly, passenger vehicle dispatches last fiscal were below 2017-18 and 2018-19 levels.

Steep increase in commodity prices, precious metals and freight rates were putting additional pressure on supply chain and profitability of the industry. Segments like commercial vehicles and SUVs are seeing improvement in demand, the mass segments like two-wheelers and smaller cars are facing serious affordability issues. Overall there was increase in export of automobiles. Indian products are becoming more acceptable world wide for the quality, cost and performance.

Automobile Industry Outlook

After an unprecedented slowdown across the auto industry with domestic volumes down 20-60% across segments (except tractors) over FY19-21, the industry is expecting a strong cyclical recovery to play out over FY21-25.

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

   MHCV industry volumes are down 62% from the peak – much higher than 35-45% decline seen during the previous down cycles. As a result, commercial vehicle segment is expected to recover sharply aided by uptick in economic growth, pick-up in private capex cycle and higher freight demand – 28% volume CAGR over FY21-25E, which implies that industry will surpass FY19 peak volumes in FY25E.

b. **2 Wheeler (2W)**

   2W industry demand has been impacted by affordability issues (35-40% increase in cost of ownership over the last 3 years) and slowdown in rural areas – post muted volumes in FY22 (down 11% YoY and almost 36% from FY19 levels), industry volumes is expected to recover and grow by 17%/10% in FY23E/24E

c. **Passenger Vehicle (PV)**

   PV demand has been robust aided by preference for personal mobility post Covid and healthy product launch pipeline across many OEMs. Experts feel that the chip shortages, which have weighed on production and growth to improve gradually and build in 27%/11% YoY growth in FY23/24E (volumes to cross previous peak in FY23E itself).

Import substitution and higher outsourcing by OEMs in India:

Auto component imports into India stood at USD 13.8 bn in FY21 and have been flat over FY16-21 (2.5% CAGR in rupee terms). Similar to exports, drive transmission, steering and engine components account for 45-50% of imports while electrical and electronic components account for a further 10-15%. However, reliance on China is quite high with roughly 1/3rd of imports are from China; other important countries are South Korea, Germany and Japan. Hence, there is a huge scope for automobile component exports and also increasing substitution of imports in India.

With respect to machining of powertrain components, OEMs derive several advantages by outsourcing vs. in-house operations such as better productivity, lower lead times, limited capex requirements, flexibility to scale up and scale down production within a short span, etc. Until now, many OEMs chose to do machining in-house given dearth of quality suppliers with sufficient scale, capabilities and cost competitiveness. However, with significant changes happening in vehicles (necessitated by regulations such as BS6 emission norms, CAFÉ norms, and light-weighting), and emergence of quality suppliers, OEMs are likely to step up outsourcing of components especially as the cyclical recovery and new model launches gather pace.

Auto Aluminium Market

Demand for aluminium castings, which are used as part of alloy wheels, has picked up due to an increase in penetration of alloy wheels in two-wheelers and passenger vehicles.

Two-wheelers account for ~70% of the aluminium die casting market, followed by passenger vehicles with 25% share and commercial vehicles with a 4-5% share in value terms. Original equipment manufacturers account for 75-80% of the offtake. Exports account for 15-20%, with the aftermarket comprising the remainder.

Aluminium content in PVs in India is well below global levels. Average aluminium content in a passenger vehicle in India is currently only 50-60 kg vs. 140-210 kg in other regions such as China, Europe and North America. India's average aluminium content is also lower than the aluminium content in A/B segment cars in these regions - 80-110 kg in Europe and 120-140 kg in North America. Thus, there is significant scope for aluminium content to increase in Indian PVs going ahead especially in products such as transmissions, chassis and suspension, steering parts, closures and trim & interiors.

Scope for increased aluminium usage is even higher in CVs. Average aluminium content in trucks in China is estimated to be 120-130 kg per vehicle with major usage in transmission housings, fuel tanks, gas tanks and heat exchangers. Going forward, usage will increase materially in body parts, structural parts and trailers.

Aluminium content to increase significantly in Electric Vehicle (EV) : Rising EV penetration will provide a further fillip to aluminium as content in EVs is significantly higher than Internal Combustion Engine (ICE) vehicles – 300-320 kg vs.140-210 kg in regions like Europe and North America. Transition from ICE to Battery Electric Vehicle (BEV) leads to loss in aluminium content of engine related components (blocks, cylinder heads, cam cover, oil pans, pistons etc.) and some transmission and driveline components (such as valve body, clutch housing, transfer case, drive shaft, differential carriers, etc.). However, the loss is more than compensated by BEV powertrain related components (such as motor housings, reduction gearboxes, housings for some other components such as inverters/converters/ BMS) and platform components (closures, body platforms, etc.).

Industrial & Engineering Market

India's engineering sector has witnessed a remarkable growth over the last few years driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. India, on its quest to become a global superpower, has made significant stride towards developing its engineering sector.

The engineering sector in India attracts immense interest from foreign players as it enjoys a comparative advantage in terms of manufacturing cost, technology, and innovation. The above, coupled with favourable regulatory policies and growth in the manufacturing sector, has enabled several foreign players to invest in India.

Finance Budget 2022 has focused on 'Gati Shakti' to spur the logistics infrastructure - First outlay of ₹20,000 Crore for 2022-23. The approach is driven by seven engines i.e., roads, railways, airports, ports, mass transport, waterways and logistics infrastructure.

- Budget is expected to enhance capital expenditure and initiatives to boost digitisation and domestic manufacturing. The expansion of the National Highway network by 25,000 km in 2022-23.
- Development of multimodal logistic parks based on the PPP model
- Building 100 Gati Shakti cargo terminals
- The unified logistics interface will strengthen operational efficiency with just-in-time inventory management, real-time information exchange, reduced logistics cost, infrastructure development, digitisation and technology integration will lead to superior productivity gain in the logistics operations

With growth in the capital investment cycle, the contract manufacturing will see quantum leap in the next 3-4 years. Hoist and Material handling products will have good growth due to improved market situation.

Storage Solutions Market

The storage solutions industry broadly comprises pallets, racking solutions and shelving solutions. Shelving solutions are ideal for storage of assorted materials that are handpicked. Palletised racking solutions are ideal wherein huge volumes of standard-type products are produced, stored, retrieved and distributed in and out of manufacturing units or warehouses. Pallet Racks provide for manual as well as automated Storage & Retrieval. On the other hand, slotted angle racking, multi-tier racking systems, etc, are suitable for manual retrieval of assorted materials.

Pallet racking is an essential component of modern warehousing, manufacturing, retailing and other storage systems. Pallet racks enable storage of materials on pallets, which are easier to use vis-à-vis manual operations.

Usage of pallets also makes loading and unloading convenient through the use of forklifts, and other material handling equipment, which reduces time and improves efficiency.

The storage industry grew at a compound annual growth rate (CAGR) of 14-16% over fiscals 2016 to 2020. The industry marginally declined in fiscal 2021 on account of disruptions due to the Covid-19 pandemic and the resulting impact on the supply chains of Indian industries. Although going ahead CRISIL Research expects the industry to log 19-21% CAGR over the next three years to reach ₹38 billion in fiscal 2024 from ₹21 billion in fiscal 2021, on account of incremental ambient warehouse addition and rise in the share of organised warehousing players due to GST implementation.

The Automated Storage and Retrieval System (ASRS) globally was valued at $7,351 million in 2019 and is expected to reach $12,928 million by 2027 – at a 7.2 percent CAGR between 2020 and 2027.The Indian market is expected to outperform the global market – it is currently moving northward at a 12 percent CAGR. The unavailability of adequate manpower and its fast-rising costs are driving the growth of automated storage and retrieval systems across the world. Because ASRS including Vertical Lift Modules (VLM) offers critical advantages; Occupies smaller floor space optimizing capital commitment, Reduces manpower requirement thereby reducing operating costs,and Automation results in faster and more accurate storage and retrieval.

B. OPPORTUNITIES AND THREATS

Opportunities

- Leverage vertically integrated manufacturing and engineering capabilities, to tap the growing opportunities for aluminium usage in the Automotive – Aluminium Products and Industrial and Engineering segments
- Increase wallet share and acquire new business by leveraging existing OEM relationships and adding new customers
- Growing opportunities in storage solutions - Market to grow driven by warehouse consolidation and the growth across end-user industries such as e-commerce, organized retailing, consumer durables, auto components and pharmaceuticals as well as cold storage industries
- Increases in aluminium material content in vehicles
- Initiatives by Government for promotion of automobile industry – Vehicle scrappage policy, CAFÉ norms, BS-VI norms, etc.

Threats

- Global economic tension: Ukraine-Russia war and its impact in other economies
- Economic uncertainty: Based on the current and future market environment estimates, the base cost of material is expected to be volatile.
- Covid-19 pandemic: The threat of the pandemic continuing globally, the recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions
- EVs: Growth of electric vehicles in future is an evolution and may impact demand for light and medium vehicles in the long term. This may also throw up considerable growth in auto aluminium segment.

C. OUTLOOK

FY 21-22 was a challenging business year for all industries in many ways and Craftsman is no exception. A relentless focus on cost management, fiscal prudence, value engineering and customer partnering has enabled the Company to record a creditable performance demonstrating its 'Engineering Advantage' despite being in a challenging year.

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

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

D. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

- Turnover grown by **43%** and stands at ₹**2206** Crs. We have registered highest ever Turnover.
- PBT grown by **68%** from ₹148 Crs to ₹**248 Crs**
- PAT grown by **66%** from ₹97 Crs to ₹**160 Crs**
- EBITDA has grown by 20% from ₹447 Crs to ₹**539 Crs**. We have registered highest ever EBITDA in Value
- Capex for the year was at ₹227 Crs to enhance technological upgradation wherever it was required and for addressing the

emerging opportunities apart from regular maintenance capex

E. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE, INCLUDING:

Particulars	Unit	FY 2021-22	FY 2020-21	% Change
Debtors Turnover	Times	8.33	7.21	16%
Inventory Turnover	Times	4.33	4.34	0%
Interest Coverage Ratio*	Times	6.40	4.17	53%
Current Ratio	Times	1.03	0.96	7%
Debt Equity Ratio	Times	0.63	0.72	(13%)
Operating Profit Margin (%)	%	15%	16%	(6%)
Net Profit Margin (%)	%	7%	6%	16%
Return on Net Worth*	%	14%	10%	43%

Ratios	*Reason for changes
Interest Coverage Ratio	1. Reduction in interest cost (from ₹107 Crs to ₹84 Crs) 2. Increase in EBITDA (from 447 Crs to 539 Crs)
Return on Net Worth	Higher profits

F. SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

Segment	FY 21-22		FY 20-21	
	Sales	EBIT	Sales	EBIT
	₹Crs	%	₹Crs	%
Automotive Powertrain	1,154	26%	811	27%
Automotive Aluminium	440	2%	330	1%
Industrial & Engineering	612	11%	405	19%

Automotive Powertrain segment

- The Company is into powertrain for major Commercial vehicles, off-highway vehicles, tractors and SUVs.
- Inspite the challenging automobile business environment, our Company has grown in Powertrain segment by 42% and registered highest ever Turnover of ₹1,154 Crores

Automotive Aluminium segment

- India in the coming years will start focusing on the light weighting vehicles for better efficiencies to achieve lesser emissions. Further, the heavier old generation vehicles have to comply with CAFÉ norms by reducing the weight.
- This will enhance more aluminium content per vehicle and improve opportunities for Auto Aluminium Segment going forward.

Industrial & Engineering segment

- The industrial & engineering segment is a well-diversified business. The major portion is coming from high end products and subassemblies for contract manufacturing and Storage solution business
- Storage Systems is a one-stop solution in for all industrial storage needs. The Company edge's out competition on two key parameters; in-house manufacturing makes the product economical and allows for customization and a strong and well spread service team ensures that the Company does not rely on third parties to resolve issues - the in-house team provides mechanical, electrical, or software support to its customers 24x7, resulting in a very low MTTR (Mean Time to Repair).
- V-Store is an ASRS Vertical Lift Module that was developed in-house and manufactured in Coimbatore. V-Store has emerged as an ideal solution for cost-effective and efficient inventory management. The V-Store's value-proposition is reflected in a heartening statistic - with more than 300+machines installed across the Indian landmass, the V-Store is emerging as a strong business and profitability driver.
- The storage solution division has registered a growth of 144% (from ₹104 Crs to ₹253 Crs) during the year

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

H. RISKS AND CONCERNS.

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

The general slowdown of the economy due to disruptions caused by the pandemic & Ukraine war had the effect of volatility in input costs and foreign exchange. The Company has appropriate mitigation plans to protect margins while continuing to grow and transform the business. While the Company's focus on long term strategic drivers and brand building continues, appropriate strategic and pricing interventions as well as cost and efficiency management programmes were undertaken keeping in mind input costs, competitive positioning and product brand strategy.

The Company actively managed its cyber security risk including the impact of greater remote working required during the pandemic by promoting the right behaviors and using tools and processes to protect its information, systems, assets and people against current and emerging cyber security threats.

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

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

Though the second wave has impacted the supply chain in Q1 of FY 21-22, all our plants have been functioning normally since Jun-21 once the lockdown opened. Post the easing of lockdown restrictions, there has been a focus on renewing and continuing operations in a safe and sustainable manner. All Safety protocols mandated by local authorities at the different plant locations have been followed. A much better than expected recovery in demand in the second quarter of the year has been a challenge for operating teams at the plants.

The workforce showed great resilience in the face of an unprecedented pandemic demonstrating its ability to adapt to new circumstances. They ensured that our company was quickly on its way to normalcy and well placed to exploit opportunities in favorable market conditions.

During the year ended 31st March 2022, the Company has employed 2058 permanent workmen and staff.

ANNEXURE – 2

CORPORATE GOVERNANCE REPORT

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

The Directors present the Company's Report on Corporate Governance for the financial year 2021-22. This report elucidates the systems and processes followed by the Company to ensure compliance of corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 ("Act").

I. Company's philosophy:

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

II. Board of Directors:

Composition of the Board

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

As on 31st March, 2022, the Board members consist of One Executive Chairman and Managing Director who is Promoter of the Company, One Whole Time Director, One Additional Director in the Category of Independent Director on the Board and Three Independent Directors including One Non-Executive Women Independent Director.

In terms of the provisions of the Act, and the Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on 31st March, 2022, none of the Directors on the Board holds Directorship position in more than 20 (twenty) companies [including 10 (ten) public limited companies and 7 (seven) listed companies]; holds Executive Director position and serves as an Independent Director in more than 3 (three) listed companies; and is a member of more than 10 (ten) Committees (Audit Committee and the Stakeholders Relationship Committee) and/or Chairperson of more than 5 (five) Committees (Audit Committee and the Stakeholders Relationship Committee) across all the Indian Public Limited Companies in which he/ she is a Director pursuant to Regulation 26 of the Listing Regulations.

None of the Directors have attained the age of Seventy-five (75) years.

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

Meetings and attendance

During the financial year 2021-22, Six Board Meetings were held on 05th May, 2021, 14th July, 2021, 15th September, 2021, 18th October, 2021, 24th January, 2022 and 19th March, 2022. The composition of the Board, attendance at the Board Meetings during the year ended on 31st March, 2022 and the last Annual General Meeting and also the number of other directorships and Committee memberships are given below:

S. no	Name of Directors and Designation	Category of Directorship	Date of Appointment	Number of shares held in the Company	No. of Board Meetings attended (From 01.04.2021 to 31.03.2022-Total Meetings held - 6)	Attendance at Last AGM	No. of other Directorships* held in Public Companies	No. of Membership (M)/ Chairmanship (C) in other Board Committee(s)**	
								Member	Chairman
1.	Mr.Srinivasan Ravi, Chairman and Managing Director	Promoter, Executive Director	18-07-1986	1,05,00,000	6	Yes	1	1	0
2.	Mr.Ravi Gauthamram, Whole Time Director	Executive Director	20-02-2014	200	6	Yes	1	0	0
3.	Mr.Chandrashekhar Madhukar Bhide Independent Director	Non-Executive Independent Director	31-01-2011	-	6	Yes	1	2	2
4.	Mr.Sundararaman Kalyanaraman Independent Director	Non-Executive Independent Director	30-06-2017	-	6	Yes	1	2	0
5.	Mrs.Vijaya Sampath Independent Director	Non-Executive Independent Director	30-04-2018	-	6	Yes	8	7	1
6.	Mr.Tamraparni Srinivasan Venkata Rajagopal^	Additional Director	19-03-2022	-	1	Not Applicable	1	1	0
7.	Mr.Udai Dhawan Non-Executive Non-Independent Director#	Non-Executive Director	25-11-2016	-	4	No	-	-	-

*In accordance with the provisions of the Listing Regulations, directorships held in Private Limited and Foreign Companies have been excluded. Directorship in listed entities including Craftsman Automation Limited are shown. For Mr. Udai Dhawan the Company has not included this Company under "No of Other Directorship held in Public Companies" for him, and also No of Membership/ Chairmanship in other Board Committees. Since he is not a Director as on 31st March, 2022.

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

^Appointed as an Additional Director w.e.f.19th March, 2022.

#Resigned as Non-Executive Non-Independent Director from the Board w.e.f. 19th March, 2022.

The names of the listed entities other than Craftsman Automation Limited in which Directors of the Company hold directorship and category thereof, as at 31st March, 2022, are furnished below:

Sl. No.	Name of the Director	Name of the listed entity in which Directorship held	Category of Directorship
1.	Mrs.Vijaya Sampath	Ingersoll-Rand (India) Limited Eris Lifesciences Limited Safari Industries (India) Limited Varroc Engineering Limited Va Tech Wabag Limited Intellect Design Arena Limited	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director

Disclosure of relationship between directors inter-se:

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

Shareholding of Non-Executive Directors:

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

Sr. No.	Name of the Non-Executive Director	No. of equity shares held in the Company	No. of convertible instruments held in the Company
1.	Mr.Chandrashekhar Madhukar Bhide	NIL	There is no convertible instruments issued by the Company.
2.	Mr.Sundararaman Kalyanaraman		
3.	Mrs.Vijaya Sampath		
4.	Mr.Tamraparni Srinivasan Venkata Rajagopal^		
5.	Mr.Udai Dhawan#		

^ Appointed as Additional Director in the category of Independent Director w.e.f.19th March, 2022.
# Resigned as Non-Executive Non-Independent Director from the Board w.e.f. 19th March, 2022.

Familiarisation programmes:

The Company familiarises its Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the Industry, the business models of the Company etc. and the details of the familiarisation programme are available on the website of the Company at https://www.craftsmanautomation.com/wp-content/uploads/2022/04/Familiarisation-Programme_Website.pdf.

Certificate of Non Disqualification of Directors from Practicing Company Secretary:

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

Declaration of Independence

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

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

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

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

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

Independent Directors:

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

As per clause 7 of the schedule IV of the Act (Code for Independent Directors) read with Regulation 25(3) of the Listing Regulations, 2015, a separate meeting of Independent Directors of the Company without the attendance of Non-Independent Directors for the financial year 2021-22, was held on 18th March, 2022.

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

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Mr.Chandrashekhar Madhukar Bhide	1	1
2.	Mr.Sundararaman Kalyanaraman	1	1
3.	Mrs.Vijaya Sampath	1	1
4.	Mr.Tamraparni Srinivasan Venkata Rajagopal^	-	-

^ Appointed as an Additional Director in the category of Independent Director w.e.f.19th March, 2022.

During the year, no Independent director has resigned before the expiry of his/her tenure.

III. Audit Committee:

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

During the financial year 2021-22, the Audit Committee met four times during the year i.e. 05th May, 2021, 14th July 2021, 18th October, 2021 and 24th January, 2022.

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

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

*Resigned as Non-Executive Non-Independent Director from the Board w.e.f. 19th March, 2022.
Appointed as Additional Director w.e.f 19th March, 2022

The Company Secretary is also Secretary to the Audit Committee.

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

IV. Nomination and Remuneration Committee:

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

During the financial year 2021-2022, Nomination and Remuneration Committee met two times on 05th May, 2021 and 18th March, 2022.

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

Sl. No.	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1.	Mrs.Vijaya Sampath Non-Executive Independent Director	Chairperson	2	2
2.	Mr.Chandrashekhar Madhukar Bhide Non-Executive Independent Director	Member	2	2
3.	Mr.Sundararaman Kalyanaraman Non-Executive Independent Director	Member	2	2

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

Performance evaluation criteria for Independent Directors:

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

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

V. Remuneration of Directors:

Pecuniary Relationship of Non-Executive Directors

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

i. Non-Executive Directors:

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

In addition to the sitting fees, Commission, as approved by the Shareholders at the Extra Ordinary General Meeting held on 30th April, 2018 of ₹1,50,000 per calendar quarter per Non-Executive Directors subject to the total annual commission exclusive of applicable GST thereon, if any, to all the Non- Executive Directors shall not exceed 1% of the net profit of the Company during any financial year calculated in accordance with provisions of the Act.

Criteria of making payments to Non-Executive Directors:

Criteria of making payments to Non-Executive Directors are as per the nomination and remuneration policy of the Company and the same is available at web link: https://www.craftsmanautomation.com/wp-content/uploads/2019/05/3.-CAL-Nomination-Remuneration-and-Board-Evaluation-Policy.pdf

ii. Executive Directors:

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

iii. Details of remuneration paid to the Directors for the year ended 31st March, 2022. (₹ In Lakhs)

Sr.no	Name of Directors and Designation	Category of Directorship	Salary	Commission	Sitting Fees	Others	Total
1.	Mr.Srinivasan Ravi, Chairman and Managing Director	Promoter, Executive Director	395	573	-	-	967
2.	Mr.Ravi Gauthamram, Whole Time Director	Executive Director	60	142	-	2	205
3.	Mr.Chandrashekhar Madhukar Bhide Independent Director	Non-Executive Independent Director	-	6	6	-	12
4.	Mr.Sundararaman Kalyanaraman Independent Director	Non-Executive Independent Director	-	6	6	-	12
5.	Mrs.Vijaya Sampath Independent Director	Non-Executive Independent Director	-	6	5	-	11

Contd..

Sr.no	Name of Directors and Designation	Category of Directorship	Salary	Commission	Sitting Fees	Others	Total
6.	Mr.Tamraparni Srinivasan Venkata Rajagopal^ Additional Director	Non-Executive Independent Director	-	0	1	-	1
7.	Mr.Udai Dhawan Director #	Non-Executive Non-Independent Director	-	6	4	-	10

^ Appointed as Additional Director w.e.f 19th March, 2022.

#Resigned as Non-Executive Non-Independent Director from the Board w.e.f. 19th March, 2022.

➢ There are no stock options available/ issued to any non-executive Directors of the Company.

➢ The Company has not granted any stock options to the directors and hence, it does not form part of the remuneration package payable to any Director. During the year, the Company did not advance any loan to any director.

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

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

VI. Stakeholders Relationship Committee:

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

During the financial year 2021-22, Stakeholders Relationship Committee met once on 24th January, 2022.

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

Sr. No.	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1.	Mr.Chandrashekhar Madhukar Bhide Non-Executive Independent Director	Chairman	1	1
2.	Mr.Srinivasan Ravi Chairman and Managing Director	Member	1	1
3.	Mr.Sundararaman Kalyanaraman Non-Executive Independent Director	Member	1	1

Mr. Shainshad Aduvanni is the Company Secretary and Compliance Officer of the Company,

The Company Secretary is also Secretary to the Stakeholders Relationship Committee.

During the year 2021-22, following complaints were received from shareholders and investors. All the complaints have been resolved to the satisfaction of the complainants.

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

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

VII. Risk Management Committee:

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

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

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

During the financial year 2021-22, the Risk Management Committee met twice on 25th September, 2021 and 18th March, 2022.

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

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

VIII. General Body Meetings:

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

Year	Type	Location	Date	Time	Special Resolutions passed in the AGM by the Shareholders
2019	AGM	No.1078, IVth Floor, Senthel Towers, Avanashi Road, Coimbatore – 641 018.	25.06.2019	02.30 P.M	No Special Resolutions were passed
2020	AGM	No.1078, IVth Floor, Senthel Towers, Avanashi Road, Coimbatore – 641 018.	20.05.2020	03.00 P.M	No Special Resolutions were passed
2021	AGM	Through Video Conference	21.06.2021	04.00 P.M	1. Re-appointment of Mr.Srinivasan Ravi, (DIN: 01257716) as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st October, 2021. 2. Re-appointment of Mr.Ravi Gauthamram, (DIN: 06789004) as Whole Time Director of the Company for a period of five (5) years with effect from 1st October, 2021. 3. Appointment of Mr.Udai Dhawan, (DIN: 03048040) as Non-Executive Director of the Company.

The Extra Ordinary General Meetings held during the year 2021-22 is: NIL

No special resolution was required to be put through postal ballot during the year 2021-22.

No special resolution is proposed to be conducted through postal ballot.

IX. Means of Communication:

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

X. General Shareholder Information:

a	Date, Time and Venue of the Annual General Meeting	17th June, 2022, 4.00 PM IST & through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
b	Financial year 1st April 2022 to 31st March 2023	Will be published on or before (tentative and subject to change):
	Result for Quarter ending 30th June, 2022	On or before 14th August, 2022
	Result for Quarter ending 30th September, 2022	On or before 14th November, 2022
	Result for Quarter ending 31st December, 2022	On or before 14th February, 2023
	Result for Quarter ending 31st March, 2023	On or before 30th May, 2023
c	Dividend Record Date Dividend payment date	Friday, 10th June,2022 Will be paid within 30 days from the date of approval at the 36th AGM.

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

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

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

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

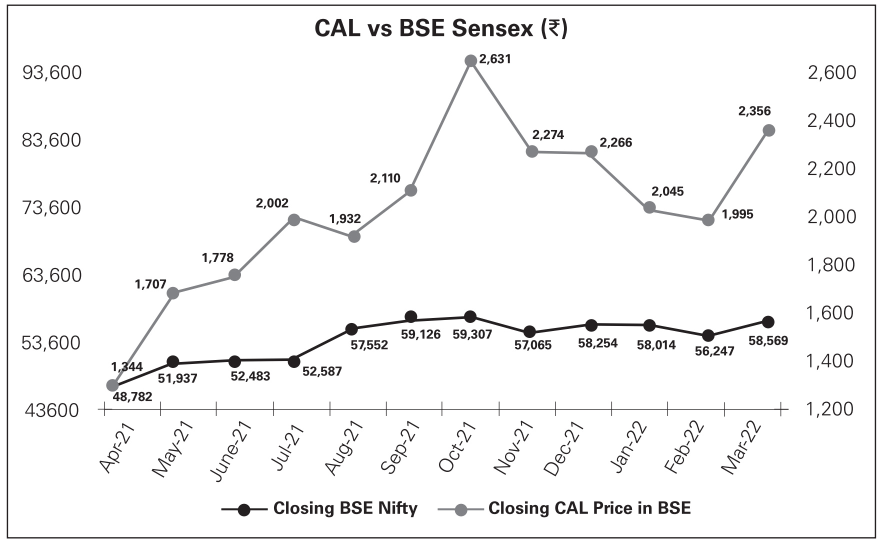
b) Company's Equity Shares are traded in Group "A" category in BSE Limited.

c) The Company has paid the Listing Fees for the year 2021-22 and 2022-23 to BSE Limited and National Stock Exchange of India Limited where the Company's equity shares are listed.

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

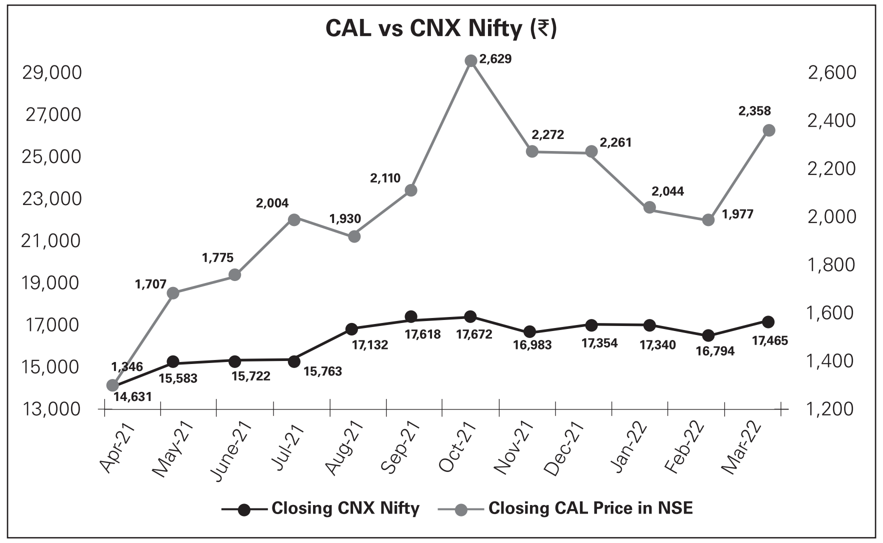
f Stock market price data- high, low during each month in last financial year:

Month	BSE		NSE	
	High (C)	Low (C)	High (C)	Low (C)
April 2021	1488.00	1115.00	1488.95	1245.00
May 2021	1737.20	1265.00	1738.00	1291.75
June 2021	1852.40	1649.50	1854.90	1648.50
July 2021	2176.95	1756.95	2176.00	1761.35
August 2021	2073.50	1825.00	2073.45	1834.80
September 2021	2242.35	1822.00	2242.00	1919.50
October 2021	2714.00	2051.95	2710.00	2049.50
November 2021	2772.80	2139.50	2778.00	2130.00
December 2021	2341.00	2067.70	2347.35	2075.25
January 2022	2446.20	1905.00	2449.00	1901.10
February 2022	2262.65	1845.00	2264.00	1840.00
March 2022	2390.00	1901.90	2389.95	1900.00



g Share Performance v/s BSE Sensex and CNX Nifty

Month	BSE Closing Price (in ₹)	NSE Closing Price (in ₹)	Closing BSE Sensex	Closing CNX Nifty
April 2021	1344.10	1345.60	48782.36	14631.10
May 2021	1707.35	1706.95	51937.44	15582.80
June 2021	1777.75	1775.40	52482.71	15721.50
July 2021	2001.75	2003.50	52586.84	15763.05
August 2021	1932.15	1930.05	57552.39	17132.20
September 2021	2109.60	2109.75	59126.36	17618.15
October 2021	2630.60	2628.90	59306.93	17671.65
November 2021	2273.70	2272.05	57064.87	16983.20
December 2021	2265.95	2260.95	58253.82	17354.05
January 2022	2044.55	2044.40	58014.17	17339.85
February 2022	1994.80	1997.30	56247.28	16793.90
March 2022	2356.20	2358.40	58568.51	17464.75



h There was no suspension from trading in equity shares of the Company during the year 2021-22.

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

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

Link Intime India Private Limited

Surya 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore – 641 28.
Tel: 0422- 2314792
Email id: coimbatore@linkintime.co.in

j **Share transfer system**

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

k Distribution of shareholding as on 31st March, 2022:

S.No	No. of Shares held	No. of Share-holders	% of Sharehold-ers	No. of Shares held	% of Shareholding
1.	Up to 500	60086	99.48	884900	4.19
2.	501 to 1000	133	0.22	102290	0.48
3.	1001 to 2000	67	0.11	98017	0.46
4.	2001 to 3000	20	0.03	52952	0.25
5.	3001 to 4000	9	0.01	32177	0.15
6.	4001 to 5000	12	0.01	55382	0.26
7.	5001 to 10000	22	0.03	165391	0.78
8.	10001 and above	51	0.08	19737202	93.42
	TOTAL	60400	100.00	21128311	100.00

l Dematerialisation of shares and liquidity

As on 31st March, 2022 100.00% of the Company's Equity Shares have been dematerialised.

m Outstanding global depository receipts (GDR) or American depository receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity shares as on 31st March, 2022: The Company has no outstanding GDR / ADR / Warrants or any Convertible Instruments.

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

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

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

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

b) Exposure of the listed entity to various commodities:

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

o Plant locations:

- Unit 2 Kurichi, Coimbatore, Tamil Nadu
- Unit 3 Headquarter, Arasur, Coimbatore, Tamil Nadu
- Unit 2 Sanaswadi, Pune, Maharashtra
- Unit 3 Sanaswadi, Pune, Maharashtra
- Unit 4 Pimple Jagtap, Pune, Maharashtra
- Pithampur Unit, Madhya Pradesh
- Jamshedpur Unit, Jharkhand
- Unit 1 Ballabgarh, Faridabad, Haryana
- Unit 2 Ballabgarh, Faridabad, Haryana
- Unit 1 Bengaluru, Karnataka.
- Unit 2 Bengaluru, Karnataka
- Sriperumbudur – Unit 1, Chennai, Tamil Nadu

p Address for correspondence

The Registered Office:
Mr.Shainshad Aduvanni
Company Secretary & Compliance Officer
"Senthel Towers, 1078, IVth Floor,
Avanashi Road,
Coimbatore – 641 018. Tamil Nadu.
CIN: L28991TZ1986PLC001816
Website: https://www.craftsmanautomation.com/
Email id: investor@craftsmanautomation.com

q Credit Ratings:

CRISIL Ratings Limited vide their letter dated 18th June, 2021 has upgraded the credit rating assigned to Loan facilities from BBB+ / Stable to A/Stable and Short Term loans from A2 to A1.

XI. Other Disclosures:

- There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given in note number 3.5 of the standalone financial statements of the Annual Report.
- No penalty or strictures have been imposed on the Company by any Stock Exchange or Securities and Exchange Board of India or any Statutory Authority on any matter related to capital markets during the last three years.
- A Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee.
- All the mandatory requirements have been duly complied with and certain discretionary disclosure requirements were undertaken.
- The Company's Policy relating to determination of Material Subsidiaries is available at the Company website at web link: https://www.craftsmanautomation.com/wp-content/uploads/2021/03/8.-CAL-Policy-for-determining-Material-Subsidiaries.pdf
- The policy of the Company relating to Related Party Transaction is available at the Company's website at web link: https://www.craftsmanautomation.com/wp-content/uploads/2021/03/11.-CAL-RPT-Policy.pdf .
- The Company does not have any significant exposure to commodity price risk. Hence, the Company is not undertaking any commodity hedging activities.
- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of Listing Regulations..
- A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- During the year under review, the recommendations made by the different Committees have been accepted by the Board and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- The Company has paid a sum of ₹64.00 Lakhs as fees on consolidated basis to the Statutory auditors and all entities in the network firm / entity of which the Statutory auditors is a part for the services rendered by them.
- As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2021-22, no complaints were received by the Committee.

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

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

Sr. No	Requirements specified in Part E of Schedule II	Adoption by the Company
1.	**The Board:** A non-executive chairperson may be entitled to maintain a Chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	The Company does not have a non-executive Chairman.
2.	**Shareholder Rights:** A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders	As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

3.	**Modified opinion(s) in audit report:** The listed entity may move towards a regime of financial statements with unmodified audit opinion	The Company has submitted a declaration with the stock exchanges that the Statutory Auditors of the Company have issued Audit Report on Audited Financial Results for year ended 31st March, 2022 with unmodified opinion.
4.	**Separate posts of Chairperson and the Managing Director or the Chief Executive Officer** The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall – (a) be a non-executive director; and (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.	Separation of Chairperson and Managing Director is not mandatory as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022.
5.	**Reporting of Internal Auditor:** The Internal auditor may report directly to the Audit Committee	The Internal Auditors of the Company report directly to the Audit Committee

XIV. Details of information on appointment and re-appointment of Directors forms part of the Notice convening the 36th Annual General Meeting.

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

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

For and on behalf of the Board of Directors

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
09.05.2022

ANNEXURE – A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V - PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To
The Members,
Craftsman Automation Limited,
'Senthel Towers', IV Floor
1078, Avanashi Road
Coimbatore – 641 018

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Craftsman Automation Limited having CIN L28991TZ1986PLC001816 and having its registered office at 'Senthel Towers', IV Floor 1078, Avanashi Road Coimbatore – 641 018 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs:

S No	Name of the Director	DIN	Date of appointment/ re-appointment in the Company
1	Mr. Srinivasan Ravi	01257716	18.07.1986/01.10.2021
2	Mr. Ravi Gauthamram	06789004	20.02.2014/01.10.2021
3	Mr. Chandrashekhar Madhukar Bhide	00027967	31.01.2011/24.05.2018
4	Mrs. Vijaya Sampath	00641110	30.04.2018
5	Mr. Sundararaman Kalyana Raman	01252878	30.06.2017
6	Mr. Tamraparni Srinivasan Venkatarajagopal#	07148250	19.03.2022
7	Mr. Udai Dhawan*	03048040	25.11.2016/21.06.2021

Appointed as Additional Director w.e.f 19th March, 2022.
* Resigned as Non-Executive Non-Independent Director w.e.f 19th March, 2022

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

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan
Partner
FCS: 5367; CP: 4408
UDIN: F005367D000288641

Coimbatore
09.05.2022

ANNEXURE – 3

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

To
The Members,
Craftsman Automation Limited,
"Senthil Towers" IV Floor,
1078, Avanashi Road,
Coimbatore – 641 018

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by **Craftsman Automation Limited** (CIN L28991TZ1986PLC001816) (the Company) for the year ended 31st March, 2022, as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility

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

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st April, 2021 to 31st March, 2022. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan
Partner
FCS: 5367; CP: 4408
UDIN: F005367D000288672

Coimbatore
09.05.2022

ANNEXURE - 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

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

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

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

i. **Promotion of Health care:** CAL may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections , families Below Poverty Line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, providing medical equipments, setting up of medical and diagnostic camps, free medical insurance for a group of people or families in the BPL category, projects or programs aimed at eradicating poverty or malnutrition of women and children, pain and palliative care etc.

ii. **Old Age homes /Day Care facilities for senior Citizens:** CAL may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid, food and accommodation.

iii. **Promotion of Education:** CAL may undertake projects or programs or activities aimed at the promotion of elementary to professional education and to support the students belonging to weaker sections of the society including SC/ST/OBCs by way of setting up schools, colleges, coaching centers, providing libraries, text books and other study materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognitions to successful candidates pursuing recognized examinations, scholarships or other forms of merit cum means assistance etc.

iv. **Sanitation:** CAL may undertake construction of public toilets, toilets in government run schools and other places and promote sanitation in public places, rural areas including garbage clearing and disposal.

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

i. Improving the livelihood, employability and income generation of the communities around units of CAL

ii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;

iii. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

iv. Measures for the benefit of armed forces veterans, war widows and their dependents;

v. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sport;

vi. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

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

viii. Rural development projects

ix. Slum area development.

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during 2021-2022	Number of meetings of CSR Committee attended during 2021-2022
1.	Srinivasan Ravi	Chairman and Managing Director	2	2
2.	Chandrashekhar Madhukar Bhide	Independent Director	2	2
3.	Udai Dhawan #	Non-Executive Non-Independent Director	2	1
4.	Tamraparni Srinivasan Venkata Rajagopal ^	Additional Director	NA	NA

\# Ceased to be a member of the CSR committee w.e.f. 19th March, 2022 consequent to resignation from the Board.
^ Appointed as member of the CSR committee w.e.f.19th March, 2022.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	CSR Composition: https://www.craftsmanautomation.com/investors/#verticalTab9 CSR Policy : https://www.craftsmanautomation.com/wp-content/uploads/2021/03/1.-CAL-Policy-on-Corporate-Social-Responsibility-05.05.2021.pdf CSR Projects : https://www.craftsmanautomation.com/wp-content/uploads/2022/04/CSR-Projects_For-Website.pdf
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year 2021-22, if any

Sl. No.	Financial Year 2021-2022	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
		NIL	

6. Average net profit of the company as per section 135(5)

Average net profit of the Company for last three financial years (2019, 2020 and 2021) calculated in accordance with the provisions of the Section 198 of the Companies Act, 2013 is ₹11,181 Lakhs.

Sl. No.	Particulars	Remarks
(a)	Two percent of average net profit of the company as per Section 135(5)	₹223.62 Lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
(c)	Amount required to be set off for the financial year, if any	NIL
(d)	Total CSR obligation for the financial year (6a+6b-6c)	₹223.62 Lakhs

7. (a) CSR amount spent or unspent for the financial year 2021-22:

Total Amount Spent for the Financial Year 2021-22 (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
223.95	NA	NA		NA	

(b) Details of CSR amount spent against ongoing projects for the financial year 2021-22:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
							Not Applicable					

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-22:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project. State.	(5) Location of the project. District.	(6) Amount spent for the project (₹ in Lakhs).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency. Name	(8) Mode of implementation - Through implementing agency. CSR registration number.
1.	Setting up of Modular Oxygen system at Coimbatore - ESI Hospital	Health care	Yes	Tamil Nadu	Coimbatore	24.00	Yes	Nil	
2.	Contribution to Tamil Nadu State Disaster Management Authority	Health care	Yes	Tamil Nadu	Coimbatore	27.00	Yes	Nil	
3.	Donated bed, bedspread and pillow to set up Covid 19 ward at Tamil Nadu Engineering College, Karumathampatti,	Health care	Yes	Tamil Nadu	Coimbatore	2.31	Yes	Nil	
4.	Donated cots to set up Covid 19 wards at Arasur village	Health care	Yes	Tamil Nadu	Coimbatore	0.71	Yes	Nil	
5.	Donated cots to set up Covid 19 wards at Kaniyur village	Health care	Yes	Tamil Nadu	Coimbatore	0.71	Yes	Nil	
6.	Distribution of grocery items to the frontline workers & village people during Covid 19 lockdown at Arasur & Kaniyur	Eradicating hunger / Health care	Yes	Tamil Nadu	Coimbatore	9.99	Yes	Nil	
7.	Donated to The District Collector towards vaccination of common / underprivileged people against Corona disease	Health care	Yes	Tamil Nadu	Coimbatore	6.30	Yes	Nil	
8.	Conservation of Water bodies at Sangothipalayam and nearby village	Environment	Yes	Tamil Nadu	Coimbatore	15.82	Yes	Nil	
9.	Promoting Road safety education / awareness and promoting preventive health care to Government. and Corporation schools	Safety and welfare	Yes	Tamil Nadu	Coimbatore	0.85	Yes	Nil	
10.	Productivity week / conclave programs to be conducted by The Coimbatore Productivity Council	Promotion of Education	Yes	Tamil Nadu	Coimbatore	0.50	Yes	Nil	
11.	Construction of One Classroom of 30x20 feet along with the electrical fittings at Uttkramit Middle School Dugdha	Promotion of Education	Yes	Jharkhand	Jamshedpur	12.17	Yes	Nil	

Contd..

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project. State.	(5) Location of the project. District.	(6) Amount spent for the project (₹ in Lakhs).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency. Name	(8) Mode of implementation - Through implementing agency. CSR registration number.
12.	Construction of Two Toilets with complete toilets fittings and Construction of one basketball court in the school premises 75 X 40 feet with PCC flooring at Uttkramit Middle school, Hariharpur	Promotion of Sports and Health care	Yes	Jharkhand	Jamshedpur	5.42	Yes	Nil	
13.	Construction of cement concrete wash basin with 6 nos of tap and water outlet soak pit and White wash of the Boundary wall at Uttkramit Middle School Rapcha	Promotion of Education	Yes	Jharkhand	Jamshedpur	1.35	Yes	Nil	
14.	White wash of three storey building with minor repair work at Oriya Middle School Adityapur	Promotion of Education	Yes	Jharkhand	Jamshedpur	1.87	Yes	Nil	
15.	Eye Camp / Medical Treatment	Health care	Yes	Jharkhand	Jamshedpur	8.45	Yes	Nil	
16.	Eye check up / eye surgery / spectacles for needy people, preventive medical assistance.	Promotion of Education	Yes	Maharashtra	Pune	42.15	Yes	Nil	
17.	Distribution of grocery items to the village people during Covid 19 lockdown at Pimlple Jagdap & nearby village	Eradicating hunger / Health care	Yes	Maharashtra	Pune	0.50	Yes	Nil	
18.	Contribution towards Setting up of IDEA Lab at Sri Ramakrishnan Engineering College	Promotion of Education	Yes	Tamil Nadu	Coimbatore	5.00	Yes	Nil	
19.	Fixing up of hand wash basin facilities to at Govt. Girls Hr. Sec School Thondamuthur,	Health care	Yes	Tamil Nadu	Coimbatore	3.15	Yes	Nil	
20.	Govt. High. Sec.School, Sundakamuthur,	Eradicating hunger / Health care	Yes	Tamil Nadu	Sriperumbudur	0.70	Yes	Nil	
21.	Govt. High School Pattanam,	Rural development projects	Yes	Jharkhand	Jamshedpur	12.32	Yes	Nil	
22.	Corporation Middle School Pappanaickenpalayam, Panchayat Middle School, Chinnavedampatti	Promotion of Education	Yes	Tamil Nadu	Coimbatore	5.22	Yes	Nil	
23.	Donated grocery items during Chennai flood	Environment	Yes	Tamil Nadu	Coimbatore	28.36	Yes	Nil	

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project. State.	District.	(6) Amount spent for the project (₹ in Lakhs).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation -Through implementing agency. Name	CSR registration number.
24.	Construction of community hall and hand pump for water arrangement in Bikanipur and Padampur village	Health care	Yes	Tamil Nadu	Coimbatore	5.47	Yes	Nil	
25.	Construction of class room for Palwadi school in Sangothipalayam village	Promotion of Education	Yes	Tamil Nadu	Sriperumbudur	3.63	Yes	Nil	
					Total	223.95			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year - ₹ 223.95 Lakhs (7b+7c+7d+7e)

(g) Excess amount for set off, if any - Nil

Sl. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	223.62
(ii)	Total amount spent for the Financial Year	223.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.33
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

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

(₹ in Lakhs)

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year .	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund	Amount	Date of transfer.	Amount remaining to be spent in succeeding financial years.
1	2020-21	101.96	101.96		Nil		Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in Lakhs)

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project	(7) Amount spent on the project in the reporting Financial Year	(8) Cumulative amount spent at the end of reporting Financial Year.	(9) Status of the project- Completed / Ongoing.
1	Nil	Construction of Laboratory	2021	3 years	39.13	39.13	39.13	Completed
2	Nil	Conservation of Water bodies towards construction of drain with culvert	2021	3 years	62.83	62.83	62.83	Completed

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - Nil

Asset-wise details

Sl. No.	Particulars	Remarks
(a)	Date of creation or acquisition of the capital asset(s).	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

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

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

Coimbatore
09.05.2022

Srinivasan Ravi
Chairman of CSR Committee
DIN: 01257716

ANNEXURE – 5

Form No. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transactions	NIL
c)	Duration of the contracts/arrangements/transactions	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date(s) of approval by the Board	NIL
g)	Amount paid as advances, if any:	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

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

The Company did not have any material related party transaction during the Financial Year 2021-22. All related party transactions, which were not material in nature, entered by the Company were in the ordinary course of business and on an arm's length basis.

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

Sl. No.	Particulars	Details			
a)	Name (s) of the related party & nature of relationship	Carl Stahl Craftsman Enterprises Private Limited, India	MC Machinery Systems India Private Limited, India (Formerly known as MC Craftsman Machinery Private Limited) *Related Party upto 30th November, 2021	Craftsman Automation Singapore Pte Limited *Related Party upto 30th June, 2021	Craftsman Europe B.V., The Netherlands (Formerly known as Craftsman Marine B.V)
b)	Nature of Relationship	Joint Venture	Group Company	Wholly Owned Overseas Subsidiary	Wholly Owned Overseas Subsidiary
c)	Nature of contracts/ arrangements/ transactions	Sales of Goods and Services	Sales of Goods and Services	Reimbursement of expenses	Sales of Goods and Services
		Purchase of Goods and Services	Purchase of Goods and Services	Purchase of Goods and Services	Purchase of Goods and Services
		Sales Commission paid	Rent Received	-	-
		Rent Received	Reimbursement of expenses received	-	-
		Re-imbursement of expenses	-	-	-
d)	Duration of the contracts/ arrangements/ transactions	Approval upto 31/03/2022	Approval upto 31/03/2022	Approval upto 31/03/2022	Approval upto 31/03/2022
e)	Salient terms of the contracts or arrangements or transactions including the value, if any	Similar terms as agreed with any other party			
f)	Date of approval by the Board	05.05.2021			
g)	Amount paid as advances, if any	Nil			

For and on behalf of the Board of Directors

Coimbatore
09.05.2022

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

ANNEXURE - 6

Form AOC-1

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

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

Part - A Subsidiaries

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

Sl. No	Particulars	1
1	Name of the subsidiary	Craftsman Europe B.V (Formerly known as Craftsman Marine B.V)
2	The date since when subsidiary was acquired/incorporated	03.06.2008
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01.04.2021 to 31.03.2022
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	EURO (Exchange Rate as on 31-03-2022) ₹84.6599 per EUR)
5	Share Capital	2264
6	Reserves and Surplus	(289)
7	Total Assets	2210
8	Total Liabilities	235
9	Investments	Nil
10	Turnover	1890
11	Profit before taxation	294
12	Provision for taxation	69
13	Profit after taxation	226
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	100%

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year – Craftsman Automation Singapore Pte Limited (CAS), Wholly Owned Subsidiary of the Company was dissolved through members voluntary winding up during the quarter ended 30th June, 2021.

For and on behalf of the Board of Directors

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
09.05.2022

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

Part "B" Associates and Joint Ventures

Sl No	Name of Associates/Joint Ventures	Carl Stahl Craftsman Enterprises Private Limited
1	Latest audited Balance Sheet Date	31.03.2022
2	Date on which the Associate/ Joint Venture was associated or acquired	22.06.2007
3	Shares of Associate / Joint Ventures held by the Company on the year end	
4	i. No. of shares	6,00,000
	ii. Amount of Investment in Associates / Joint Venture	₹60 Lakhs
	iii. Extend of Holding (in %)	30%
5	Description of how there is significant influence	Joint Venture - Associate Company
6	Reason why the Associate/ Joint Venture is not consolidated	Not Applicable
7	Net worth attributable to shareholding as per latest audited Balance Sheet	₹235 Lakhs
8	Profit /Loss for the year	
	i. Considered in Consolidation	₹38 Lakhs
	ii. Not Considered in Consolidation	₹89 Lakhs

For and on behalf of the Board of Directors

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
09.05.2022

ANNEXURE - 7

KSR/CBE/C67/345/2022-23

To
The Members,
Craftsman Automation Limited
"Senthel Towers" IV Floor
1078, Avanashi Road
Coimbatore -641018

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Due to threat of infection arising out of COVID-19 pandemic, we had to conduct our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the company. We state that we have not done a physical verification of the original documents and records. The management has confirmed that the records provided to us for audit through electronic mode are final, true and correct.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the Financial Year ended on 31st March, 2022.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)
UDIN: F005367D000288584

Place: Coimbatore
Date: 09.05.2022

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the Financial Year ended 31st March, 2022

To,
The Members,
Craftsman Automation Limited
"Senthel Towers" IV Floor
1078, Avanashi Road
Coimbatore -641018

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Craftsman Automation Limited (CIN L28991TZ1986PLC001816)** (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2022 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We further report that

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

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

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

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

We further report that during the period covered under the Audit, the Company has not made any specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)
UDIN: F005367D000288584

Place: Coimbatore
Date: 09.05.2022

ANNEXURE - 8

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

S.No	Particulars		
1.	Ratio of remuneration of each director to the median remuneration of employees:		
	Name of the Directors	**Designation**	**Ratio**
	Mr. Srinivasan Ravi#	Chairman and Managing Director	201.65
	Mr. Ravi Gauthamram#	Whole Time Director	46.25
	Mr. Chandrashekhar Madhukar Bhide	Independent Director	1.25
	Mr. Sundararaman Kalyanaraman	Independent Director	1.25
	Mrs. Vijaya Sampath	Independent Director	1.25
	Mr. Tamraparni Srinivasan Venkata Rajagopal^	Additional Director	1.25
	Mr. Udai Dhawan*	Non-Executive Director	1.25
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year:		
	Name of the Directors, Chief Financial Officer, Company Secretary	**Designation**	**Ratio**
	Mr. Srinivasan Ravi#	Chairman and Managing Director	-19%
	Mr. Ravi Gauthamram#	Whole Time Director	312%
	Mr. Chandrashekhar Madhukar Bhide	Independent Director	0%
	Mr. Sundararaman Kalyanaraman	Independent Director	0%
	Mrs. Vijaya Sampath	Independent Director	0%
	Mr. Tamraparni Srinivasan Venkata Rajagopal^	Additional Director	N.A.
	Mr. Udai Dhawan*	Non-Executive Director	0%
	Mr. C.B.Chandrasekar@	Chief Financial Officer	26%
	Mr. Shainshad Aduvanni@	Company Secretary	54%
3.	The percentage increase in the median remuneration of employees in the financial year		6%
4.	The number of permanent employees on the rolls of company		2058
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year		26%
6.	Affirmation that the remuneration is as per the remuneration policy of the company		Yes

Remuneration also includes Commission payable for the FY 2021-22.

^ Mr. Tamraparni Srinivasan Venkata Rajagopal was appointed as an Additional Director with effect from 19th March, 2022.

* Mr. Udai Dhawan ceased to be a Non-Executive Non Independent Director with effect from 19th March, 2022.

@ Remuneration also includes One Time Incentive paid.

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

ANNEXURE - 9

Statement of Particulars of Employees Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The name of the top ten employees in terms of remuneration drawn are as follows:

S. No	Name of the Employee	Designation of the Employee	Remuneration Received (₹ Lakhs)	Nature of Employment, Whether Contractual or Otherwise	Qualifications and Experience of the Employee	Date of commencement of employment	Age of such employee	The Last Employment Held by Such Employee Before Joining the Company	The Percentage of Equity Shares Held by the Employee in the Company Within the meaning of Clause (Iii) Of Sub-Rule (2) Above	Whether is a Relative of Any Director or Manager of the Company
1	Srinivasan Ravi	Chairman and Managing Director	967	Contractual	B.E & 35 years	18th July, 1986	59 Years	Nil	Not Applicable	Yes, Mr.R.Gauthamram, Whole Time Director
2	Gautham Ram. R	Whole Time Director	205	Regular	B.E (Mechanical), M.S (Production. System Engineering) Germany & 8 years	02nd January, 2015	34 Years	Caterpillar India Limited	Not Applicable	Yes, Mr.Srinivasan Ravi, Chairman and Managing Director
3	Sampath Kumar. M	Plant Director	101	Contractual	M.Tech, PGDPM - Systems & Finance & 38 years	3rd July, 2019	63 Years	Tata Motors	Not Applicable	No
4	Chandrasekar. C.B	Chief Financial Officer	91	Contractual	B.Com, ACS, ACMA,CMA & 38 years	30th January, 2020	63 Years	Lakshmi Machine Works Limited	Not Applicable	No
5	Srivardhan Krishnakumar	Chief Operating Officer	84	Contractual	BE, M.S - Industrial Engineering & 7 years	24th March, 2021	29 Years	Magna (USA)	Not Applicable	No
6	Paul Arikkat	Senior Vice President	74	Contractual	M. Tech - Mechanical Engineering & 38 years	10th January, 2020	65 Years	Daimler India Commercial Vehicles Private Limited	Not Applicable	No
7	Thiyagaraj. D	Chief Operating Officer	71	Regular	B.E, DME & 28 years	01st January, 2022	49 Years	Riter LMW Machinery Limited	Not Applicable	No
8	Girish Kumar. J	National Head	60	Regular	B.E Mechanical & 22 years	11th April, 2018	46 Years	Godrej & Boyce Manufacturing Company Limited	Not Applicable	No
9	Ravi Shankar. V	Vice President	59	Regular	B.E Mechanical & 35 years	01st August, 2019	56 Years	TMTE Metal Tech Private Limited	Not Applicable	No
10	Deepak Bhoi	Vice President	59	Regular	B.E – Mechanical & 15.5 years	08th September, 2016	38 Years	Hindustan Aeronautics Limited	Not Applicable	No

Notes:

a) During the year, the Company has no employee who was employed throughout the Financial Year or part thereof and was in receipt of remuneration, which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company.

ii. Employees employed throughout the year and receiving remuneration at the rate not less than ₹1,02,00,000/- per annum:

S. No	Name of the Employee	Designation of the Employee	Remuneration Received (₹ Lakhs)	Nature of Employment, Whether Contractual or Otherwise	Qualifications and Experience of the Employee	Date of commencement of employment	Age of such employee	The Last Employment Held by Such Employee Before Joining the Company	The Percentage of Equity Shares Held by the Employee in the Company Within the meaning of Clause (Iii) Of Sub-Rule (2) Above	Whether is a Relative of Any Director or Manager of The Company
1	Srinivasan Ravi	Chairman and Managing Director	967	Contractual	B.E & 35 years	18th July, 1986	59 Years	Nil	Not Applicable	Yes, Mr.R.Gauthamram, Whole Time Director
2	Gautham Ram. R	Whole Time Director	205	Regular	B.E (Mechanical), M.S (Production. System Engineering) Germany & 8 years	02nd January, 2015	34 Years	Caterpillar India Limited	Not Applicable	Yes, Mr.Srinivasan Ravi, Chairman and Managing Director

iii. There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2) (ii) & (iii) of the Companies (Appointment and Remuneration) Rules, 2014:

ANNEXURE - 10

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

S.No	Particulars	Details
1	Corporate Identity Number (CIN) of the Listed Entity	L28991TZ1986PLC001816
2	Name of the Listed Entity	Craftsman Automation Limited
3	Year of incorporation	1986
4	Registered office address	Senthel Towers, IV Floor, 1078, Avanashi Road, Coimbatore - 641 018 Tamil Nadu, India.
5	Corporate address	Senthel Towers, IV Floor, 1078, Avanashi Road, Coimbatore - 641 018 Tamil Nadu, India.
6	E-mail	investor@craftsmanautomation.com
7	Telephone	0422-7165000
8	Website	www.craftsmanautomation.com
9	Financial year for which reporting is being done	2021-2022
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹10,56,41,555
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Shainshad Aduvanni, Company Secretary and Compliance Officer Telephone: 0422 7165000 Email: investor@craftsmanautomation.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone Basis

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Automotive - Power Train & Others	Manufacturing engine parts such as cylinder block and cylinder head, camshafts, transmission parts, gear box housings, turbo charges and bearing caps.	52.32%
2	Industrial & Engineering	Industrial & Engineering vertical is essentially a non-automotive business vertical which cater to diverse user sectors. The Company has divided it into two sub segments: **Storage Solutions:** Key products in storage solutions sub-segment include stationary racking for warehouses, V-store, roll form products and Automated Storage and Retrieval Systems ("ASRS"). Our products in this sub-segment cater to warehousing and industrial sectors **High-end sub assembly, contract manufacturing and Others:** SPM, Material handling, Gear and Gear boxes, Tool room, mould base & sheet metal, Aluminium - Casting for power transmission.	27.72%
3	Automotive - Aluminium Products	Key products in Automotive – Aluminium Products segment include highly engineered and include crank case and cylinder blocks for two wheelers, engine and structural parts for passenger vehicles and gear box housing for heavy commercial vehicle.	19.96%

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

S. No.	Product/Service	NIC Code	% of Turnover of the entity
1	Metal and Metal Products		10.30%
2	Electricals or electronic machinery, Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signaling equipment's of all kind and Other machinery and Mechanical Appliances;	2930	46.84%
3	Other Manufacturing activities including Machining Services		42.86%

III. Operations

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

National Location	14 Number of offices: 2 1. Registered and Corporate Office at Coimbatore, Tamil Nadu 2. Headquarters at Coimbatore, Tamil Nadu Number of plants :12 1. Unit 2 Kurichi, Coimbatore, Tamil Nadu 2. Unit 3 Headquarter, Arasur, Coimbatore, Tamil Nadu 3. Unit 2 Sanaswadi, Pune, Maharashtra 4. Unit 3 Sanaswadi, Pune, Maharashtra 5. Unit 4 Pimple Jagtap, Pune, Maharashtra 6. Pithampur Unit, Madhya Pradesh 7. Jamshedpur Unit, Jharkhand 8. Unit 1 Ballabgarh, Faridabad, Haryana 9. Unit 2 Ballabgarh, Faridabad, Haryana 10. Unit 1 Bengaluru, Karnataka. 11. Unit 2 Bengaluru, Karnataka 12. Sriperumbudur – Unit 1, Chennai, Tamil Nadu
International Location	Nil However, the Company has a Wholly Owned Subsidiary named Craftsman Europe B.V. (Formerly known as Craftsman Marine B.V) at The Netherlands

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	16 Countries

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

8%

c. A brief on types of customers

1) End-user sectors for Automotive – Aluminium Products:

- Two-Wheelers
- Passenger Vehicles
- Commercial vehicles

2) End-user sectors for Automotive – Powertrain and Others:

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

3) **Industrial & Engineering:**

a) High end sub-assembly, contract manufacturing & others:

Automotive, Foundries, Railways, Textile & Printing Machines manufacturers, Engineering, Power Transmission & Distribution

b) Storage Solutions:

FMCG, E-commerce, Food & beverages, Logistics, Pharmaceuticals and Electronics

IV. Employees

1. Details as at the end of Financial Year:31st March 2022

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1 .	Permanent (D)	721	699	96.95%	22	3.05%
2.	Other than Permanent (E)	21	21	100%	Nil	Nil
3.	**Total employees (D + E)**	**742**	**720**	**97.04%**	**22**	**2.96%**
Workers						
4.	Permanent (F)	1337	1337	100%	-	
5.	Other than Permanent (G)	647	647	100%		
6.	**Total workers (F + G)**	**1984**	**1984**	**100%**		

b. Differently abled Employees and workers:

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

2. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and Percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	1	0.17%
Key Management Personnel	5	Nil	Nil

3. Turnover rate for permanent employees and workers(%)

Particulars	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.97	17.65	13.09	30.51	44.44	30.79	19.16	20.00	19.18
Permanent Workers	7.55	0	7.55	20.96	0	20.96	15.51	0	15.51

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

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

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

VI. CSR Details

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

(ii) Turnover: ₹2,20,643 Lakhs

(iii) Net worth: ₹1,14,220 Lakhs

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes	3	Nil	Refer Note	5	Nil	Refer Note
Shareholders	Yes						
Employees and Workers	Yes						
Communities	Yes, Separate Grievance Handling Procedure CAL/IMS/P38 available and Grievance register is followed by the Company						
Customers		Nil					
Value Chain Partners							
Other (please specify)							

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

Note: All the Complaints received from Investors (other than shareholders) are related to Non-Receipt of Initial Public Offer (IPO) refund – ASBA Query and the same were resolved during the respective quarters itself.

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

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

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

* The Company through associations/ institutions/ trade and industry chambers strives to advocate and pursue various causes that are in larger interest of the industry, economy, society and public. Therefore, need for a formal policy has not been felt.

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Audit Committee, Risk Management Committee and Board review the performance of all policies and procedures on periodical basis																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has complied with all the statutory requirements with respect to the applicable laws of the Company including the requirements relevant to the principles.																	

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

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

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

   As per the Company's existing training plan, awareness regarding the Environmental management programs are being conducted to employees and workers during the year. As per the plan a minimum 10 Training per year per unit shall be conducted.

Segment	Total Number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by awareness programmes
Board of Directors	4 Sessions	Familiarisation Programme for the Board of Directors of the Company are being organised on regular basis on various topics about the business segments, operations of the Company , regulatory requirements and other matters. The details are placed in the website of the Company at the weblink https://www.craftsmanautomation.com/wp-content/uploads/2022/04/Familiarisation-Programme_Website.pdf.	100%
Key Managerial Personnel	4 Sessions	Winning to Lead	100%
Employees other than BOD and KMPs	11 Sessions	a) ISO 9001, b) IATF 16949, c) ISO 14001 : 2015 d) Health & Safety Environment, Fire Protection Training Basic Safety e) Energy Saving f) Fire Safety Training & mock drill g) First Aid Training h) EMS, i) Management Development, j) MS Excel	100%
Workers	20 Sessions		100%

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

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

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

   Not Applicable

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

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

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

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

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

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

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

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

   Not Applicable

Leadership Indicators

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

   Nil

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

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

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

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

Essential Indicators

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

   Nil

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

      Yes. The Company considers the social, ethical and environmental performance factors in the process of selecting suppliers.

      Also, the Company is developing baseline insights on emissions, defining a sourcing strategy to lower emissions over time and implementing sourcing plans.

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

      30%

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

   Craftsman maintains Products and Service manuals for all its products which are released during the product dispatch and commissioning. Product and Service manual inter alia consists of product life cycle assessment details along with all applicable disposal methodologies.

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

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

Leadership Indicators

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

   Yes. The Company has conducted Life Cycle Assessments for 18.28% of the products which were contributed to total turnover as per the internal guidelines formulated by the Company CAL/IMS/Design/F461 Rev 01 dated 07/07/2018

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

   Nil

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2021-22	FY 2020-21
Aluminium ingots	Recycled aluminium return material used as an input material for the production around 20% to 25%	Recycled aluminium return material used as an input material for the production around 25% to 30%

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

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

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

   Nil

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

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number(E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	699			699	100%	N.A.	N.A.				
Female	22	Nil		22	100%	22	100%	Nil			
Total	721			721	100%	22	100%				
Other than Permanent employees											
Male	21			21	100%						
Female	Nil	Nil		Nil	Nil	Nil					
Total	21			21	100%						

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

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	1337			1337	100%						
Female	Nil	Nil		Nil	Nil	Nil					
Total	1337			1337	100%						
Other than Permanent Workers											
Male	647			647	100%						
Female	Nil	Nil		Nil	Nil	Nil					
Total	647			647	100%						

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

Benefits	FY 2021-22			FY 2020-21		
	No.of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.06%	99.95%	Y	99.22%	99.95%	Y
Gratuity	99.06%	99.95%	Y	99.22%	99.95%	Y
ESI	2.56%	37.05%	Y	4.96%	52.48%	Y
Others – Please specify	Nil					

3. Accessibility of workplaces

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

   Yes

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

   Yes. The Policy has been published in the intranet

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

   Nil

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

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

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

   No Unions existing

8. Details of training given to employees and workers:

Category	FY 2021-22					FY 2020 -21				
	Total (A)	On Health and Safety Measures		On Skill upgradation		Total (D)	On Health and Safety Measures		On Skill upgradation	
		No. (B)	% (B/A)	No (C)	%(C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	720	705	98%	575	80%	633	615	97%	500	78%
Female	22	22	100%	22	100%	12	12	100%	12	100%
Total	**742**	**727**	**98%**	**597**	**80%**	**645**	**627**	**97%**	**512**	**79%**
Workers										
Male	1984	1950	98%	1570	80%	1932	1875	97%	1500	78%
Female					-					
Total	**1984**	**1950**	**98%**	**1570**	**80%**	**1932**	**1875**	**97%**	**1500**	**78%**

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

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	720	352	49%	633	483	76%
Female	22	13	59%	12	12	100%
Total	**742**	**365**	**49%**	**645**	**495**	**76%**
Workers						
Male	1984	380	19%	1932	1618	84%
Female		Nil			Nil	
Total	**1984**	**380**	**19%**	**1932**	**1618**	**84%**

10. Health and safety management system:

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

       Yes. Occupational Health and Safety Management System has been implemented.

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

       a) Establishing incident free work environment;
       b) Minimising wastage to prevent natural resources;
       c) Encouraging innovation for prevention of pollution, injury and ill health;
       d) Complying with all applicable legal, statutory & regulatory and other required related to Environmental Occupational Health and Safety;
       e) Ensuring proper disposal of waste/ pollutant/ to minimise impact on environment and risk to employees;
       f) Continually improving the environmental Occupational Health and Safety performance.

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

       Failure Modes and Effects Analysis (FMEA) model

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

       Yes through Internal Audits, Safety Audits

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

       Yes

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

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.2	1.7
	Workers		
Total recordable work-related injuries	Employees	33	16
	Workers		
No. of fatalities	Employees	Nil	Nil
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers		

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

    SAFETY MEASURES:

    Safety has been a core value and always is the top priority in the company. The Company has structured safety organization for monitoring, implementing and taking corrective actions for safety improvements. All the legal requirements as per the Factories Act 1948 for safety has been complied.

    The Company has taken the following safety measures during the financial year.

    1. Introduced EHS (Environmental Health And Safety) ERP Online software tool for upgrading and

improve the safety culture from the present safety system for analysing and creating better safe working environment;

2. Safety measures are taken to ensure safety as follows:
   a. Safety Walk through
   b. Safety Inspection
   c. Behavioural Observation
   d. Incident Investigation and analysis
   e. HIRA (Hazard Identification and Risk Assessment)
   f. Internal Audit
   g. Compliance on Statutory Requirements
   h. 5S monitoring
   i. Motivating employees to participate various continual improvement activities,
   j. Kaizen competition, Quiz competitions, Internal Sports competitions, Safety
   k. Committee meetings for employee engagement.
   l. Poka yoke Methods to prevent incidents in the machine
3. Emergency escape route plan updated and fixed at all the plants;
4. New Fire hydrant system installation work preparation under progress. Fire Drill conducted as per the norms in every two months once to all the departments;
5. New Admin Building smoke sensor, MCP, Emergency lighting system work completed;
6. Smoke sensor and FM-200 Fire extinguish system for all UPS storage rooms has been installed and smoke sensor panel fixed in emergency control center.
7. Conducted periodic mock drill and Fire drill training as per the requirement.
8. PPE's provided for all the hazardous work and regular monitoring for the compliance to ensure zero accident.
9. Hygiene monitoring Conducting monthly basis for Noise level, Lux level, Air monitoring - (O_2, CH_4, H_2S, CO) & (CO_2, Temperature, Humidity) and fire Extinguisher all units in every department.
10. Cold work, Hot work, Elevated work, Excavation work, Confined space entry work permits and LOTO system Introduced to all types of Non-routine activities to ensure ZERO accident.
11. All unsafe Act & Conditions monitored and CAPA closed as per the time line.

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

    Nil

14. Assessments for the year:

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

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

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

Leadership Indicators

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

   The Company has provided compensation of 18 months salary, Educational fees for 2 children upto Higher Secondary education, Family Health insurance for 3 years only to the employees' family who lost their lives due to COVID.

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

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

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

   Nil

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

   No

5. Details on assessment of value chain partners:

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

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

   Not Applicable. No such significant risks had occurred during the year.

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

Essential Indicator

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

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

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

Stakeholder Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers, Service Providers	Email, Meetings, Phone calls, Websites	Regularly	Business/Project related
Customers	Email, Meetings, Websites, Phone calls, Social Media	Regularly	Business/Project related

Contd..

Investors	Quarterly publication of results, Newspaper advertisements, Email, Website, Analysts/Investor Calls, Annual General Meetings, Stock Exchange intimations.	Annually/Half yearly/ Quarterly/ Event basis	Compliance, Governance practices
Creditors	Emails, Phone Calls, Meetings	Annually/Half yearly/ Quarterly/ Event basis	Banking/Credit facilities
Employees	Email, Phone calls, SMS, Meetings, Notice Board, ERP system.	Regularly	Day to day activities / Conduct of business
Regulatory Bodies	Emails, Meetings, Submission forms / returns / intimations/ letters etc.	Annually/Half yearly/ Quarterly/ Event basis	In relation to Compliances with applicable laws
Auditors	Emails, Meetings, Phone Calls,	Annually/Half yearly/ Quarterly/ Event basis	Audit purposes
Local Community	Newspaper advertisements/ Physical Meetings / Reviews/Assessments	Event basis	CSR Programmes and other initiatives

Vulnerable & Marginalized Group stakeholders are identified based on the applicability criteria.

Leadership Indicators

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

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

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

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

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

   Nil

PRINCIPLE 5 - Businesses should respect and promote human rights

Essential Indicators

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

	FY 2021-22			FY 2020-21		
Category	**Total (A)**	**No. of employees / workers covered (B)**	**% (B / A)**	**Total (C)**	**No. of employees / workers Covered (D)**	**% (D / C)**
Employees						
Permanent	721	721	100%	625	625	100%
Other than permanent	21	21	100%	20	20	100%
Total Employees	**742**	**742**	**100%**	**645**	**645**	**100%**
Workers						
Permanent	1337	1337	100%	1364	1364	100%
Other than permanent	647	647	100%	568	568	100%
Total Workers	**1984**	**1984**	**100%**	**1932**	**1932**	**100%**

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

	FY 2021-22					FY 2020-21				
Category	**Total (A)**	**Equal to Minimum Wage**		**More than Minimum Wage**		**Total (D)**	**Equal to Minimum Wage**		**More than Minimum Wage**	
		No. (B)	**% (B /A)**	**No. (C)**	**% (C / A)**		**No. (E)**	**% (E / D)**	**No. (F)**	**% (F / D)**
Employees										
Permanent										
Male	699			699	100%	613			613	100%
Female	22			22	100%	12			22	100%
Other than Permanent		-					-			
Male	21			21	100%	20			20	100%
Female	-			-	-	-			-	-
Workers										
Permanent										
Male	1337			1337	100%	1364			1364	100%
Female	-			-	-	-			-	-
Other than Permanent		-					-			
Male	647			647	100%	568			568	100%
Female	-			-	-	-			-	-

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

(₹ in Lakhs)

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Directors (BoD)	3	6	1	6
Key Managerial Personnel	5	68	-	N.A.
Employees other than BoD and KMP	569	8	9	5
Workers	1263	4	-	N.A.

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

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

   Yes

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

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

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

   Nil

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

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

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

   Yes

9. Assessments for the year

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

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

    No significant risks / concerns arose.

Leadership Indicators

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

   No

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

   Nil

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

   Yes

4. Details on assessment of value chain partners:

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

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

   Not applicable.

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

Essential Indicators

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

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	7,04,05,155	4,63,79,740
Total fuel consumption (B)	27,70,452	24,54,632
Energy consumption through other sources (C)	3,01,96,492	3,20,86,844
Total energy consumption (A+B+C)	**10,33,72,099**	**8,09,20,946**
Energy intensity per rupee of Turnover (Total energy consumption/ turnover in rupees)	₹4.70 per thousand turnover	₹5.23 per thousand turnover

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

   No

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

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	5912	7349
(iii) Third party water	62576	57613
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**68488**	**64962**
Total volume of water consumption (in kilolitres)	**68358**	**64845**
Water intensity per rupee of turnover (Water consumed / turnover)	₹ 0.31 per Lakh turnover	₹0.42 per Lakh turnover

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

   Yes. The Company has Effluent treatment plants (ETP) of 42 KLD Capacity to purify waste water for its reuse.

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

Parameter	Please specify unit	FY 2021-22	FY 2020-21
NOx	µg/m³	14.5	13.2
SOx	µg/m³	7.4	7.1
Particulate matter (PM)	µg/m³	12.5	12.3
Persistent organic pollutants (POP)	µg/m³	<0.1	<0.1
Volatile organic compounds (VOC)	µg/m³	Not Detected	Not Detected
Hazardous air pollutants (HAP)	Nil	Nil	Nil
Others–please specify		Nil	

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

   Nil

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

   No

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

Parameter	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	1042 Kg	975 Kg
Bio-medical waste (C)	NA	NA
Constructionand demolition waste (D)	-	-
Battery waste (E)	Recycled	Recycled
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	Used oil, Oil soaked cotton waste, Paint sludge, Phosphate sludge, Grinding sludge & ETP Sludge	-
Other Non-hazardous waste generated (H)	Metal burr (Cast iron + Aluminium scrap)	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	ETP & STP -8400 KD	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	Used Cotton, ETP Paint, Phosphate, Oil waste, Waste sludge	
(i) Incineration	2960 Kg	-
(ii) Landfilling	2625 kg	2170 Kg
(iii) Other disposal operations	Recycling	

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

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

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

    Not applicable

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

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

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

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

Leadership Indicators

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

Parameter	FY 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)	88,71,362	1,56,20,802
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**88,71,362**	**1,56,20,802**
From non-renewable sources		
Total electricity consumption (D)	9,17,30,285	6,28,45,512
Total fuel consumption (E)	27,70,452	24,54,632
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**10,33,72,099**	**8,09,20,946**

2. Provide the following details related to water discharged:

Parameter	FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment	-	-

- With treatment – please specify level of treatment	RO – 18000 KL	RO – 16200 KL
(iii) To Seawater		
- No treatment	-	
- With treatment – please specify level of treatment		
(iv) in to the third-party Water		
- No treatment	-	-
- With treatment – please specify level of treatment	ETP 23,400 KL	ETP – 12600 KL
(v) Others		
- No treatment	-	
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**41,400 KL**	**28,800 KL**

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

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

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

   (ii) Nature of operations: Cooling Tower

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

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

   No such requirements

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

   Not applicable

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

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

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

   Emergency Response plan

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

   Nil

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

   Nil

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

Essential Indicators

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

   16

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

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

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

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

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

Leadership Indicators

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

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

PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development

Essential Indicators

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

   The Company has not undertaken Social Impact Assessments.

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

   Not Applicable

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

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

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

	FY 2021-22	FY2020-21
Directly sourced from MSMEs/ small producers	7%	5%
Sourced directly from within the district and neighbouring districts	The Company has its plants at various districts. Materials are sourced from within the district and neighbouring districts for the concerned plants to the extent possible.	

Leadership Indicators

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

   Not Applicable

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

   The Company has spent an amount of ₹224 Lakhs during FY 2021-22 towards CSR Projects identified at the local areas of the location of Company's plants/units.

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

   No

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

   Not Applicable

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

   Not Applicable

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

   Nil

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

   Not Applicable

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Setting up of Modular Oxygen system , Coimbatore - ESI Hospital	Oxygen supply to 20 beds	Beneficiaries of the CSR projects also includes vulnerable and marginalized groups
2	Tamil Nadu State Disaster Management Authority	Many	
3	Donated bed, bedspread and pillow to Covid 19 set up at Tamil Nadu Engineering College, Karumathampatti	Patients admitted because of COVID 19	
4	Donated cots to Covid 19 set up at Arasur village	All those who have admitted for COVID 19	
5	Donated cots to Covid 19 set up at Kaniyur village	All those who have admitted for COVID 19	
6	Distribution of grocery items to the frontline workers & village people during Covid 19 lockdown	Hundreds	
7	Donated to The District Collector, CSR Funds towards vaccination of common / underprivileged people against Corona disease	1000	
8	Amount was spent to level the land, fencing, borewell digging, drip irrigation and plantation of trees.	People in and around Sangothipalayam village	
9	Promoting Road safety education / awareness and promoting preventive health care to Govt. and Corporation schools	In thousands	
10.	Productivity week / conclave programs to be conducted by The Coimbatore Productivity Council	100 Approx.	
11	Construction of One Classroom of 30x20 feet along with the electrical fittings	255 Students	
12	Construction of Two Toilets with complete toilets fittings and Construction of one basketball court in the school premises 75 X 40 feet with PCC flooring	154 Students	
13	Construction of cement concrete wash basin with 6 nos of tap and water outlet soak pit and White wash of the Boundary wall	180 Approx	
14	White wash of three storey building with minor repair work.	800 Approx	
15	Eye check up / eye surgery / spectacles for needy people, preventive medical assistance.	171	
16	Construction of class room, Pimple Jagtap, Pune	87 students	
17	Distribution of grocery items to the village people during Covid 19 lockdown	50	
18	Contribution towards Setting up of IDEA Lab	College students	
19	Fixing up of hand wash basin facilities.	5250 Students	
20	Donated grocery items during Chennai flood	Affected people	
21	Construction of community hall and hand pump for water arrangement in Bikanipur and Padampur village	Village people	
22	Construction of class room for Palwadi school in Sangothipalayam village	Children around sangothipalayam village	
23	Amount was spent to level the land, fencing, borewell digging, drip irrigation and plantation of trees.	People in and around Sellappampalayam village	
24	Donated cot,bed, bed sheet, pillow, pillow cover and blanket to Urban Primary Health Centre, Ganapathy, Coimbatore	Many patients admitted in the PHC	
25	Construction of school building in Govt Middle school, Mambakkam, Sriperumbudur, Chennai	145 students	

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

Essential Indicators

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

   Customer Monitoring Tracking System is available and Customer can make service complaints through the customer monitoring tracking system. The Company is continuously surveil the complaints and take appropriate action within the target time internally fixed by the Company.

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

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

3. Number of consumer complaints in respect of Data privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive Trade Practices, unfair Trade Practices and other.

   Nil

4. Details of instances of product recalls on account of safety issues.

   Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?

   Yes. Web-link: : https://www.craftsmanautomation.com/investors/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   https://www.craftsmanautomation.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

   Product Manual consists of safety and usage procedures about products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Service complaints are communicated through mail.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. After the installation of the every product, customer feedback form and customer satisfactory survey form are received for understanding the customers satisfaction. For low scores, the Company has taken action on priority basis.

   The Company's plants are strategically located near the key customers for their satisfaction.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact

      Nil

   b. Percentage of data breaches involving personally identifiable information of customers

      Nil

ANNEXURE - 11

CEO AND CFO CERTIFICATION

[As per Listing Agreement and Regulation 17(8) of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Board of Directors
Craftsman Automation Limited

In compliances with the Regulation 17(8) of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2022 and that to the best of their knowledge and belief:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2021-22 which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have not observed any deficiencies in the design or operation of such internal controls.

(d) We have indicated to the Auditors and the Audit committee that there are:

   (i) No significant changes in internal control over financial reporting during the year;

   (ii) No significant changes in accounting policies during the year; and

   (iii) No instances of significant fraud where the involvement of the management or an employee having a significant role in the company's internal control system over financial reporting have been observed.

Coimbatore	**Srinivasan Ravi**	**C B Chandrasekar**
09.05.2022	Chairman and Managing Director	Chief Financial Officer

ANNEXURE - 12

DECLARATION BY THE MANAGING DIRECTOR / CEO UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING THE COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended 31st March, 2022.

For and on behalf of the Board of Directors

Srinivasan Ravi
Chairman and Managing Director
DIN:01257716

Coimbatore
09.05.2022

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the members of Craftsman Automation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Craftsman Automation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("Standards" or "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key audit matter description and principal audit procedures
1.	**Accounting for derivative contracts** Refer Notes B.7, 1.8, 1.15, 1.21, 1.27, 2.8 and 3.4 in standalone financial statements A significant source of Company's funds is borrowings, denominated in Indian rupee and foreign currency with a combination of fixed and floating interest rates. The Company's cost of borrowing will be impacted by fluctuations in foreign exchange rates and movement in interest rates. The Company's mitigation plan for risk of foreign currency fluctuation and interest rate fluctuation includes using derivative instruments as per its risk management policy. These hedges taken using derivative instruments are designated as either cashflow or fair value hedge. Estimating future cash flows is a significant factor in determining the mark to market gain or loss, accounting of such forward contracts and in the determination of its fair value. Significant judgement is applied in making these estimates by the expert used by the management. As at March 31, 2022, the carrying value of the Company's derivatives included derivative assets amounting to ₹855 Lakhs and derivative liabilities of ₹538 Lakhs. Accounting for derivative contracts is considered as a key audit matter because of the significant judgement and estimates used in the fair valuation and the complex compliance framework for determining the accounting & disclosure of these transactions in accordance with Ind AS 109 'Financial Instruments' – Accounting (including recognition and derecognition of financial assets or liabilities). These class of transactions are material with respect to the financial statements.
	Our procedures related to audit of accounting for derivative contracts include the following • understanding and evaluating the design, implementation and operating effectiveness of internal controls over the completeness, existence and valuation of derivative instruments and management's documentation of the hedge effectiveness, accounting of derivative and hedging transactions; • examining the derivative contracts; • testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including: o understanding the risk management objectives and strategies for different types of hedge instruments; o evaluating that the relationship between the underlying liability and the hedge instrument; o using an expert for auditing the valuation and reviewing the hedge effectiveness test carried out by management as per Ind AS 109, including the economic relationship between the hedged item and the hedging instrument; • evaluating competence and capabilities of the auditor's experts and ensuring independence; • involving the auditor's expert for testing the appropriateness of hedge accounting to qualified hedge relationships i.e., cash flow or fair value hedges; • testing on sample basis the valuation of derivative instruments by management expert; • for selected samples, checking the confirmations from counterparties to the derivative contracts for the valuation as at the year-end; • checking the presentation and disclosures in the financial statements for compliance with Ind AS 109.
2.	**Accounting for Property, Plant and Equipment** Refer Notes B.3, B.5, 1.1, 1.2 and 2.6 in standalone financial statements Property, plant and equipment including capital work in progress ('PPE') represents 56% of the Company's total assets. The capitalisation of PPE includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable costs of bringing the asset to working condition for its intended use (inclusive of non-refundable purchase taxes and duties). Depreciation is generally charged as per Schedule II to Companies Act, 2013. In respect of certain classes of PPE, the useful life has been ascertained based on technical review by a Chartered Engineer and assessment by the management. The Company carries out physical verification of PPE as per their policy on an annual basis.

	The Company uses estimates and assumptions to determine the useful life of assets, residual value, assess impairment loss (if any). The useful life of property, plant and equipment is determined by the technical team of the management taking into consideration the industry practice, the application and usage factors and past historical trend. The residual value at the end of the useful life of property, plant and equipment is estimated in determining the depreciable value of the asset. Impairment assessment of property, plant and equipment involves identification of Cash Generating Unit (CGU) using judgement and estimating future cash flows arising of out of such CGUs. Due to the material value to total assets and estimates/judgements involved in their valuation, the audit of accounting of Property, Plant and Equipment has been considered as a Key Audit Matter in the audit of these financial statements
	Our procedures relating to audit of accounting for Property, Plant and Equipment includes the following: • evaluating of design and implementation of controls and testing the operating effectiveness of the internal controls over: o measurement of initial recognition costs including costs of self-constructed PPE; o valuation of PPE and review of useful lives including depreciation rates applied; o periodic physical verification of property, plant and equipment by the management; • testing on sample basis the value of self-constructed assets with underlying documentation to assess compliance with applicable accounting standards; • wherever the useful life of a PPE considered is different from the useful life indicated in the Act, obtain confirmation from management's technical team for the useful life for the same; • reviewing the residual value of PPE considered by the management for consistency and appropriateness; • understanding the basis behind identification of Cash Generating Units by the management and review the future cash flow projections for the same; • checking the computation and correctness of the discounting factor applied for arriving at value in use and impairment thereof, if any; • checking the reasonableness of the assumptions made by the management in identifying CGUs, assessing the future cash flows, discount factor and impairment loss; • physically inspecting a sample of assets at one of the main units of the Company during the year to ensure existence of PPE; • reviewing the physical verification reports of the management and the treatment of discrepancies in the books of accounts / Fixed Asset Register, wherever applicable.

Information other than the standalone financial statements and Auditor's Report thereon

The Board of Directors of the Company is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Annexures to Board's Report including the report on Corporate Governance, but does not include the standalone financial statements and our report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the standalone financial statements

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in **Annexure 'A'** to this report, a statement on the matters specified in para 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

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

(b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) on the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act;

(f) with respect to the adequacy of internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) with respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. the Company, as detailed in Note 3.6 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

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

b) the management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. as stated in Note 1.18 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AIQISE4917

Place: Coimbatore
Date: May 9, 2022

Annexure A to the Independent Auditor's Report

With reference to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Craftsman Automation Limited** ("the Company") of even date, we report the following:

(i) (a) (A) the Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and relevant details of Right-of-Use Assets;

(B) the Company has maintained proper records showing full particulars of intangible assets.

(b) the Company has a regular programme of physical verification of its property, plant and equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with this programme, certain property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification;

(c) according to the information and explanations given to us and the records examined by us, we report that, the title deeds of all the immovable properties of land and buildings which are freehold and included under the head 'Property, plant and equipment' are held in the name of the Company;

(d) the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year

(e) no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) a) in our opinion, the management of the Company has conducted physical verification of inventories at reasonable intervals during the year and the coverage and procedures of such verification by the management is appropriate. The discrepancies noticed on such verification were not material and these have been properly dealt with in the books of account;

b) the Company has been sanctioned working capital limits in excess of ₹5 Crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company

(iii) based on our audit procedures & according to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company

(iv) according to the information and explanations given to us, the Company has granted loans and made investment, and has complied with the provisions of section 185 and 186 of the Companies Act, 2013;

(v) according to the information and explanations given to us, the Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at March 31, 2022 and hence the provisions of the paragraph 3(v) of the Order is not applicable to the Company;

(vi) the Central Government has specified maintenance of cost records under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;

(vii) (a) according to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to the Company during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess or other material statutory dues outstanding as at March 31, 2022 for a period of more than six months from the date they became payable

(b) according to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, service tax, goods and services tax and Maharashtra Stamp Act as at March 31, 2022 which have not been deposited with statutory authorities on account of a dispute pending are as under:

Name of the statute	Nature of dues	Amount involved in dispute (₹ in Lakhs)	Unpaid disputed amount (₹ in Lakhs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994 (Service Tax)	Service Tax	67.17	60.47	April 2016 to June 2017	Customs Excise and Service Tax Appellate Tribunal
Maharashtra Stamp Act, 1958	Tax	56.17	56.17	April 2009 to March 2016	Deputy Inspector General of Registration, Pune
Goods and Services Tax Act, 2017	Tax	15.96	15.96	July 2017 to July 2018	Commissioner of Central Excise & GST, Appeals, Coimbatore
Income Tax Act, 1961	Tax, Interest & penalty	104.16	8.84	Assessment Year (AY) 2008-09	High Court
Income Tax Act, 1961	Tax, Interest & penalty	313.18	92.52	AY 2010-11	High Court
Income Tax Act 1961	Tax, Interest & penalty	7.67	7.67	AY 2011-12	Income Tax Appellate Tribunal
Income Tax Act 1961	Tax, Interest & penalty	1.23	1.23	AY 2012-13	Income Tax Appellate Tribunal
Income Tax Act 1961	Tax, Interest & penalty	4.39	4.39	AY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Tax, Interest & penalty	0.38	0.38	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Tax, Interest & penalty	2.35	2.21	AY 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Tax, Interest & penalty	52.78	42.22	AY 2016-17	Commissioner of Income Tax (Appeals)

The amounts disputed under Income Tax Act, 1961 exclude Minimum Alternate Tax credit entitlement of ₹1,244 Lakhs included in Note 1.23 of the standalone financial statements

There are no dues in respect of sales tax / value added tax, duty of excise, duty of customs as at March 31, 2022 which have not been deposited with the statutory authorities on account of a dispute;

(viii) based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

(ix) (a) according to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or bank during the year. The Company did not have any loans or borrowing from government or dues to debenture holders during the year;

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

(c) according to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained

(d) on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company

(e) on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries

(f) on an overall examination of the financial statements of the Company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

(x) (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

(b) during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable

(xi) (a) to the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year;

(b) no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report

(c) according to the information and explanation given to us, no whistle blower complaints were received by the Company during the year

(xii) the Company is not a Nidhi Company. Accordingly, reporting on paragraph 3(xii) of the Order is not applicable to the Company;

(xiii) in our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties undertaken during the year and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards;

(xiv) (a) in our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business

(b) we have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures

(xv) according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year and hence provisions of section 192 of the Act is not applicable to the Company.

(xvi) (a) in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) in our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable

(xvii) the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year

(xviii) there has been no resignation of the statutory auditors of the Company during the year

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

(xx) (a) there are no unspent amounts towards Corporate Social Responsibility (CSR) on **other than ongoing projects** requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable

(b) there are no unspent amounts towards Corporate Social Responsibility (CSR) pursuant to **any ongoing project**, and hence transferring unspent amount to a special account in compliance with provisions of sub-section 6 of Section 135 of the Act is not applicable to Company. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable

(xxi) there have been no qualifications or adverse remarks by the auditors in the Companies (Auditor's Report) Order (CARO) report of the company included in the consolidated financial statements.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AIQISE4917

Place: Coimbatore
Date: May 9, 2022

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Craftsman Automation Limited of even date)

Independent Auditors' Report on the Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Craftsman Automation Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AIQISE4917

Place: Coimbatore
Date: May 9, 2022

STANDALONE BALANCE SHEET

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	1.1	1,45,371	1,42,031
Capital Work in progress	1.2	4,198	3,197
Other Intangible assets	1.3	425	677
Right-of-use Asset	1.4	8,582	8,343
Financial assets			
Investments	1.5	2,817	2,817
Loans	1.6	-	125
Security Deposits	1.7	2,511	2,068
Other Financial assets	1.8	43	146
Other non-current assets	1.9	3,141	1,201
		1,67,088	**1,60,605**
Current assets			
Inventories	1.10	62,064	39,764
Financial assets			
Trade receivables	1.11	29,415	23,548
Cash and cash equivalents	1.12	2,266	2,634
Other bank balances	1.13	1,405	1,539
Security Deposits	1.14	335	330
Other Financial assets	1.15	865	494
Other Current assets	1.16	4,954	7,243
		1,01,304	**75,552**
Total Assets		**2,68,392**	**2,36,157**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	1.17	1,056	1,056
Other Equity	1.18	1,13,164	96,789
		1,14,220	**97,845**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	1.19	37,379	43,719
Lease Liabilities	1.20	6,685	8,303
Other Non-Current Financial Liabilities	1.21	355	904
Provisions	1.22	15	36
Deferred tax liabilities (Net)	1.23	11,677	6,908
		56,111	**59,870**
Current liabilities			
Financial Liabilities			
Borrowings	1.24	34,181	26,635
Lease Liabilities	1.25	1,710	1,941
Trade payables			
(a) total outstanding dues of micro enterprises & small enterprises	1.26	554	1,841
(b) total outstanding dues of creditors other than micro enterprises & small enterprises		45,982	33,388
Other Current Financial Liabilities	1.27	7,371	8,603
Current tax liabilities (Net)	1.28	690	67
Other current liabilities	1.29	7,116	5,626
Provisions	1.30	457	341
		98,061	**78,442**
Total Equity and Liabilities		**2,68,392**	**2,36,157**

The accompanying notes form an integral part of the standalone financial statements
This is the Balance Sheet referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary M.No.A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
Date : May 9, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue From Operations	2.1	2,20,643	1,54,629
Other Income	2.2	927	1,322
Total Income		**2,21,570**	**1,55,951**
EXPENSES			
Cost of materials consumed	2.3	1,06,447	66,910
Changes in inventories of finished goods and work-in-progress	2.4	(3,367)	(960)
Employee benefits expense	2.5	18,605	14,292
Depreciation, amortization and impairment expense	2.6	20,598	19,241
Other expenses	2.7	46,027	30,984
Finance costs	2.8	8,420	10,728
Total expenses		**1,96,730**	**1,41,195**
Profit before tax		**24,840**	**14,756**
Tax expense:			
(1) Current tax for the year		8,849	5,432
Current tax pertaining to earlier years	3.1	6	(43)
Net Current Tax		8,855	5,389
(2) Deferred tax		(60)	(309)
Profit for the year		**16,045**	**9,676**
Other Comprehensive Income ('OCI')			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		6	(249)
- Equity Instruments through OCI		-	(110)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2)	87
B (i) Items that will be reclassified to profit or loss			
- The effective portion of gains or loss on hedging instruments in a cash flow hedge		785	1,088
(ii) Income tax relating to items that will be reclassified to profit or loss		(274)	(380)
Other Comprehensive Income for the year, net of tax		**515**	**436**
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		**16,560**	**10,112**
Earnings per equity share Basic & Diluted (Face value of ₹5/-)			
- for continuing operations		75.94	48.02
- for discontinued operations	3.3	-	-
- for continuing & discontinued operations		75.94	48.02

The accompanying notes form an integral part of the standalone financial statements
This is the Statement of Profit and Loss referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary M.No.A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
Date : May 9, 2022

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Profit before taxation ('PBT')	**24,840**	**14,756**
Adjustments to reconcile PBT to net cash flows:		
Depreciation, amortization and impairment expense	20,598	19,241
Gain on sale of assets	(141)	(59)
Exchange difference on transaction/translation (loss/(gain))	367	(1,065)
MTM (Gain) / Loss - Derivative -(Net)	(14)	13
Provision for :		
Doubtful debts	(57)	(13)
Warranty & Rejection	40	(28)
Slow moving inventory	485	175
Interest income (including fair value changes in financial instruments)	(389)	(524)
Government grant income	(2,317)	(2,369)
Liabilities no longer required written back	-	(17)
Assets no longer receivable written off (including exceptional item)	-	195
Interest expense (including fair value changes in financial instruments)	7,699	11,086
Operating cash flow before changes in working capital	**51,111**	**41,391**
Adjustments for:		
Increase/ (Decrease) in provisions	61	(102)
Increase/ (Decrease) in other financial liabilities	(3,098)	4,110
Increase/ (Decrease) in other current liabilities	2,638	1,017
Increase/ (Decrease) in Trade Payables and other Payables	11,309	6,915
(Increase)/ Decrease in other non-current assets	-	255
(Increase)/ Decrease in other financial assets	(586)	162
(Increase)/ Decrease in other current assets	2,715	(3,694)
(Increase)/ Decrease in trade and other receivables	(5,442)	(3,670)
(Increase)/ Decrease in inventories	(22,785)	(8,515)
Cash generated from operations	**35,923**	**37,869**
Income taxes paid	(3,679)	(2,264)
Net cash from operating activities - A	**32,244**	**35,605**
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,267)	(9,859)
Purchase of Intangible	(22)	(67)
Proceeds from sale of equipment	258	320
Loans (given)/repaid	285	268
Interest received	138	118
Net cash used in investing activities - B	**(20,608)**	**(9,220)**
Cash flows from financing activities		
Proceeds from issue of shares	(185)	14,563
Proceeds from long-term borrowings	10,505	9,378
Repayment of long term borrowings	(13,911)	(33,248)
Net proceeds from short-term borrowings	3,508	(8,359)
Principal payments towards lease liability	(4,234)	(1,004)

STANDALONE CASH FLOW STATEMENT(Contd..)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest paid (incl. interest on lease liability)	(7,687)	(10,932)
Net cash used in financing activities- C	**(12,004)**	**(29,602)**
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**(368)**	**(3,217)**
Cash and cash equivalents at beginning of year	2,634	5,851
Cash and cash equivalents at end of year	**2,266**	**2,634**

Notes:

1. Reconciliation of Cash & Cash equivalents as per Cash Flow Statement

Cash & cash equivalents consists of:	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents (note : 1.12)	**2,266**	**2,634**
Total	**2,266**	**2,634**

2. Refer to note: 1.19 for Net Debt Reconciliation

The accompanying notes form an integral part of the standalone financial statements
This is the Statement of Cash Flows referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary M.No.A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
Date : May 9, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(₹ in Lakhs)

a. Equity Share Capital	Balance at the beginning of April 1 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
	1,056	-	1,056

b. Other Equity	Reserves and Surplus			Other Reserves		Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehen-sive Income	Effective portion of Cash Flow Hedges	
Balance as at April 1,2020	**13,795**	**9,662**	**50,579**	**(211)**	**(1,661)**	**72,164**
Profit for the year	-	-	9,676	-	-	9,676
Other Comprehensive Income	-	-	-	(110)	708	598
- Defined Benefit Plan	-	-	(162)	-	-	(162)
Total Comprehensive Income for the year	**-**	**-**	**9,514**	**(110)**	**708**	**10,112**
Issues of shares	14,513	-	-	-	-	14,513
Dividends	-	-	-	-	-	-
Balance as at March 31,2021	**28,308**	**9,662**	**60,093**	**(321)**	**(953)**	**96,789**
Profit for the year	-	-	16,045	-	-	16,045
Other Comprehensive Income	-	-	-	-	511	511
- Defined Benefit Plan	-	-	4	-	-	4
Total Comprehensive Income for the year	**-**	**-**	**16,049**	**-**	**511**	**16,560**
Issues of shares (refer note 3.10)	(185)	-	-	-	-	(185)
Dividends	-	-	-	-	-	-
Balance as at March 31,2022	**28,123**	**9,662**	**76,142**	**(321)**	**(442)**	**1,13,164**

The accompanying notes form an integral part of the standalone financial statements
This is the Statement of Changes in Equity referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary M.No.A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
Date : May 9, 2022

Notes annexed to and forming part of Standalone Financial Statements:

A CORPORATE INFORMATION

Craftsman Automation Limited was incorporated under the Companies Act, 1956 on 18th July 1986. The shareholders of the Company approved the conversion into a public limited company at the meeting held on 30th April 2018 and the Registrar of Companies, Coimbatore issued a fresh Certificate of Incorporation dated 4th May 2018. The company is engaged in the business of manufacturing engineering components, sub-assemblies, products and rendering of contract manufacturing services to various industries

B SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules 2015. The presentation of the Financial Statements is based on Schedule III of the Companies Act, 2013.

B.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

Functional currency is the currency of the primary economic environment in which the entity operates. Presentation currency is the currency in which the financial statements are presented. The financial statements are presented in Indian Rupees which is the functional currency and presentation currency of the Company and all values are rounded to the nearest Lakhs, except where otherwise indicated.

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

a) Certain financial assets and liability measured at fair value (refer note. 3.4(d))

b) Derivative financial instruments

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Financial Statements have been prepared on accrual and going concern basis. All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

B.2 CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting policies which have the most significant effect on the figures disclosed in the financial statements are mentioned below and these should be read in conjunction with the disclosure of the significant Ind AS accounting policies provided below:

i. Useful life of Property, Plant and Equipment and Intangibles

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located needs significant judgement by the management. In case of intangibles the useful life is determined based on the period over which future economic benefit will flow to the Company.

ii. Tools in use

The assessment of useful life of tools in use has been done considering the historical experience and estimated refurbishment cycle and operating environment.

iii. Income Taxes

The calculation of income taxes requires judgement in interpreting tax rules and regulations. Management judgement is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognised.

iv. Fair Value

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

v. Measurement of defined benefit obligations

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

vi. Measurement and likelihood of occurrence of provisions and contingencies

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

vii. Recognition of deferred tax asset

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

viii. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate.

B.3 PROPERTY PLANT AND EQUIPMENT

Recognition and Measurement

All Property Plant & Equipment (PPE) barring land as at transition date are stated at cost of acquisition / installation as adjusted for import duty waivers and foreign exchange losses / gains less accumulated depreciation and impairment losses.

Cost of acquisition / installation includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable costs of bringing the asset to working condition for its intended use (inclusive of non-refundable purchase taxes and duties).

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

Foreign exchange gain /loss arising on foreign currency denominated borrowing which are not hedged that were incurred to acquire PPE are recorded as part of the cost of asset as per Ind AS 101 Para D13AA and Ind AS 21 Para 7AA and depreciated over their remaining useful life. In respect of exchange gain or loss arising from foreign currency denominated borrowings which are hedged accounting has been done based on Hedge effectiveness either as derivative or cash flow hedge as per Ind AS 109.

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. If Company makes similar assets for sale in the normal course of business, the cost of the asset is usually the same as the cost of constructing an asset for sale. Any internal profits are eliminated in arriving at such costs. Similarly, the cost of abnormal amounts of wasted material, labour, or other resources incurred in self-constructing an asset is not included in the cost of the asset. Borrowing Costs is covered by Ind AS 23 criteria for the recognition of interest as a component of the carrying amount of a self-constructed item of property, plant and equipment.

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

The import duty waived on capital assets which are purchased under the Export Promotion Capital Goods (EPCG) schemes and which are capitalised are recorded as deferred revenue and recognised in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

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

Depreciation on Plant Property and Equipment

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated on straight-line basis over its useful life.

In respect of certain classes of PPE, the company uses different useful life other than those prescribed in Schedule II to the Act. The useful life of such class of PPE has been ascertained based on technical review by a Chartered Engineer and assessment by the Management as detailed in the following table

Classes of PPE	Useful life and basis of depreciation
New Plant and Machinery	20 Years
Used Plant and Machinery	10 Years
Tool holder, jigs, fixtures, patterns, dies, moulds and instruments and gauges	5 Years
Lease hold improvements	Over lease period

<u>De-recognition:</u>

An item of PPE is de-recognised at the time of its disposal or when it is assessed that no future economic benefit would accrue from it. The gain/loss arising out of such disposal/retirement is taken to Statement of profit and loss

B.4 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset with finite useful life that are acquired separately and where the useful life is 2 years or more is capitalised and carried at cost less accumulated amortization. Amortization is recognised on a straight line basis over the useful life of the asset. The class of asset and the estimated useful life is as follows

Description of the asset	Useful life and basis of amortization
Software – Acquired	5 Years
Technical Know - Acquired	2.5 years

<u>Internally generated intangible assets</u>

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use or sell it, · the ability to use or sell the intangible asset,

- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

Description of the asset	Useful life and basis of amortization
Development Expenditure	3 years

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

B.5 IMPAIRMENT OF ASSETS

At the end of each reporting period, the company determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

B.6 LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Machineries and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset throughout the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

B.7 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss.

Classification of financial assets

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

After initial recognition:

i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortized cost using the effective interest method.

   Effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of joint ventures) are subsequently measured at fair value.

   Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in other comprehensive income.

Investments in equity instruments of subsidiaries and joint venture

The Company measures its investments in equity instruments of subsidiaries and joint venture at cost in accordance with Ind AS 27. The company has two wholly owned subsidiaries viz Craftsman Europe B.V (formerly "Craftsman Marine B.V") – Netherlands and Craftsman Automation Singapore Pte ltd- Singapore. The company has elected to value its investments in subsidiaries and Joint venture at cost as per Ind AS and these are being tested for impairment at each reporting period.

Investments in equity instruments other than subsidiaries and joint venture

The company has valued the investments in equity instruments other than subsidiaries and joint venture at fair value through Other Comprehensive Income. Fair value of quoted instrument has been valued at Market rate and in case of unquoted instrument it has been value at book value of that Company based on Level 2 input.

In respect of investment in equity share capital of group captive power companies which are made to comply with the provisions of Electricity Rules 2003, these investments are carried at cost as these investments can be sold back only at par.

Cash and cash equivalents:

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

Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortized cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e., expected cash shortfall.

Loan to Wholly Owned Subsidiaries:

Interest free loan given to wholly owned subsidiary has been recognised at fair value on the date of transaction and the fair value loss on the transaction date is recognised as deemed equity in subsidiary.

In case loan has been fully provided for impairment, no fair valuation of interest free component has been recognised in financial statement. In respect of loan given after April 1, 2014 interest has been charged at Government of India bond rate.

Impairment of financial assets:

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

The Company has applied the de-recognition requirements of financial assets prospectively for transactions occurring on or after April 1, 2015 (the transition date).

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortized cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as a part of cost of an asset is included in the "Finance Costs".

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

The Company has applied the de-recognition requirements of financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps and options. Further details of derivative financial instruments are disclosed in Note 3.4.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting:

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are also accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. Note 3.4 sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss, and is included in the "Other Income".

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to Statement of profit and loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

B.8 INVENTORIES

The Company determines the cost for items that are not interchangeable or that have been segregated for specific contracts on an individual-item basis as per Ind AS 2, 'Inventories'. The cost of other inventory items used is assigned by using weighted average cost formula.

The Company uses the same cost formula for all inventories of similar nature and use. The cost formula used is applied on a consistent basis from period to period.

Inventories are initially recognised at the lower of cost and net realisable value (NRV). Cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

i) Raw materials, components, stores and spares of inventory are measured at weighted average cost. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Work in progress and finished goods are valued at cost or Net Realisable Value whichever is lower. Cost includes direct materials, labor and a portion of manufacturing overheads. Saleable scrap is valued at lowest of the net realisable value in the last two months.

ii) Tools are valued at cost till they are issued for usage in production process. In respect of issued tools which can be refurbished, the company depending upon its useful life amortizes on a straight line basis over its useful life. Useful life determined for certain classes of tools is 2- 3 years. Tools which are not refurbishable are charged off to Statement of profit and loss upon issue from stores to usage. The "tools in use" are carried at Cost less accumulated amortization.

B.9 PROVISIONS

The Company recognises a provision when there is a present obligation to transfer economic benefits as a result of past events, it is probable (more likely than not) that such a transfer will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

A contingent liability is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

<u>Provision for Warranty</u>

Provisions for expected cost of warranty obligations are recognised based on Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

<u>Provision for Rejection</u>

Provision for rejection on sales is recognised once the products are sold. Materials are rejected due to various reasons and are either re processed or replaced to the customers depending on the type of rejections. These rejections get fulfilled within a period of 3 months and the provisions represent the present value of management's best estimate of possible rejections within the next one quarter.

B.10 REVENUE RECOGNITION

<u>Sale of Goods & Rendering of Services</u>

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

<u>Other Operating revenues</u>

Other operating revenues comprise income from ancillary activities incidental to the operations of the Company and are recognised when the right to receive the income is established as per the terms of the contract.

<u>Dividend and Interest Income</u>

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

B.11 BORROWING COST

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

B.12 GOVERNMENT GRANT

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

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

Import duty waivers for capital assets purchased under Export Promotion Capital Goods (EPCG) schemes are recorded as deferred revenue and recognised in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

B.13 EMPLOYEE BENEFITS

Defined contribution plans

<u>Provident fund (PF)</u>

Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

The Union Ministry of Labour issued draft rules under section 67 of the Code on Wages Act on 7 July 2020 in the Gazette and the Act is yet to be effective

The three labour codes, the Occupational Health, Safety and Working Conditions Code 2020, the Industrial Relations Code 2020 and the Code on Social Security 2020 have been passed by the parliament and have also received the assent of the President of India on 28 September 2020. However, the date on which these Codes will come into effect has not been notified. The Company will assess the impact of these Codes and will record any related impact in the period these Codes become effective.

Defined benefit plans

Accounting for defined benefit plans is based on actuarial assumptions and different valuation methods to measure the balance sheet obligation and the expense.

Where defined benefit plans are funded, the plan assets are measured at fair value. At each balance sheet date, the plan assets and the defined benefit obligations are remeasured. The Statement of Profit and Loss reflects the change in the surplus or deficit, except for contributions made to the plan and benefits paid by the plan, along with business combinations and remeasurement gains and losses.

Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognised in other comprehensive income.

The defined benefit costs are comprised of the following individual components:

- Service costs (including current and past service costs as well as gains/losses on curtailments and settlements)
- Net interest costs or income
- Re-measurement

The Company presents the first two components of defined benefit costs in profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprises actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss.

Voluntary Retirement Scheme

A liability for termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Compensated leave absences

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy. All leave remaining to be encashed at period end are fully provided.

B.14 FOREIGN CURRENCY TRANSACTIONS:

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

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

- Exchange differences on translation or settlement of long term foreign currency monetary items in respect of loans borrowed, which are not hedged, before April 1, 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets, are adjusted to the cost of the assets and depreciated over remaining useful life of such assets. Where the borrowal is after April 1, 2016, such exchange difference is recognised in Statement of Profit and loss. In other cases, where it has been hedged the same has been restated and adjusted against cash flow hedge of the respective derivative instruments.
- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note B.7 for hedging accounting policies).

B.15 INCOME TAXES

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefit, in the form of adjustment to future tax liability, is considered as an asset in the Balance Sheet. The carrying amount of MAT is reviewed at each reporting date and the asset would be written down to the extent the Company's right of adjustment would lapse.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

B.16 STATEMENT OF CASH FLOWS

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

(i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

B.17 SEGMENT REPORTING

The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators of the reportable segments. The company's reportable segments have been identified based on end consumption of the products sold or services rendered. The reportable segments are as follows:

Automotive - Powertrain & Others : This segment develops, manufactures, sells its and goods and services of power train and other products to the manufacturers of commercial/ passenger vehicles, farm equipment, mining and construction equipment.

Automotive- Aluminium Products : This segment develops, manufactures, sells its and goods and services consisting of aluminium automotive products to the manufacturers of two wheelers, passenger vehicles and commercial vehicles.

Industrial & Engineering: This segment develops, manufactures, sells its goods and services such as castings, gears, material handling equipment, railway products, special purpose machines, other general engineering products (together broadly termed as "High End Sub-assembly, Contract Manufacturing & Others") and storage products to various end user industries.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment and as well as those which can be allocated on a reasonable basis. Operating segments are reported in a manner consistent with the internal reporting to the CODM of the company.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

NOTE No. 1.1 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Asset Category	Freehold land	Building *	Plant & Machinery	Office Equip-ment	Furniture & Fixtures	Vehicles	Property, Plant & Equipment Total
Gross Block							
At April 1, 2020	**7,665**	**18,288**	**1,78,468**	**1,712**	**521**	**115**	**2,06,769**
Additions	-	1,178	14,733	42	11	-	15,964
Disposals	-	132	515	1	-	5	653
At March 31, 2021	**7,665**	**19,334**	**1,92,686**	**1,753**	**532**	**110**	**2,22,080**
Additions	787	3,057	17,316	284	13	86	21,543
Disposals	-	-	681	7	29	41	758
At March 31, 2022	**8,452**	**22,391**	**2,09,321**	**2,030**	**516**	**155**	**2,42,865**
Depreciation							
At April 1, 2020	**-**	**3,596**	**59,008**	**1,216**	**189**	**94**	**64,103**
Additions	-	1,033	15,073	172	52	8	16,338
Disposals	-	132	254	1	-	5	392
At March 31, 2021	**-**	**4,497**	**73,827**	**1,387**	**241**	**97**	**80,049**
Additions	-	829	17,043	153	54	7	18,086
Disposals	-	-	564	7	29	41	641
At March 31, 2022	**-**	**5,326**	**90,306**	**1,533**	**266**	**63**	**97,494**
At April 1, 2020	**7,665**	**14,692**	**1,19,460**	**496**	**332**	**21**	**1,42,666**
At March 31, 2021	**7,665**	**14,837**	**1,18,859**	**366**	**291**	**13**	**1,42,031**
At March 31, 2022	**8,452**	**17,065**	**1,19,015**	**497**	**250**	**92**	**1,45,371**

*Includes WDV of improvements on leasehold buildings worth ₹438 Lakhs as on March 31, 2022 (WDV of ₹655 Lakhs as on March 31, 2021)

NOTE No. 1.2 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Asset Category	TANGIBLE - CWIP	INTANGIBLE - CWIP	Total Capital Work in Progress
Gross Block			
At April 1, 2020	**8,883**	**-**	**8,883**
Additions	2,023	-	2,023
Disposals	7,435	-	7,435
At March 31, 2021	**3,471**	**-**	**3,471**
Additions	4,183	-	4,183
Disposals	3,456	-	3,456
At March 31, 2022	**4,198**	**-**	**4,198**
Impairment of CWIP			
At April 1, 2020	-	-	-
Additions	274	-	274
Disposals	-	-	-
At March 31, 2021	**274**	**-**	**274**
Additions	94	-	94
Disposals	368	-	368
At March 31, 2022	**-**	**-**	**-**
At April 1, 2020	**8,883**	**-**	**8,883**
At March 31, 2021	**3,197**	**-**	**3,197**
At March 31, 2022	**4,198**	**-**	**4,198**

(a) CWIP ageing schedule
As on March 31, 2022

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	4,198	-	-	-	4,198
Projects temporarily suspended	-	-	-	-	-
	4,198	**-**	**-**	**-**	**4,198**

As on March 31, 2021

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,035	654	97	411	3,197
Projects temporarily suspended	-	-	-	-	-
	2,035	**654**	**97**	**411**	**3,197**

(b) For CWIP whose completion is overdue or has exceeded its cost compared to its original plan
As on March 31, 2022 NIL

As on March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Various machines	1,162	-	-	-	1,162
	1,162	**-**	**-**	**-**	**1,162**

NOTE No. 1.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Asset Category	Computer Software	Product Development	Technical know-how	Intangible Assets Total
Gross Block				
At April 1, 2020	**2,040**	**636**	**430**	**3,106**
Additions	67	-	-	67
Disposals	-	-	-	-
At March 31, 2021	**2,107**	**636**	**430**	**3,173**
Additions	22	-	-	22
Disposals	-	-	-	-
At March 31, 2022	**2,129**	**636**	**430**	**3,195**
Depreciation				
At April 1, 2020	**1,179**	**636**	**229**	**2,044**
Additions	280	-	172	452
Disposals	-	-	-	-
At March 31, 2021	**1,459**	**636**	**401**	**2,496**
Additions	245	-	29	274
Disposals	-	-	-	-
At March 31, 2022	**1,704**	**636**	**430**	**2,770**
At April 1, 2020	**861**	**-**	**201**	**1,062**
At March 31, 2021	**648**	**-**	**29**	**677**
At March 31, 2022	**425**	**-**	**-**	**425**

Note:
1. Additions to PPE & CWIP include exchange loss aggregating to ₹24 Lakhs for the year 2021-22 (exchange gain of ₹53 Lakhs for the year 2020-21) capitalised under Plant & Machinery
2. All term loans both Rupee and Foreign Currency are secured by first pari passu charge on fixed assets of the company. Refer Note no. 3.7

NOTE No. 1.4
RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	8,342	10,847
Additions	2,476	573
Depreciation expense	(2,145)	(2,176)
Deletions	(91)	(901)
Closing	**8,582**	**8,343**

Refer note: B.6 & 3.8a for detailed disclosures

NOTE No. 1.5
NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity of Subsidiaries		
Craftsman Automation Singapore Pte. Ltd. (Wholly owned subsidiary of the company)		
Subsidiary liquidated on June 21, 2021. (7,67,000 equity shares of SGD 1 each fully paid up -at cost ₹3,78,81,075 as on March 31, 2021)	-	379
Less: Provision for diminution in value (Refer note 3.4b)	-	(379)
Craftsman Europe B.V. Netherlands		
(Wholly owned subsidiary of the company)		
(formerly known as Craftsman Marine B.V.)		
28,900 equity shares of Euro 100 each fully paid up - at cost ₹22,64,15,848	2,264	2,264
Investment in Equity of Joint Venture		
Carlstahl Craftsman Enterprises Private Ltd (30% stake)		
600,000 equity shares of ₹10 each fully paid up	60	60
Investment in Equity instruments (at Fair Value through OCI)		
Unquoted		
MC Machinery Systems India Private Ltd (10% stake)		
(Formerly known as MC Craftsman Machinery Private Ltd)		
2,10,000 equity shares of ₹100 each fully paid up. Sold entirely on Nov 30, 2021	-	-
iEnergy wind farm (Theni) Private Ltd #		
4550 equity shares of ₹10 each fully paid up	-	-
TAGMA Centre of Excellence and Training		
15 equity shares of ₹10 each fully paid up	5	5
Bhatia Coke & Energy Limited	-	-
34,810 equity shares of ₹10 each fully paid up (cost ₹10,999,960)		
Hurricane Windfarms Pvt Limited (26% stake)*	4	4
39,000 equity shares of ₹10 each fully paid up		
Watsun Infrabuild Private Limited	21	21
209,252 equity shares of ₹10 each fully paid up		

Particulars	As at March 31, 2022	As at March 31, 2021
Other Investments at fair value		
Deemed Equity- Wholly Owned Subsidiary (Refer note 3.4b)	463	463
Craftsman Europe B.V Netherlands		
Total	**2,817**	**2,817**

*__Note:__ The company holds 26% equity stake in Hurricane Windfarms Pvt Ltd. As the shareholders agreement entered into with the promoters of Hurricane Windfarms Pvt Ltd contains restrictive covenants, the company cannot exercise "Significant influence" in terms of Ind AS 28 and therefore is not classified under "Investments in Associates" and accordingly is not considered as a component for consolidated financial statements

amount is below rounding off norms adopted by the Company

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments including deemed equity	2,817	3,196
Aggregate amount of impairment in value of investments	-	(379)

Details of Significant Investments:

Name of the entity	Relationship	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest	
				As at March 31, 2022	As at March 31, 2021
Craftsman Automation Singapore Pte Ltd (Dissolved on June 21, 2021)	Wholly owned subsidiary	Sourcing Office	Singapore	-	100%
Craftsman Europe B.V.	Wholly owned subsidiary	Trading - Marine Engines	Netherlands	100%	100%
Carl Stahl Craftsman Enterprises Private Limited	Joint Venture	Trading - Hoists & Cranes	India	30%	30%

NOTE No. 1.6
LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan to Wholly Owned Subsidiaries		
Craftsman Europe B.V. The Netherlands	-	125
Craftsman Automation Singapore Pte. Ltd. Singapore#	-	-
Add: Interest Accrued	-	3
Less: Provision for Doubtful Advances (Refer note 3.4b)	-	(3)
Total	**-**	**125**

amount is below rounding off norms adopted by the Company

Loans receivable considered good - Secured	-	-
Loans receivable considered good - Unsecured	-	125
Loans Receivables - significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	3

NOTE No. 1.7
SECURITY DEPOSITS - NON CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Rent Deposit	1,353	1,015
Other Deposits	1,158	1,053
Total	**2,511**	**2,068**

NOTE No. 1.8
OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Currency swap & IRS Derivative	43	146

NOTE No. 1.9
OTHER NON CURRENT ASSETS
(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	3,169	1,229
Less: Provision for doubtful advances to supplier	(28)	(28)
Total	**3,141**	**1,201**

NOTE No. 1.10
INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials, Components and Consumables	33,367	17,183
Work-in-progress	10,758	7,614
Finished goods	2,194	1,971
Consumable Stores	3,919	3,731
Tools in use	2,848	1,960
Machinery Spares	8,185	6,684
Packing Materials	414	349
Stock in transit	379	272
Total	**62,064**	**39,764**

Inventory valued at NRV	496	575
Amount written down to arrive at NRV*	311	128

* These were recognised as an expense during the year and included in changes in value of inventories of WIP in Statement of Profit and Loss

Provision for slow moving inventory made in the current year is ₹485 Lakhs (previous year is ₹175 Lakhs)

NOTE No. 1.11
TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good - Secured	-	-
Considered good - Unsecured	29,415	23,548
Significant increase in Credit Risk	542	599
Credit impaired	184	184
Less: Provision for doubtful debts	(726)	(783)
Total	**29,415**	**23,548**

Receivables from related parties - refer note 3.5

Movement in Provision for doubtful debt is as follows (including under ECL model):

	Opening	Allowance made during the year	Write off during the year	Closing
March 31, 2022	783	(57)	-	726
March 31, 2021	795	187	(199)	783

Particulars	Ageing as on March 31, 2022					
	a. Less than 6 Months	b. 6 months - 1 year	c. 1 - 2 years	d. 2 - 3 years	e. More than 3 years	Grand Total
Undisputed						
(i) Considered good	28,403	948	65	-	-	29,416
(ii) significant increase in credit risk	-	-	277	152	101	530
(ii) Credit impaired	-	-	-	-	73	73
Disputed						
(iv) Considered good	-	-	-	-	-	-
(v) significant increase in credit risk	-	-	-	-	-	-
(vi) Credit impaired	-	-	8	4	110	122
Gross Total						**30,141**
Less: Provision for doubtful debts						(726)
Total						**29,415**

Particulars	Ageing as on March 31, 2021					
	a. Less than 6 Months	b. 6 months - 1 year	c. 1 - 2 years	d. 2 - 3 years	e. More than 3 years	Grand Total
Undisputed						
(i) Considered good	22,501	879	169	-	-	23,549
(ii) significant increase in credit risk	-	-	332	203	64	599
(ii) Credit impaired				64	9	73
Disputed						
(iv) Considered good	-	-	-	-	-	-
(v) significant increase in credit risk	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	33	77	110
Gross Total						**24,331**
Less: Provision for doubtful debts						(783)
Total						**23,548**

NOTE No. 1.12
CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Balances with banks	2,260	2,632
b. Cash on hand	6	2
Total	**2,266**	**2,634**

NOTE No. 1.13
OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Margin money against LC & Guarantee	1,377	1,151
Earmarked balances with banks	27	-
Other Deposits	1	388
Total	**1,405**	**1,539**

NOTE No. 1.14
SECURITY DEPOSIT-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	335	330

NOTE No. 1.15
OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Currency swap, Interest Rate Swaps ('IRS') & Forward cover derivative	812	425
Interest receivable	53	69
Total	**865**	**494**

NOTE No. 1.16
OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Balances with Government Authorities	702	832
Advance to Suppliers (Other than Capital Goods)	2,744	5,089
Prepaid Expenses	1,214	1,075
Advance to Employees	98	34
Contract assets - Unbilled Revenue	170	170
Others	26	43
Total	**4,954**	**7,243**

NOTE No. 1.17
EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Authorised				
Equity Shares of ₹5 each	4,00,00,000	2,000	4,00,00,000	2,000
Issued, called, subscribed & Paid Up				
Equity Shares of ₹5 each	2,11,28,311	1,056	2,11,28,311	1,056
Total	**2,11,28,311**	**1,056**	**2,11,28,311**	**1,056**

The movement of equity shares is as below

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	2,11,28,311	1,056	2,01,21,600	1,006
Additions due to issue of shares	-	-	10,06,711	50
Shares outstanding at the end of the year	**2,11,28,311**	**1,056**	**2,11,28,311**	**1,056**

Rights, Preferences and Restrictions to equity shares

The company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the shareholders will be entitled to receive the remaining assets of the company, in proportion to their shareholding.

Details of equity shareholders holding more than 5% shares in the company

Name of the equity shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos.	%	Nos.	%
S Ravi	1,05,00,000	49.70%	1,05,00,000	49.70%
S Murali	21,26,260	10.06%	21,26,260	10.06%
Marina III (Singapore) Pte Limited	11,56,808	5.48%	11,56,808	5.48%
Total	**1,37,83,068**	**65.24%**	**1,37,83,068**	**65.24%**

Details of Promoter's shareholding in the company

Name of the equity shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of Shares held	% of Holding	% Change	No. of Shares held	% of Holding	% Change
Promoter						
S Ravi	1,05,00,000	50%	0%	1,05,00,000	50%	-1%
Promoter Group						
Murali S	21,26,260	10%	0%	21,26,260	10%	0%
Chithra Ravi	200	0%	0%	200	0%	0%
Gautham Ram R	200	0%	0%	200	0%	0%
Mirthula R	200	0%	0%	200	0%	0%
Total	**1,26,26,860**	**60%**	**0%**	**1,26,26,860**	**60%**	**-1%**

For the period of five years immediately preceding the balance sheet date

i) **Details of number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash**

- The company has not allotted any shares pursuant to contracts without payment being received in cash

ii) **Details of number and class of shares allotted as fully paid up by way of bonus shares:**

- Based on the approval by the shareholders in the Extra ordinary General Meeting held on December 11, 2017, the Company had allotted 431,177 number of fully paid Bonus shares on December 21, 2017 in the ratio of three equity shares of ₹100 each fully paid up for every four existing equity shares of ₹100 each fully paid up.

iii) **Details of number and class of shares bought back:**

- The company has not bought back any shares during the period of 5 years immediately preceding the balance sheet date

Sub-division of shares:

The shareholders of the company at the Extra ordinary General Meeting held on April 30, 2018 approved the subdivision of equity shares of ₹100/- each into equity shares having a face value of ₹5/- each. Consequently the total number of equity shareholding has changed to 20,121,600 equity shares of face value ₹5/- each from that date.

Initial Public Offering of shares:

The equity shares of the Company have been listed on BSE Limited and National Stock Exchange of India Limited on March 25, 2021 upon successful completion of the Initial Public Offer ('IPO' or 'the Public Offer'). The IPO involved (a) Fresh Issue of 10,06,711 equity shares and (b) Offer for Sale of 45,21,450 equity shares of face value of ₹5 each at an offer price of ₹1,490 per share.

NOTE No. 1.18
OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Reserves & Surplus			
Securities Premium	A	28,123	28,308
General Reserves	B	9,662	9,662
Retained Earnings	C	76,142	60,093
Total Reserves & Surplus		**1,13,927**	**98,063**
Cash Flow Hedging Reserve	D	(442)	(953)
Equity instruments through Other Comprehensive Income		(321)	(321)
Total		**1,13,164**	**96,789**

Additions and Deductions since the last balance sheet date:

(i) Securities Premium Account

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	28,308	13,795
Premium on fresh issue of shares	-	14,950
Issue expenses adjusted	(185)	(437)
Closing balance	**28,123**	**28,308**

(ii) Retained Earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	60,093	50,579
Profit for the year	16,045	9,676
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of defined benefit obligation (net of tax)	4	(162)
Dividend	-	-
Closing balance	**76,142**	**60,093**

(iii) Cash Flow Hedging Reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(953)	(1,661)
Changes in fair value of hedging instruments	785	1,088
Deferred Tax	(274)	(380)
Closing Balance	**(442)**	**(953)**

(iv) Equity instruments through Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(321)	(211)
Changes in fair value of FVOCI equity instruments	-	(110)
Closing Balance	**(321)**	**(321)**

Refer "Statement of Changes in Equity" for additions/deletions in each of these items

A. Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act 2013 for specified purposes.

B. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc.

C. Retained Earnings includes ₹5542 Lakhs of revaluation reserve created due to Land revaluation on transition date to Ind AS (April 01,2015), which will not be available for distribution of profits

D. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

E. The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in General Reserve is not entirely distributable.

In respect of the year ended March 31, 2022, the Board of Directors has proposed a final dividend of ₹3.75 per share of face value ₹5 each be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹792 Lakhs.

NOTE No. 1.19
LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current*	Non Current	Current*
Secured				
From Banks				
Rupee Term Loans	10,969	5,267	11,528	4,051
Foreign Currency Term Loans	17,886	7,384	24,509	6,770
	28,855	**12,651**	**36,037**	**10,821**
From NBFC				
Rupee Term Loans	8,524	2,208	7,682	-
Total	**37,379**	**14,859**	**43,719**	**10,821**

Notes:

1. The above long term borrowings are carried at amortised cost.

Particulars	March 31, 2022	March 31, 2021
Loans at amortised cost as at the end of the year	52,238	54,540
Add : Unamortised upfront fee paid as at the end of year	153	236
Gross loan outstanding as at the end of the year	**52,391**	**54,776**

2. Refer note no 3.7 for security and terms of borrowings.

* Taken to short term borrowings (Note 1.24)

Net Debt Reconciliation:
For the year ended March 31, 2022

Particulars	Cash and cash equivalents	Instrument to hedge the finance liability**	Current Borrowing	Non-Current Borrowing plus current maturity of long term debt*	Lease Liability	Total
Balance as at April 1, 2021	2,634	(732)	(15,821)	(55,152)	(10,244)	(79,315)
Acquisition of RoU asset	-	-	-	-	(2,476)	(2,476)
Pre-closure of leases	-	-	-	-	91	91
Cash Flows	(368)	-	(3,508)	3,406	4,234	3,764
Fair Value changes	-	1,049	-	-	-	1,049
Foreign exchange adjustments	-		-	(1,008)	-	(1,008)
Interest expense & other charges	-	-	(1,918)	(4,322)	(924)	(7,164)
Interest & charges paid	-	-	1,908	4,376	924	7,208
Balance as at March 31, 2022	**2,266**	**317**	**(19,339)**	**(52,700)**	**(8,395)**	**(77,851)**

For the year ended March 31, 2021

Particulars	Cash and cash equivalents	Instrument to hedge the finance liability**	Current Borrowing	Non-Current Borrowing plus current maturity of long term debt*	Lease Liability	Total
Balance as at April 1, 2020	5,851	(539)	(24,488)	(80,350)	(11,576)	(1,11,102)
Acquisition of RoU asset	-	-	-	-	(573)	(573)
Pre-closure of leases	-	-	-	-	901	901
Cash Flows	(3,217)	-	8,359	23,870	1,004	30,016
Fair Value changes	-	(193)	-	-	-	(193)
Foreign exchange adjustments	-		254	1,443	-	1,697
Interest expense & other charges	-	-	(2,117)	(7,222)	(1,077)	(10,416)
Interest & charges paid	-	-	2,171	7,107	1,077	10,355
Balance as at March 31, 2021	**2,634**	**(732)**	**(15,821)**	**(55,152)**	**(10,244)**	**(79,315)**

*Includes the portion of "interest accrued but not due" pertaining to borrowings.

** does not include foreign currency forward contracts that are used for hedging liabilities that are operating cash flows

NOTE No. 1.20
LEASE LIABILITIES - NON-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities - Non-current portion	6,685	8,303
Total	**6,685**	**8,303**

Refer Note No B.6 & 3.8

NOTE No. 1.21
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Currency swap & IRS Derivative	353	902
Rent Advance	2	2
Total	**355**	**904**

Notes:
1. Currency swaps are for principal only and are cash flow hedge and hence are carried at fair value through OCI
2. IRS & IRC derivatives that are hedge effective are carried at fair value through OCI & others are carried at fair value through Statement of Profit & Loss
3. Rent advance is carried at amortized cost as it is not material to be fair valued

NOTE No. 1.22
LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Provisions		
Provision for Warranty Cost	15	36

Note: Movement in Provision for product warranties is as follows :

Particulars	Opening	Transferred to Short Term	Warranty provided for current year	Closing
As at March 31, 2022	36	25	4	15
As at March 31, 2021	87	53	2	36

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future obligations. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges from 2 to 5 years

NOTE No. 1.23
DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities	16,171	16,219
Deferred Tax Assets	(2,135)	(2,400)
Deferred Tax Liabilities (net)	**14,036**	**13,819**
MAT Credit Entitlement- Unused tax credit	(2,359)	(6,911)
Total	**11,677**	**6,908**

Note : Refer Note No 3.1 for detailed deferred tax working and effective tax rate reconciliation

NOTE No. 1.24
SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Secured			
Loans repayable on demand from banks			
Rupee Loans		4,031	1,890
Foreign Currency Loans		3,791	13,924
	Sub-total (A)	**7,822**	**15,814**
Unsecured			
Rupee Loans		11,500	-
	Sub-total (B)	**11,500**	**-**
Current maturities of long-term debt (refer note 1.19)	**(C)**	14,859	10,821
Total	**(A + B + C)**	**34,181**	**26,635**

Short Term Borrowings from banks are secured by
a. first pari passu charge on current assets of the company.
b. second pari passu charge on fixed assets of the company.

NOTE No. 1.25
LEASE LIABILITIES- CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities - Current portion	1,710	1,941
Total	**1,710**	**1,941**

NOTE No. 1.26
TRADE PAYABLES

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Due to Micro and Small Enterprises		554	1,841
	Sub-total (A)	**554**	**1,841**
Due to Other Suppliers		43,767	31,969
Accrued Expenses and others		2,215	1,419
	Sub-total (B)	**45,982**	**33,388**
Total	**(A + B)**	**46,536**	**35,229**

Payables to related parties - refer note 3.5

Particulars	Ageing as on March 31, 2022				
	a. Less than 1 year	b. 1 - 2 years	c. 2 - 3 years	d. More than 3 years	Grand Total
(i) MSME	554	-	-	-	554
(ii) Others	43,452	154	151	10	43,767
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Gross Total					**44,321**
Accrued Expenses and others					2,215
Total					**46,536**

Particulars	Ageing as on March 31, 2021				
	a. Less than 1 year	b. 1 - 2 years	c. 2 - 3 years	d. More than 3 years	Grand Total
(i) MSME	1,841	-	-	-	1,841
(ii) Others	31,756	201	7	5	31,969
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Gross Total					**33,810**
Accrued Expenses and others					1.419
Total					**35,229**

NOTE No. 1.27
OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	441	620
Currency swap , IRS & Forward cover derivative	185	400
Creditors for capital goods and services	3,996	1,452
Employee related liabilities	1,671	1,546
Dues to directors	17	9
Liability towards selling shareholders (from IPO proceeds)	16	3,081
Others	1,045	1,495
Total	**7,371**	**8,603**

NOTE No. 1.28
CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax provisions less advance payment	**690**	**67**

NOTE No. 1.29
OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	5,327	3,120
Deferred Revenue- EPCG benefit	-	1,148
Statutory Dues	1,789	1,358
Total	**7,116**	**5,626**

NOTE No. 1.30
SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity	203	148
Other Provisions		
Provision for Warranty Cost	144	99
Provision for Rejection	110	94
Total	**457**	**341**

Note:

Movement in Provision for product warranties is as follows :

Particulars	Opening	Expired during the year	Warranty provided for current year	Closing
As at March 31, 2022	99	99	144	144
As at March 31, 2021	111	111	99	99

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future obligations. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges upto one year.

Movement in Provision for rejection is as follows :

Particulars	Opening	Expired during the year	Rejection provided for current year	Closing
As at March 31, 2022	94	94	110	110
As at March 31, 2021	60	60	94	94

This provision is recognised once the products are sold. Materials are rejected due to various reasons and either get re processed and replaced to the customers depending on the type of rejections. These rejections gets fulfilled within a period of 3 months and the provisions represents the present value of management's best estimate of possible rejections within the next one quarter.

NOTE No. 2.1
REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars		March 31, 2022	March 31, 2021
Sale of products;			
Domestic Sales		1,32,727	88,952
Export Sales		16,331	13,574
	A.	**1,49,058**	**1,02,526**
Sale of services;			
Machining Charges		50,919	39,058
Service Charges		686	299
	B.	**51,605**	**39,357**
Other operating revenues;			
Sale of swarf & others		17,663	10,377
Duty Drawback		267	207
EPCG income on fulfilling obligation		1,891	1,938
Export Incentive under RoDTEP		159	-
Export Incentive under MEIS		-	224
	C.	**19,980**	**12,746**
Revenue from operations (A+B+C)		**2,20,643**	**1,54,629**

Refer Note no: 3.12 "Segment Reporting" for breakup of revenue from operations.

NOTE No. 2.2
OTHER INCOME

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Interest Income from deposits measured at amortised cost	138	118
Interest Income due to unwinding of fair valued assets		
- Rent Advance	95	92
- Deemed Equity	156	314
Net gain on sale of assets	141	59
Rental income	28	28
Exchange rate Gain/(Loss) on Transaction & Translation	368	694
Unclaimed balances written back	-	17
Others	1	-
Total	**927**	**1,322**

NOTE No. 2.3
COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Cost of goods sold	1,03,997	65,700
Carriage inward	1,476	719
Sub Contract Charges	974	491
Total	**1,06,447**	**66,910**

NOTE No. 2.4
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Inventory at the end of the year		
Work in Progress	10,758	7,614
Finished Goods	2,194	1,972
Sub total	**12,952**	**9,586**
Inventory at the beginning of the year		
Work in Progress	7,614	8,626
Finished Goods	1,971	-
Sub total	**9,585**	**8,626**
(Increase) / decrease in inventory	**(3,367)**	**(960)**

NOTE No. 2.5
EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Salaries and wages	14,352	10,820
Contributions to PF & ESI	489	376
Contribution to Gratuity fund	210	156
Managerial Remuneration	1,195	1,277
Staff welfare expenses	2,359	1,663
Total	**18,605**	**14,292**

NOTE No. 2.6
DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Depreciation on Property, Plant & Equipment	18,031	16,146
Amortization of Intangible Assets (Software & Dev.Exp.)	274	452
Amortization- Right-of-use Asset	2,145	2,176
Write off (including current year CWIP - ₹368 Lakhs)	422	193
Impairment of Capital Work in Progress	(274)	274
Total	**20,598**	**19,241**

NOTE No. 2.7
OTHER EXPENSES

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Manufacturing Expenses		
Stores, Spares & tool consumed	14,077	9,730
Power & Fuel	11,254	8,210
Repairs & Maintenance		
- Machinery	6,057	3,224
- Building	419	197
- Others	1,485	662
Payment to contractors	3,702	2,853
Other manufacturing expenses	335	169
A.	**37,329**	**25,045**
Administrative Expenses		
Professional and Consultancy charges	619	437
Insurance Charges	406	398
Rates & Taxes	136	196
Software Licenses	484	362
General Administrative Expenses	538	413
Printing & Stationary	177	89
Postage & Telegrams	46	26
Rent	95	80
Telephone Expenses	133	135
Travelling Expenses	607	240
Directors' Sitting Fees	21	21
Remuneration to auditors		
Statutory Audit	54	55
Taxation and Certification	10	21
CSR Expenses	225	154
Amounts written off		
Bad debts	-	199
Doubtful advances	382	(4)
Provisions for the year		
Doubtful advances	(3)	-
Diminution in value of investment	(379)	-
Warranty	23	(62)
Rejections	17	34
Doubtful debts	(57)	(13)
B.	**3,534**	**2,781**
Selling expenses		
Packing material consumed	1,944	1,105
Carriage Outward	2,953	1,698
Sales Promotion Expenses	267	355
C.	**5,164**	**3,158**
Total (A+B+C)	**46,027**	**30,984**

Contd..

NOTE No. 2.8
FINANCE COSTS

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Interest expenses		
On Short Term Borrowings	1,918	2,014
On Long Term Borrowings at Amortised Cost	4,226	7,006
Others	110	103
Other Borrowing costs		
Unwinding of discounted Upfront fee on loans	96	216
Interest unwind - lease liability	924	1,077
Unwinding of Rent Advance	95	92
Bank charges	330	578
MTM (Gain) / Loss - Derivative -(Net)	(14)	13
Net (gain)/loss on foreign currency transactions and translation	735	(371)
Total	**8,420**	**10,728**

NOTES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE No. 3.1 INCOME TAXES

Income tax expense for the year reconciled to accounting profit

(₹ in Lakhs)

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	a	24,840	14,756
Income tax rate	b	34.944%	34.944%
Income tax expenses	a*b	8,680	5,156
Effect of			
i) EPCG Benefit Capitalisation not considered for Income Tax purpose		(8)	(87)
ii) Effect of expenses inadmissible for tax		123	11
Income tax expense recognised in Statement of Profit & loss		**8,795**	**5,080**

Movement of Deferred Tax Assets/Liability:

(₹ in Lakhs)

Movement during the year ended March 31, 2022	As at March 31, 2021	Recognised in P&L	Recognised in OCI	MAT utilisation	As at March 31, 2022
Depreciation & Amortization	(15,340)	118	-	-	(15,222)
Provision for doubtful debts	274	(20)	-	-	254
Provision for Loans & Advances and Others	133	(133)	-	-	-
Other Temporary Differences	1,114	94	(276)	-	932
MAT Credit Entitlement- Unused tax credit	6,911	-	-	(4,552)	2,359
	(6,908)	**60**	**(276)**	**(4,552)**	**(11,677)**

(₹ in Lakhs)

Movement during the year ended March 31, 2021	As at March 31, 2020	Recognised in P&L	Recognised in OCI	MAT utilisation	As at March 31, 2021
Depreciation & Amortization	(15,375)	35	-	-	(15,340)
Provision for doubtful debts	278	(4)	-	-	274
Provision for Loans & Advances and Others	133	-	-	-	133
Other Temporary Differences	1,130	278	(293)	-	1,114
MAT Credit Entitlement- Unused tax credit	9,858	-	-	(2,947)	6,911
	(3,976)	**309**	**(293)**	**(2,947)**	**(6,908)**

NOTE No. 3.2 Employee Benefits

Defined Contribution Plan

The employee provident fund is in the nature of Defined contribution plan. The contribution made to the scheme is considered as expense in the statement of Profit and loss when the employee renders the related service. There is no other obligation other than the contribution payable to employee provident fund.

The total expenses recognised in statement of profit and loss of ₹437 Lakhs (2020-21: ₹307 Lakhs) represents contribution payable to these plans by the company at rates specified in the rules of the plan.

Defined benefit plans

The company extends defined benefit plan in the form of gratuity to employees. The company makes annual contribution to gratuity fund administered by trustees and managed by SBI Life Insurance Company Ltd. The Company's liability is determined based on actuarial valuation done at the year end as per projected unit credit method. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service subject to the maximum of ₹20 Lakhs. Vesting occurs upon completion of five years of service.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Liquidity Risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

The principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.48%	7.02%
Expected rate of salary increase	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimate of future salary increase (which has been set in consultation with the company), take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Service Cost	204	174
Net interest expense/ (income)	5	(18)
Component of defined benefit cost recognised in P&L	**209**	**156**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain)/loss arising from changes in financial assumptions	(69)	174
Actuarial (Gain)/ Losses due to Experience on DBO	57	81
Actuarial (Gain)/Loss arising from changes in financial assumptions due to demographic assumption changes in DBO	0	(10)
Return on Plan Assets (Greater) / Less than Discount rate	5	4
Components of defined benefit costs recognised in other comprehensive income	**(6)**	**249**
Total Defined Benefit Cost	**203**	**405**

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	1718	1580
Fair value of plan assets	1516	1432
Net liability arising from defined benefit obligation (funded)	(202)	(148)

Movements in the present value of the defined benefit obligation in the current year were as follows: (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening defined benefit obligation	1580	1419
Current Service Cost	204	174
Interest Cost	105	88
Benefits paid	(158)	(344)
Actuarial (gain)/loss	(12)	244
Closing defined benefit obligation	**1,718**	**1,580**

Movements in fair value of plan assets in the current year were as follows: (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening fair value of plan assets	1432	1675
Interest income of the assets	100	105
Employer contribution	148	0
Benefits payout	(158)	(344)
Actuarial gain/(loss)	(5)	(4)
Closing fair value of plan assets	**1,516**	**1,432**

The Company funds the cost of the gratuity expected to be earned on a yearly basis to SBI Life Insurance Company Limited, which manages the plan assets.

The actual return on plan assets was ₹95 Lakhs (2020-21: ₹102 Lakhs)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting year. (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would		
• Decrease by (Mar22: (8.75%); Mar21: (8.87%))	(150)	(140)
• Increase by (Mar 22:10.19%; Mar 21:10.37%)	175	164
If the expected salary is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 22: 8.75%; Mar 21: 9.13%)	150	144
• Decrease by (Mar 22: (7.90%); Mar 21: (8.15%))	(136)	(129)
If the attrition rate is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 22: 1.71%; Mar 21: 1.36%)	29	21
• Decrease by (Mar 22: (1.92%); Mar 21: (1.53%)	(33)	(24)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of each reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

Funding arrangements

The company has been fully funding the liability through a trust administered by an insurance company. Regular assessment of the increase in liability is made by the insurance company and contributions are being made to maintain the fund. Subject to credit risk of the insurance company & the asset liability mismatch risk of the investments, the Company will be able to meet the past service liability on the valuation date that falls due in the future.

The Company expects to make a contribution of ₹232 Lakhs (as at March 31, 2021: ₹260 Lakhs) to the defined benefit plans for the next financial year.

Information on the maturity profile of the liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average duration of the DBO	12.18 years	13.08 years
	₹ in Lakhs	**₹ in akhs**
Projected Benefit Obligation	1,719	1,580
Accumulated Benefits Obligation	1,160	1,446

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

FUTURE PAYOUTS	Present Value
Year (i)	104
Year (ii)	105
Year (iii)	109
Year (iv)	98
Year (v)	95
Next 5 year pay-outs(6-10yrs)	369
Pay-outs above ten years	840

3.3 Earnings per share (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Earnings per share ('EPS')		
Basic earnings per share	75.94	48.02
Diluted earnings per share	75.94	48.02
Face value per share for EPS	5	5
Basic and diluted earnings per share	**₹ in Lakhs**	**₹ in Lakhs**
Profit for the year attributable to equity shareholders	16,045	9,676
	Nos.	**Nos.**
Total number of equity shares outstanding at the end of the year	2,11,28,311	2,11,28,311
Weighted average number of equity shares		
used in the calculation of basic earnings per share	2,11,28,311	2,01,49,181
after adjustment for effect of dilution	2,11,28,311	2,01,49,181

The Company completed its Initial Public Offering (IPO) and listed its shares on BSE Limited and National Stock Exchange of India Limited on March 25, 2021. The IPO involved fresh issues of 10,06,711 equity shares face value of ₹5 each. The "weighted average number of equity shares" for computation of EPS has been calculated considering above mentioned fresh issue of shares from the date of allotment. (refer note: 1.17 for movement in equity share capital during year)

3.4 Financial Instruments:

3.4a Capital Management:

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the Company. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, buy back shares and cancel them, or issue new shares. The Company finances its operations by a combination of retained profit, bank borrowings, disposals of property assets and leases.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (long-term and short-term borrowings including current maturities)	71,560	70,354
Equity	1,14,222	97,845
Debt Equity Ratio	**0.63**	**0.72**

3.4b Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

i.Market Risk

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

- Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through treasury division and uses derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows.

Assets	Currency	As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)
Receivables	USD	49	3,684	32	2,327
	EUR	12	991	9	733
	GBP	0	4	0	4
Loans given in FC	EUR	-	-	3	283
Total Receivables (A)			4,678		3,347
Hedged by derivative contracts (B)		-	-	-	-
Unhedged receivables (C=A-B)			4,678		3,347

Liabilities	Currency	As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹ (Lakhs)
Payable (trade & others)	USD	65	4,928	93	6,784
	JPY	699	436	313	207
	EUR	14	1,167	3	230
	GBP	0	5	0	7
	CHF	0	0	0	0
Borrowings (ECB and Others)	USD	371	28,131	596	43,584
	EUR	12	1,026	21	1,771
Total Payables (A)			35,693		52,583
Hedges by derivative contracts (B)		199	15,121	271	19,817
Unhedged Payables (C=A-B)			20,572		32,767

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 1%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments. The following table details the Company's sensitivity movement in the unhedged foreign exposure: (₹ in Lakhs)

Currency	1% Strengthening of FC As at March 31, 2022	As at March 31, 2021
USD	(143)	(282)
GBP	0	0
CHF	0	0
EUR	(12)	(10)
JPY	(4)	(2)
	(159)	**(294)**

A depreciation of foreign currencies would have the opposite effect to the impact in the table above.

The following table details the forward foreign currency contracts outstanding at the end of the reporting year:

(₹ in Lakhs)

Cash flow hedges	Foreign Currency		Equivalent value		Fair value of contracts	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sell USD	-	12	-	863	-	844

Note:

The MTM of the above has been included in the balance sheet under 'Other Current Financial Liability'. [Refer Note 1.27] as on March 31, 2021.

Interest rate risk management:

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk of floating interest rates in foreign currency loans is managed by the Company by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting year. For floating rate liabilities which are unhedged, the analysis is prepared assuming that the amount of the liability as at the end of the reporting year was outstanding for the whole year. An increase or decrease of 50 basis point in rupee interest rates and 25 basis points in USD libor rate is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

A decrease in interest rates would have the opposite effect to the impact in the table below.

Base Rate	Increase in Base rate	Effect of change in interest rates		Outstanding as on	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD Libor	25 bps	23	24	9,014	9,510
₹ Baserate	50 bps	56	86	11,260	17,122
		79	**110**	**20,275**	**26,632**

Foreign currency and interest rate sensitivity analysis for swap contracts:

The company has taken interest rate swaps ('IRS') to hedge the interest rate risks. The marked-to-market loss as at March 31, 2022 is ₹182 Lakhs (March 31, 2021 loss is ₹836 Lakhs). The amount of gain recognised in OCI for the year ended 31st March 2022 is ₹640 Lakhs (March 31, 2021 – gain ₹642 Lakhs) and the amount of gain recognised in Statement of Profit and Loss for the ineffective portion of cash flow hedge for the year ended 31st March 2022 is ₹14 Lakhs (March 31, 2021: loss of ₹13 Lakhs).

In addition to the above, the Company has an Interest Rate Collar ('IRC'), to hedge the interest rate risks. The marked-to-market gain as at March 31, 2022 is ₹37 Lakhs (March 31, 2021: Loss ₹85 Lakhs). The amount of gain recognised in OCI for the year ended 31st March 2022 is ₹122 Lakhs (March 31, 2021 – Loss ₹26 Lakhs).

In case of currency swaps, the effective portion of cash flow hedges, is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit and loss. Amounts recognised as OCI are transferred to profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs when the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability. The mark-to-market gain as at March 31, 2022 is ₹218 Lakhs (March 31, 2021: gain of ₹174 Lakhs). The amount of gain recognised in OCI for the year ended 31st March 2022 is ₹45 Lakhs (March 31, 2021: loss of ₹426 Lakhs). Also, the effect given to OCI on account of restatement loss of the underlying foreign currency loans for the year ended 31st March 2022 is ₹249 Lakhs (March 31, 2021: gain of ₹1273 Lakhs).

Further, the Company has call options for principal payments of two of its foreign currency loan which is designated as a cash flow hedge. The marked-to-market gain as at March 31, 2022 is ₹243 Lakhs (March 31, 2021: gain of ₹28 Lakhs). The amount of gain recognised in OCI for the period year 31st March 2022 is ₹215 Lakhs (March 31, 2021 – loss of ₹410 Lakhs).

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

- Trade receivables:

The Company periodically assesses the financial reliability of customers / corporates taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. These include customers / corporates, which have high credit-ratings assigned by international and domestic credit-rating agencies. Individual risk limits are set accordingly. The Company's trade and other receivables, including loans under customer financing activities, consists of a large number of customers, across geographies.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Movement in Credit loss allowance (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	**783**	**795**
Allowance for bad and doubtful debts during the year	(57)	187
Trade Receivables written off during the year	-	(199)
Balance as at the end of the year	**726**	**783**

- Other financial assets:

a. Craftsman Automation Singapore Pte Limited- wholly owned subsidiary:

Craftsman Automation Singapore Pte Limited was a wholly owned subsidiary and a sourcing office to the Company. The investment and the loan outstanding to its subsidiary was fully impaired in FY2016-17.

During October 2019, the loan outstanding to the extent of SGD 0.67 million (₹348 Lakhs) was converted to equity share capital. Subsequently, the Company passed Board Resolution at their meeting held on August 20, 2019 to wind up the subsidiary

However, the process of winding up could not be completed immediately due to the global pandemic. The subsidiary was non-operational as on March 31, 2021. The subsidiary was dissolved on June 21, 2021. As the subsidiary company was defunct, there is no impact on the financial statements of the Group for the year ended March 31, 2022.

b. Craftsman Europe BV- wholly owned subsidiary:

The Company had granted interest-free loans to Craftsman Europe B.V (formerly Craftsman Marine BV). Earlier, the Company fair valued the loan based on an estimated contractual repayment schedule, and the difference between the initial fair value and the amount of cash advanced was considered as an additional capital contribution in the subsidiary (deemed equity) and accounted in the books.

During the year ended March 31, 2021, the Company has provided an extension in repayment of loan due from the subsidiary. On account of modification in the contractual cash flow, the Company has recalculated the fair value & deemed equity portion on the interest-free loan outstanding as on March 31, 2021.

Further, the management based on the information available and considering the future business plan, cash flow projections & forecasts is of the view that the recoverable amount of investment is more than the carrying amount of investments and there has not been any significant increase in the credit risk & loan being credit impaired as the subsidiary is operating on a self-sustaining basis and generating profits.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of Investment in Subsidiaries	2,264	2,264

c. Bhatia Coke & Energy Limited

Bhatia Coke & Energy Limited is under "Corporate Insolvency resolution process" as per the MCA website. Also, the management of the Company is taken over by an insolvency professional appointed by the National Company Law Tribunal (NCLT)

Given this, the Company has fair valued the investment to NIL as at March 31, 2022. Fair value loss recognised in OCI for the year ended 31st March 2022 is Nil (for the year ended March 31, 2021 is loss of ₹110 Lakhs)

d. Others

None of the Company's other cash equivalents, including time deposits with banks, are overdue or impaired.

Movement in Provision for advances: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	**31**	**31**
Allowance for the doubtful advances made during the year	379	(4)
Advances written off during the year	(382)	4
Balance as at the end of the year	**28**	**31**

Refer Note 1.6 and 1.9 of the financial statements.

ii. Liquidity Risk:

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

The table below summarizes the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the discounted cash flows. (₹ in Lakhs)

As at March 31, 2022	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	34,181	36,853	526	71,560
Interest payments on borrowings	3,282	4,169	8	7,459
Lease Liability	1,710	3,963	2,722	8,395
Trade Payables	46,536	-	-	46,536

(₹ in Lakhs)

As at March 31, 2021	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	26,635	40,165	3,554	70,354
Interest payments on borrowings	3,870	5,973	126	9,969
Lease Liability	1,941	4,709	3,594	10,244
Trade Payables	35,229	-	-	35,229

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

As at March 31, 2022	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Carrying Amount
Currency & Interest rates- Swaps & Options	627	(310)	-	317
Foreign exchange forwards	-	-	-	-
	627	**(310)**	**-**	**317**

(₹ in Lakhs)

As at March 31, 2021	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Carrying Amount
Currency & Interest rates- Swaps & Options	37	(757)	-	(720)
Foreign exchange forwards	(12)	-	-	(12)
	25	**(757)**	**-**	**(732)**

Company manages the Capital and debt by closely monitoring the bank covenants.

3.4c Categories of Financial assets and liabilities: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
a. Measured at amortized cost:		
Investments (net)	2,324	2,324
Cash and cash equivalents	2,266	2,634
Other bank balances & Interest receivable	1,458	1,608
Trade Receivables	29,415	23,548
Loans	-	125
Security Deposit	2,846	2,398
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)		
Investments	30	30
Currency swaps & options and IRS & IRC	855	571
c. Deemed equity measured at fair value		
Investments	463	463

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Liabilities		
a. Measured at amortized cost:		
Borrowings	71,560	70,354
Lease Liability	8,395	10,244
Trade Payables	46,536	35,229
Other Financial Liabilities	7,188	8,205
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)		
Currency Swaps & IRS	538	1,288
c. Mandatorily maintained at fair value through profit or loss (FVTPL)		
Others	-	14

3.4d Fair value measurements:

i) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting year:

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1 : Quoted Price for identical instruments in an active market
- Level 2 : Directly or indirectly observable market inputs, Other than level 1 inputs and
- Level 3 : Inputs which are not based on observable market data

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

As at March 31, 2022 (₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Asset at fair value				
Investments measured at				
i) fair value through OCI	-	-	30	**30**
ii) fair value through P&L	-	463	-	**463**
Derivative Instruments measured at				
i) fair value through OCI	-	855	-	**855**
ii) fair value through P&L	-	-	-	**-**
Liabilities at fair value				
Derivative Instruments measured at				
i) fair value through OCI	-	538	-	**538**

As at March 31, 2021 (₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Asset at fair value				
Investments measured at				
i) fair value through OCI	-	-	30	**30**
ii) fair value through P&L	-	463	-	**463**
Derivative Instruments measured at				
i) fair value through OCI	-	571	-	**571**
ii) fair value through P&L	-	-	-	**-**
Liabilities at fair value				
Derivative Instruments measured at				
i) fair value through OCI	-	1,288	-	**1,288**
ii) fair value through P&L	-	14	-	14

Calculation of Fair Values:

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used.

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

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

3.5 Related party disclosure

a) List of parties where control exists

Subsidiaries

Craftsman Europe B.V

Craftsman Automation Singapore Pte Limited till June 21, 2021

b) Other related parties

Joint Ventures

Carl Stahl Craftsman Enterprises Private Limited

Company with common directors

MC Machinery Systems India Private Limited (Formerly known as MC Craftsman Machinery Private Limited) till November 30, 2021

Key Management Personnel

Mr. SRINIVASAN RAVI, Chairman and Managing Director

Mr. RAVI GAUTHAMRAM, Whole Time Director

Mr. CHANDRASHEKAR BHIDE, Independent Director

Mr. CHANDRAMOHAN NATARAJAN, Whole Time Director (till July 10 2020)

Mr. SUNDARARAMAN KALYANARAMAN, Independent Director

Mr. UDAI DHAWAN, Nominee Director till June 20, 2021 & Non-Executive Non-Independent Director from June 21, 2021 till March 19, 2022

Mr. KALLAKURICHI KANNIAH BALU, Independent Director (till May 23, 2020)

Mrs. VIJAYA SAMPATH, Independent Director

Mr. TAMRAPARNI SRINIVASAN VENKATA RAJAGOPAL, Additional Director (from March 19, 2022)

Mr. C.B.CHANDRASEKAR, Chief Financial Officer

Mr. THIYAGARAJ DAMODHARASWAMY, Chief Operating Officer

Mr. SHAINSHAD ADUVANNI, Company Secretary

c) Related Party Transactions – Summary: (₹ in Lakhs)

Transactions during the year ended	Subsidiaries		Joint Ventures		Common director company		Key Management Personnel	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Purchase of Goods & Services	13	40	243	113	37	68	-	-
Sale of Goods & Services#	818	373	3,102	1,676	-	-	-	-
Sales Commission expenses#	-	-	3	-	-	-	-	-
Reimbursement of Expenditure to	-	75	-	-	-	-	-	-
Reimbursement of Expenditure from	-	-	-	4	3	3	-	-
Unwinding effect of deemed equity	156	314	-	-	-	-	-	-
Dividend payments	-	-	-	-	-	-	-	-
Remuneration to key management personnel	-	-	-	-	-	-	644	584
Commission	-	-	-	-	-	-	740	844
Sitting Fee	-	-	-	-	-	-	21	21
Interest Income#	-	-	-	-	-	-	-	-
Loans recovered	285	268	-	-	-	-	-	-
Rental Income	-	-	2	2	17	26	-	-

(₹ in Lakhs)

Balances as at the end of	Subsidiaries		Joint Ventures		Common director company		Key Management Personnel	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Trade Receivables	132	63	723	164	-	-	-	-
Trade Payables	218	223	6	2	-	25	-	-
Loans - Receivable*	-	125	-	-	-	-	-	-
Interest receivable*	-	3	-	-	-	-	-	-
Remuneration payable	-	-	-	-	-	-	17	9
Rent advance received	-	-	-	-	-	2	-	-

d) Significant Related party transactions:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of Goods & Services		
Carl Stahl Craftsman Enterprises Private Limited	243	113
Craftsman Europe BV - Netherlands	13	40
MC Machinery Systems India Private Limited	37	68
Sale of Goods & Services		
Carl Stahl Craftsman Enterprises Private Limited	3,102	1,676
Craftsman Europe BV - Netherlands	818	373
MC Machinery Systems India Private Limited	-	-
Sales Commission Paid		
Carl Stahl Craftsman Enterprises Private Limited #	3	-
Reimbursement of Expenditure to		
Craftsman Europe BV - Netherlands	-	75
Reimbursement of Expenditure from		
Carl Stahl Craftsman Enterprises Private Limited	-	4
MC Machinery Systems India Private Limited	3	3
Unwinding effect of deemed equity		
Craftsman Europe BV-Netherlands	156	314
Remuneration to key management personnel		
Executive Directors	457	435
Chief Financial Officer	91	72
Chief Operating Officer	71	61
Company Secretary	25	17
Commission		
Executive Directors	715	814
Non-Executive Directors	25	30
Sitting Fee		
Non-Executive Directors	21	21
Loans recovered		
Craftsman Europe BV - Netherlands	285	268
Rent Income		
Carl Stahl Craftsman Enterprises Pvt Ltd	2	2
MC Machinery Systems India Private Limited	17	26

e) Balances of Related Parties:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Trade Receivable		
Carl Stahl Craftsman Enterprises Private Limited	723	164
Craftsman Europe BV - Netherlands	132	63
MC Machinery Systems India Private Limited	-	-
Trade Payable		
Carl Stahl Craftsman Enterprises Private Limited	6	2
Craftsman Europe BV - Netherlands	218	223
MC Machinery Systems India Private Limited	-	25
Loans - Receivable		
Craftsman Europe B.V. Netherlands	-	125
Interest Receivable		
Craftsman Automation Singapore Pte Limited*	-	3
Rent advance received		
MC Machinery Systems India Private Limited	-	2
Remuneration payable		
Mr. S Ravi	17	9

f) Details of advances in the nature of loans

(₹ in Lakhs)

Name of the Company	Year Ended March 31, 2022				Year Ended March 31, 2021		
	Status	Out-standing Amount	Maximum loan out-standing	Invest-ment in shares of the company	Out-standing Amount	Maximum loan out-standing	Invest-ment in shares of the com-pany
Craftsman Europe B.V	Subsidiary	-	125	2,264	125	433	2,264
Craftsman Automation Singapore Pte Limited	Subsidiary						
- Loan Receivable*#		-	-	-	-	-	379
- Interest Receivable*		-			3		

g) Disclosure as required under section 186(4) of the Companies Act, 2013

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	Purpose
Loan Outstanding			
Craftsman Europe B.V	-	125	Funding for operations
Craftsman Automation Singapore Pte Limited#	-	-	Funding for operations
Investments			
Craftsman Europe B.V	2,264	2,264	
Craftsman Automation Singapore Pte Limited*	-	379	
Deemed Equity-Craftsman Europe B.V	463	463	

*Provisions of ₹379 Lakhs & ₹3 Lakhs have been carried as on March 31, 2021 against investment in and loan & interest receivable from Craftsman Automation Singapore Pte Limited, a wholly owned subsidiary.

#amount is below rounding off norms adopted by the Company.

3.6 Contingent Liabilities and Contingent assets

a) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(₹ in Lakhs)

Contingent Liabilities	As at March 31, 2022	As at March 31, 2021
a.Claims against the company not acknowledged as debt		
Excise	7	7
VAT	50	55
Service tax	67	67
GST	16	36
Income tax	1,821	1,821
Stamp duty	56	56
b.Sales Bills discounted	**2,217**	**-**

b) Commitments

Commitment on Capital Account not provided as on March 31, 2022: ₹20,570 Lakhs; March 31, 2021: ₹10,260 Lakhs.

3.7 Non-Current Borrowings:

(₹ in Lakhs)

	As at March 31, 2022			Particulars of Repayment		As at March 31, 2021		
	Non-Current	Current Maturity	Total	Installments	Amount/Inst	Non-Current	Current Maturity	Total
ECB-4	237	237	474	Quarterly	USD 0.63/8 , 0.93/8, 1.57/8	534	304	838
ECB-11	909	1,212	2,121	Quarterly	USD 4.00/ 20	2,046	1,168	3,214
ECB-12	-	1,030	1,030	Quarterly	INR 0.5/ 2, 1.0/ 4. 2.18/ 15, 2.3/ 1	994	978	1,972
ECB-13	13,940	3,464	17,404	Half-yearly	USD 11.54 / 13	16,789	2,494	19,283
ECB-14	2,458	754	3,212	Quarterly	USD 2.50/ 20	3,098	543	3,641
FCTL-1	128	255	383	Quarterly	EUR 0.76 / 16	392	260	652
FCTL-2	214	428	642	Quarterly	EUR 1.28 / 15	657	-	657
FCNRB-2	-	-	-	Quarterly	USD 3.33/ 15	-	1,022	1,022
TL-1	2,207	1,289	3,496	Quarterly	INR 208.33/ 24	3,701	-	3,701
TL-4	-	-	-	Quarterly	INR 41.87/ 24	375	249	624
TL-8	-	298	298	Quarterly	INR 160.00/ 20	297	-	297
TL-13	990	703	1,693	Quarterly	INR 66.87 / 20	1,862	938	2,800
TL-14	1,497	995	2,492	Quarterly	INR 250.00/ 20	2,493	992	3,485
TL-15	299	-	299	Quarterly	INR 250.00/ 16	892	-	892
TL-18	3,275	1,874	5,149	Quarterly	INR 156.25 / 48	5,611	1,871	7,482
TL-19	2,993	745	3,738	Quarterly	INR 250.00/ 16	3,982	-	3,982
TL-20	3,324	174	3,498	Quarterly	INR 175.00 / 20	-	-	-
TL-21	4,907	1,400	6,308	Quarterly	INR 350.88 / 20	-	-	-
Total	**37,379**	**14,859**	**52,238**			**43,719**	**10,821**	**54,540**

The balances mentioned above are at amortized cost. Refer note 1.19

All term loans, both Rupee and Foreign Currency are secured by first pari passu charge on fixed assets of the company. Also, a second pari passu charge on current assets of the company are created for all term loans except for loan from Kotak Mahindra Bank.

3.8 Lease arrangements

3.8a Company as lessee

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

(₹ In Lakhs)

Particulars	Machinery	Land & Buildings	Total
Balance as at April 1, 2021	811	7,532	8,343
Additions	-	2,476	2,476
Amortization/ expense	(496)	(1,649)	(2,145)
Deletion	-	(91)	(91)
Balance as of March 31, 2022	**315**	**8,268**	**8,582**

Particulars	Machinery	Land & Buildings	Total
Balance as at April 1, 2020	1,307	9,540	10,847
Additions	-	573	573
Amortization/ expense	(496)	(1,680)	(2,176)
Deletion	-	(901)	(901)
Balance as of March 31, 2021	**811**	**7,532**	**8,343**

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

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

Particulars	March 31, 2022	March 31, 2021
Current lease liabilities	1,710	1,941
Non-current lease liabilities	6,685	8,303
Total	**8,394**	**10,244**

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

Particulars	Amount in ₹ Lakhs
Balance as at April 1, 2021	10,244
Additions	2,476
Finance cost accrued during the year	924
Deletion	(91)
Payment of lease liabilities	(5,158)
Balance as of March 31, 2022	**8,395**

Particulars	Amount in ₹ Lakhs
Balance as at April 1, 2020	11,576
Additions	573
Finance cost accrued during the year	1,077
Deletion	(901)
Payment of lease liabilities	(2,081)
Balance as of March 31, 2021	**10,244**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	2,460	2,887
One to five years	5,839	7,010
More than five years	3,154	4,347
Total	**11,453**	**14,244**

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

Rental expense recorded for short-term leases was ₹95 Lakhs for the year ended March 31, 2022. (March 31, 2020: ₹80 Lakhs)

Total cash outflow for leases including short-term was ₹5,253 Lakhs for the year ended March 31, 2022. (March 31, 2021: ₹2161 Lakhs).

Note: The Company has elected not to assess any reduction in lease payments during the year ended March 31, 2021 as lease modification in accordance with MCA notification G.S.R. 463E dated July 24, 2020 on Ind AS 116 'Leases'.

3.8b Company as lessor

Company has provided a portion of its building on operating lease to MC Machinery Systems India Private Ltd & Carlstahl Craftsman Enterprises Private Limited for a period of 3 years.

Non-Cancellable Operating lease commitment	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	28	19
Later than 1 year but not later than 5 years	15	2
Later than 5 years	-	-

3.9 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
The principal amount due to Micro and Small Suppliers under this Act	554	1,841
Interest accrued and due to suppliers on the above amount	5	8
Interest paid to suppliers under this Act (Section 16)	Nil	Nil
Interest due and payable for the delay (for payment during the year beyond due date)	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed date, during the year	Nil	Nil
Interest accrued and remaining unpaid at the end of year to suppliers under this Act	5	8
Interest due and payable to suppliers under this Act for payment already made	Nil	Nil

The information has been given in respect of Vendors to the extent they could be identified as "Micro and Small Enterprises" on the basis of information available with the company.

3.10 Offer Expenses for the IPO:

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on March 25, 2021 upon successful completion of the Initial Public Offer ('IPO' or 'the Public Offer'). Owing to pandemic situation, there have been delays in receipt of invoices in relation to services availed for IPO. These expenses are allocated between the selling shareholders and the Company wherein the Company's portion is adjusted against the securities premium reserve. Based on the invoices received and estimates by the management, the total issue expenses for IPO has been crystallised at ₹3838 Lakhs (including GST). Out of the total expenses, share of Selling shareholders of ₹3104 Lakhs (including GST) has been adjusted against their proceeds and the Company has adjusted ₹622 Lakhs (excluding GST) against securities premium (₹185 Lakhs during the year ended March 31, 2022 and ₹437 Lakhs during the year ended March 31, 2021).

3.11 CSR Expenditure:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Gross amount required to be spent by the company during the year as per section 135 of the Companies Act, 2013 read with Schedule VII	224	154
(b) Amount spent during the year	225	52
(c) Amount transferred to CSR on-going projects subsequently	NA	102

(₹ in Lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	111	-	111
(ii) On purposes other than (i) above	114	-	114

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) amount required to be spent by the company during the year	224	154
(ii) amount of expenditure incurred	225	52
(iii) shortfall at the end of the year	Nil	102
(iv) total of previous years shortfall	Nil	Nil
(v) reason for shortfall	Not Applicable	Delay in project due to lockdowns induced by COVID-19 pandemic. The unspent amount has been transferred to separate bank account.
(vi) nature of CSR activities	1. Promotion of Health care/ Eradicating hunger	1. Promotion of Health care/ Eradicating hunger
	2. Promotion of education	2. Promotion of education
	3. Environment sustainability	3. Environment sustainability
	4. Safety & Welfare	4. Safety & Welfare
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

3.12 Segment Reporting:
a. Segment disclosure

(₹ in Lakhs)

Segment Revenue	Year Ended March 31, 2022	Year ended March 31 2020
Automotive- Powertrain & Others	1,15,435	81,127
Automotive- Aluminium Products	44,049	32,975
Industrial & Engineering	61,159	40,527
Total Revenue as per Statement of Profit and Loss	**2,20,643**	**1,54,629**

(₹ in Lakhs)

Segment Profit or Loss	Year Ended March 31, 2022	Year ended March 31, 2021
Automotive - Powertrain & Others	30,374	22,064
Automotive - Aluminium Products	954	253
Industrial & Engineering	6,439	7,535
Total Segments	**37,767**	**29,852**
Less: Unallocable Expenditure	(5,434)	(5,690)
Add: Other Income	927	1,322
Earnings Before Interest, Exceptional Item & Tax	**33,260**	**25,484**
Less: Finance Costs	(8,420)	(10,728)
Profit before Tax	**24,840**	**14,756**

(₹ in Lakhs)

Segment Assets	As at March 31, 2022	As at March 31, 2021
Automotive - Powertrain & Others	1,12,333	98,036
Automotive - Aluminium Products	68,966	55,765
Industrial & Engineering	69,603	60,227
Total Segments	**2,50,902**	**2,14,028**
Unallocable Assets	17,490	22,129
Total Assets as per Balance Sheet	**2,68,392**	**2,36,157**

(₹ in Lakhs)

Segment Liabilities	As at March 31, 2022	As at March 31, 2021
Automotive - Powertrain & Others	60,938	52,017
Automotive - Aluminium Products	34,220	29,689
Industrial & Engineering	31,295	27,760
Total Segments	**1,26,453**	**1,09,466**
Unallocable Liabilities	27,719	28,846
Total Liabilities as per Balance Sheet	**1,54,172**	**1,38,312**

(₹ in Lakhs)

Geographical Information	As at March 31, 2022	As at March 31, 2021
Revenue from operations		
India	2,02,255	1,39,206
Outside India	18,388	15,423
Total Revenue	**2,20,643**	**1,54,629**

b. Disclosure about major customers

Revenue from customers individually contributing more than 10% of total revenue of the Company across all the segments, amounts to ₹68,098 Lakhs (₹48,505 Lakhs for the year ended March 31, 2021) of the total revenue of the Company across all the segments.

3.13 Ratio Analysis

Ratios	FY 21-22	FY 20-21	% Variance
(a) Current Ratio	1.03	0.96	7%
(b) Debt-Equity Ratio	0.63	0.72	-13%
(c) Debt Service Coverage Ratio*	1.70	1.32	28%
(d) Return on Equity Ratio	15%	11%	34%
(e) Inventory turnover ratio	4.33	4.34	0%
(f) Trade Receivables turnover ratio	8.33	7.21	16%
(g) Trade payables turnover ratio	3.53	2.72	30%
(h) Net capital turnover ratio **	6	6	-6%
(i) Net profit ratio	7.3%	6.3%	16%
(j) Return on Capital employed	20%	16%	21%
(k) Return on investment #	NA	NA	NA

Ratios	Formula (Numerator/Denominator)	Remarks for 25% change
(a) Current Ratio	Current Assets / Current Liabilities	NA
(b) Debt-Equity Ratio	Total Debt/Shareholder's Equity	NA
(c) Debt Service Coverage Ratio*	Earnings available for debt service / Debt Service Debt service = Interest & Lease Payments + Principal Repayments	Higher profits
(d) Return on Equity Ratio	Net Profits after taxes/Average Shareholder's Equity	Higher profits
(e) Inventory turnover ratio	Sales/ Average Inventory	NA
(f) Trade Receivables turnover ratio	Sales / Average Accounts Receivable	NA
(g) Trade payables turnover ratio	Purchases / Trade Payables	Improved sales volumes & realisation
(h) Net capital turnover ratio **	Net Sales/Working Capital	NA
(i) Net profit ratio	Net Profit/ Net Sales	NA
(j) Return on Capital employed	Earnings before interest and taxes/ Capital Employed Capital employed = Total Assets- Current Liabilities	NA
(k) Return on investment #		

Note:
* Excluding repayment made out of IPO funds
** Net working capital does not include short term borrowings
# Investments are made only for production and product related. Hence ROI is not applicable

3.14. a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder

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

c) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period

e) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries)

2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

ii) provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022.

3.15 Certain comparative figures have been reclassified to conform to the current year presentation.

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary M.No.A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
Date : May 9, 2022

INDEPENDENT AUDITORS' REPORT

To the members of Craftsman Automation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Craftsman Automation Limited (hereinafter referred to as the "Company" / "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a joint venture which include Group's share of profit in joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2022 , the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2022 , the consolidated profit and consolidated total comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

We are independent of the Group and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key audit matter description and principal audit procedures
1.	**Accounting for derivative contracts** Refer Notes B.8,1.8, 1.15, 1.21, 1.27, 2.8 and 3.6 in consolidated financial statements A significant source of Company's funds is borrowings, denominated in Indian rupee and foreign currency with a combination of fixed and floating interest rates.

The Company's cost of borrowing will be impacted by fluctuations in foreign exchange rates and movement in interest rates. The Company's mitigation plan for risk of foreign currency fluctuation and interest rate fluctuation includes using derivative instruments as per its risk management policy.

These hedges taken using derivative instruments are designated as either cashflow or fair value hedge. Estimating future cash flows is a significant factor in determining the mark to market gain or loss, accounting of such forward contracts and in the determination of its fair value. Significant judgement is applied in making these estimates by the expert used by the management.

As at March 31, 2022 , the carrying value of the Company's derivatives included derivative assets amounting to ₹855 Lakhs and derivative liabilities of ₹538 Lakhs.

Accounting for derivative contracts is considered as a key audit matter because of the significant judgement and estimates used in the fair valuation and the complex compliance framework for determining the accounting & disclosure of these transactions in accordance with Ind AS 109 'Financial Instruments' – Accounting (including recognition and derecognition of financial assets or liabilities). These class of transactions are material with respect to the financial statements.

Our procedures related to audit of accounting for derivative contracts include the following

- understanding and evaluating the design, implementation and operating effectiveness of internal controls over the completeness, existence and valuation of derivative instruments and management's documentation of the hedge effectiveness, accounting of derivative and hedging transactions;
- examining the derivative contracts;
- testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including:
  - o understanding the risk management objectives and strategies for different types of hedge instruments;
  - o evaluating that the relationship between the underlying liability and the hedge instrument;
  - o using an expert for auditing the valuation and reviewing the hedge effectiveness test carried out by management as per Ind AS 109, including the economic relationship between the hedged item and the hedging instrument;
- evaluating competence and capabilities of the auditor's experts and ensuring independence;
- involving the auditor's expert for testing the appropriateness of hedge accounting to qualified hedge relationships i.e., cash flow or fair value hedges;
- testing on sample basis the valuation of derivative instruments by management expert;
- for selected samples, checking the confirmations from counterparties to the derivative contracts for the valuation as at the year-end;
- checking the presentation and disclosures in the financial statements for compliance with Ind AS 109.

2. **Accounting for Property, Plant and Equipment**

Refer Notes B.4, B.6, 1.1, 1.2 and 2.6 in consolidated financial statements

Property, plant and equipment including capital work in progress ('PPE') represents 56% of the Company's total assets.

The capitalisation of PPE includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable costs of bringing the asset to working condition for its intended use (inclusive of non-refundable purchase taxes and duties).

Depreciation is generally charged as per Schedule II to Companies Act, 2013. In respect of certain classes of PPE, the useful life has been ascertained based on technical review by a Chartered Engineer and assessment by the management.

The Company carries out physical verification of PPE as per their policy on an annual basis.

The Company uses estimates and assumptions to determine the useful life of assets, residual value, assess impairment loss (if any). The useful life of property, plant and equipment is determined by the technical team of the management taking into consideration the industry practice, the application and usage factors and past historical trend. The residual value at the end of the useful life of property, plant and equipment is estimated in determining the depreciable value of the asset. Impairment assessment of property, plant and equipment involves identification of Cash Generating Unit (CGU) using judgement and estimating future cash flows arising of out of such CGUs.

Due to the material value to total assets and estimates/judgements involved in their valuation, the audit of accounting of Property, Plant and Equipment has been considered as a Key Audit Matter in the audit of these financial statements

Our procedures relating to audit of accounting for Property, Plant and Equipment includes the following:

- evaluating of design and implementation of controls and testing the operating effectiveness of the internal controls over:
  - o measurement of initial recognition costs including costs of self-constructed PPE;
  - o valuation of PPE and review of useful lives including depreciation rates applied;
  - o periodic physical verification of property, plant and equipment by the management;
- testing on sample basis the value of self-constructed assets with underlying documentation to assess compliance with applicable accounting standards;
- wherever the useful life of a PPE considered is different from the useful life indicated in the Act, obtain confirmation from management's technical team for the useful life for the same;
- reviewing the residual value of PPE considered by the management for consistency and appropriateness;
- understanding the basis behind identification of Cash Generating Units by the management and review the future cash flow projections for the same;
- checking the computation and correctness of the discounting factor applied for arriving at value in use and impairment thereof, if any;
- checking the reasonableness of the assumptions made by the management in identifying CGUs, assessing the future cash flows, discount factor and impairment loss;
- physically inspecting a sample of assets at one of the main units of the Company during the year to ensure existence of PPE;
- reviewing the physical verification reports of the management and the treatment of discrepancies in the books of accounts / Fixed Asset Register, wherever applicable.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Board of Directors of the Holding Company is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Annexures to Board's Report including the report on Corporate Governance, but does not include the consolidated financial statements and our report thereon.

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

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

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Board of Directors of the Holding Company is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and the joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture is responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal financial controls over financial reporting relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company have adequate internal financial controls over financial reporting system in place with reference to the financial statements and the operating effectiveness of such controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Holding Company.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associates and joint venture to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

a. The consolidated financial statements include the Group's share of profit after tax of ₹38 Lakhs and total comprehensive income of ₹39 Lakhs for the year ended March 31, 2022 , in respect of a joint venture, whose financial statements have not been audited by us. The financial information of the joint venture has been audited by other auditor whose report has been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, is based solely on the report of such other auditor.

b. The consolidated financial statements include the financial statements of subsidiaries, Craftsman Automation Singapore Pte. Ltd., which has been liquidated and Craftsman Europe B.V., whose financial statements reflect total assets of ₹2,210 Lakhs and net assets of ₹1,975 Lakhs as at March 31, 2022 , total revenues of ₹1,936 Lakhs, net profit after tax of ₹194 Lakhs, total comprehensive income of ₹185 Lakhs and net cash inflows amounting to ₹183 Lakhs for the year ended on that date, have not been audited by us. These financial statements of the subsidiaries are unaudited and has been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements certified by the Holding Company's management. In our opinion and according to the information and explanations given to us by the Holding Company's management, financial statements of the subsidiaries are not material to the Group.

Our opinion above on the consolidated financial statements are not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

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

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

(e) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its group companies incorporated in India, none of the directors of the group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on our report of the Holding Company and its group companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting for those Companies.

(g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

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

i. the Group, as detailed in Note 3.8 to the consolidated financial statements, has disclosed the impact of pending litigations on its consolidated financial position of the Group;

ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or the joint venture.

iv. a) the respective managements of the Company and its group companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its group companies to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) the respective managements of the Company and its group companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or its group companies from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its group companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. as stated in Note 1.18 to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AIQIYC1271

Place: Coimbatore
Date: May 9, 2022

Annexure A to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Craftsman Automation Limited of even date)

Independent Auditors' Report on the Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Craftsman Automation Limited ("the Holding Company") and its group companies, which are incorporated in India, as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its group companies, which are incorporated in India, based on our audit. Our audit is conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its group companies, which are incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its group companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022 , based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AIQIYC1271

Place: Coimbatore
Date: May 9, 2022

CONSOLIDATED BALANCE SHEET

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	1.1	1,45,372	1,42,028
Capital Work in progress	1.2	4,198	3,198
Other Intangible assets	1.3	424	678
Right-of-use Asset	1.4	8,582	8,343
Investments accounted for using equity method	1.5	235	195
Financial assets			
Investments	1.6	30	30
Security Deposits	1.7	2,514	2,072
Other Financial assets	1.8	43	146
Other non-current assets	1.9	3,141	1,201
		1,64,539	**1,57,891**
Current assets			
Inventories	1.10	62,641	40,564
Financial assets			
Trade receivables	1.11	29,621	23,895
Cash and cash equivalents	1.12	2,943	3,127
Other bank balances	1.13	1,405	1,539
Security Deposits	1.14	335	330
Other Financial assets	1.15	865	494
Other Current assets	1.16	5,129	7,350
		1,02,939	**77,299**
Total Assets		**2,67,478**	**2,35,190**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	1.17	1,056	1,056
Other Equity	1.18	1,12,518	95,887
		1,13,574	**96,943**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	1.19	37,378	43,719
Lease Liabilities	1.20	6,685	8,303
Other Non-Current Financial Liabilities	1.21	355	904
Provisions	1.22	-	21
Deferred tax liabilities (Net)	1.23	11,678	6,838
		56,096	**59,785**
Current liabilities			
Financial Liabilities			
Borrowings	1.24	34,182	26,635
Lease Liabilities	1.25	1,710	1,941
Trade payables			
(a) total outstanding dues of micro enterprises & small enterprises	1.26	554	1,841
(b) total outstanding dues of creditors other than micro enterprises & small enterprises		45,702	33,375
Other current Financial Liabilities	1.27	7,374	8,603
Current tax liabilities (Net)	1.28	690	67
Other current liabilities	1.29	7,125	5,647
Provisions	1.30	471	353
		97,808	**78,462**
Total Equity and Liabilities		**2,67,478**	**2,35,190**

The accompanying notes form an integral part of the Consolidated financial statements
This is the Balance Sheet referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

Shainshad Aduvanni
Company Secretary M.No.A27895

Place : Coimbatore
Date : May 9, 2022

S.Ravi
Chairman and Managing Director
DIN : 01257716

C. B. Chandrasekar
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue From Operations	2.1	2,21,702	1,55,995
Other Income	2.2	740	1,008
Total Income		**2,22,442**	**1,57,003**
EXPENSES			
Cost of materials consumed	2.3	1,06,549	67,275
Changes in inventories of finished goods and work-in-progress	2.4	(3,144)	(622)
Employee benefits expense	2.5	18,776	14,462
Depreciation, amortization and impairment expense	2.6	20,599	19,245
Other expenses	2.7	46,105	31,056
Finance costs	2.8	8,422	10,728
Total expenses		**1,97,307**	**1,42,144**
Profit before tax		**25,135**	**14,859**
Share of profit from JV		38	17
Profit before tax		**25,173**	**14,876**
Tax expense:	3.3		
(1) Current tax for the year		8,849	5,432
Current tax pertaining to earlier years		6	(43)
Net Current Tax		8,855	5,389
(2) Deferred tax		9	(249)
Profit for the year		**16,309**	**9,736**
Other Comprehensive Income ('OCI')			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		6	(249)
- Equity Instruments through OCI		-	(110)
- Share of OCI of Joint Venture accounted for using equity method		1	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2)	87
B (i) Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		(9)	49
- The effective portion of gains or loss on hedging instruments in a cash flow hedge		785	1,088
(ii) Income tax relating to items that will be reclassified to profit or loss		(274)	(380)
Other Comprehensive Income for the year, net of tax		**507**	**485**
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		**16,816**	**10,221**
Earnings per equity share Basic & Diluted (Face value of ₹5/-)	3.5		
- for continuing operations		77.19	48.32
- for discontinued operations		-	-
- for continuing & discontinued operations		77.19	48.32

The accompanying notes form an integral part of the Consolidated financial statements
This is the Statement of Profit & Loss referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

Shainshad Aduvanni
Company Secretary M.No.A27895

Place : Coimbatore
Date : May 9, 2022

S.Ravi
Chairman and Managing Director
DIN : 01257716

C. B. Chandrasekar
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Profit before taxation ('PBT')	**25,173**	**14,876**
Adjustments to reconcile PBT to net cash flows:		
Depreciation, amortization and impairment expense	20,598	19,245
Gain on sale of assets	(141)	(59)
Exchange difference on transaction/translation (loss/(gain))	367	(1,065)
Share of Profit of Joint Venture	(38)	(17)
MTM (Gain) / Loss - Derivative -(Net)	(14)	13
Provision for :		
Doubtful debts	(57)	(13)
Warranty & Rejection	40	(25)
Slow moving inventory	485	175
Interest income (including fair value changes in financial instruments)	(233)	(210)
Government grant income	(2,317)	(2,369)
Liabilities no longer required written back	-	(17)
Assets no longer receivable written off (including exceptional item)	-	195
Interest expense (including fair value changes in financial instruments)	7,699	11,086
Operating cash flow before changes in working capital	**51,562**	**41,815**
Adjustments for:		
Increase/ (Decrease) in provisions	62	(101)
Increase/ (Decrease) in other financial liabilities	(3,111)	4,104
Increase/ (Decrease) in other current liabilities	2,641	1,025
Increase/ (Decrease) in Trade Payables and other Payables	11,048	7,104
(Increase)/ Decrease in other non-current assets	-	256
(Increase)/ Decrease in other financial assets	(586)	187
(Increase)/ Decrease in other current assets	2,646	(3,746)
(Increase)/ Decrease in trade and other receivables	(5,303)	(3,955)
(Increase)/ Decrease in inventories	(22,562)	(8,178)
Cash generated from operations	**36,397**	**38,511**
Income taxes paid	(3,676)	(2,273)
Net cash from operating activities - A	**32,721**	**36,238**
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,267)	(9,861)
Purchase of Intangible	(22)	(67)
Proceeds from sale of equipment	258	321
Interest received	138	118
Net cash used in investing activities - B	**(20,893)**	**(9,489)**
Cash flows from financing activities		
Proceeds from issue of shares	(185)	14,563
Proceeds from long-term borrowings	10,505	9,378
Repayment of long term borrowings	(13,911)	(33,248)
Net proceeds from short-term borrowings	3,508	(8,359)
Principal payments towards lease liability	(4,234)	(1,004)
Interest paid (incl. interest on lease liability)	(7,687)	(10,932)
Net cash used in financing activities- C	**(12,004)**	**(29,602)**

CONSOLIDATED CASH FLOW STATEMENT(Contd..)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(176)	(2,853)
Cash and cash equivalents at beginning of year	3,127	5,976
Effect of exchange rate changes on cash and cash equivalents	(8)	4
Cash and cash equivalents at end of year	**2,943**	**3,127**

Notes:

1. Reconciliation of Cash & Cash equivalents as per Cash Flow Statement

Cash & cash equivalents consists of:	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents (note : 1.12)	**2,943**	**3,127**
Total	**2,943**	**3,127**

2. Refer to note: 1.19 for Net Debt Reconciliation

The accompanying notes form an integral part of the Consolidated financial statements
This is the Statement of Cash Flows referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary M.No.A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
Date : May 9, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022 (₹ in Lakhs)

a. Equity Share Capital	Balance at the beginning of April 1 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
	1,056	0	1,056

b. Other Equity	Reserves and Surplus			Other Reserves				Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Share in Networth of Joint Venture	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve	
Balance as at April 1, 2020	**13,795**	**9,662**	**49,304**	**119**	**(211)**	**(1,661)**	**145**	**71,153**
Profit for the year	-	-	9,719	17	-	-	-	9,736
Other Comprehensive Income	-	-	-	-	(110)	708	49	647
- Defined Benefit Plan	-	-	(162)	-	-	-	-	(162)
Total Comprehensive Income for the year	**-**	**-**	**9,557**	**17**	**(110)**	**708**	**49**	**10,221**
Issues of shares	**14,513**	**-**	**-**		**-**	**-**		**14,513**
Dividends	-	-	-		-	-		-
Balance as at March 31, 2021	**28,308**	**9,662**	**58,861**	**136**	**(321)**	**(953)**	**194**	**95,887**
Profit for the year	-	-	16,271	38	-	-	-	16,309
Other Comprehensive Income	-	-	-		-	511	(9)	502
- Defined Benefit Plan	-	-	4	1	-	-		5
Total Comprehensive Income for the year	**-**	**-**	**16,275**	**39**	**-**	**511**	**(9)**	**16,816**
Issues of shares (refer note 3.12)	(185)	-	-		-	-		(185)
Dividends	-	-	-		-	-		-
Balance as at March 31, 2022	**28,123**	**9,662**	**75,136**	**175**	**(321)**	**(442)**	**185**	**1,12,518**

The accompanying notes form an integral part of the Consolidated financial statements
This is the Statement of Changes in Equity referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary M.No.A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
Date : May 9, 2022

Notes annexed to and forming part of Consolidated Financial Statements:

A. CORPORATE INFORMATION

The Consolidated Financial Statements comprise of Financial Statements of Craftsman Automation Limited (the Company), its subsidiaries and its joint venture (collectively "the Group") for the year ended March 31, 2022. Craftsman Automation Private Limited was incorporated under the Companies Act, 1956 on July 18, 1986. The shareholders of the Company approved the conversion into a public limited company at the meeting held on April 30, 2018 and the Registrar of Companies, Coimbatore issued a fresh Certificate of Incorporation dated May 4, 2018. The company is engaged in the business of manufacturing engineering components, sub-assemblies, products and rendering of contract manufacturing services to various industries

SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules 2015. The presentation of the Financial Statements is based on Schedule III of the Companies Act,2013.

B.1 BASIS OF PREPARATION

The items included in Consolidated Financial Statements of each of the Group entities are measured using the currency of the primary economic environment (functional currency) in which each of the Group's entity operates. The consolidated financial statements are presented in Indian Rupees (INR) which is the functional and presentation currency of the Company and all values are rounded to the nearest Lakhs, except where otherwise indicated. In the Group's Consolidated Financial Statements, all assets, liabilities and transactions of Group entities with a functional currency other than the INR are translated into INR upon consolidation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liability which have been measured at fair value

i) Derivative financial instruments

ii) Certain financial assets and liability measured at fair value (refer note. 3.6)

iii) Defined Benefit Obligation.

The Consolidated Financial Statements have been prepared on accrual and going concern basis. All assets and liabilities are presented as Current or Non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Group has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

B.2 CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting policies which have the most significant effect on the figures disclosed in the financial statements are mentioned below and these should be read in conjunction with the disclosure of the significant Ind AS accounting policies provided below:

i. Useful life of Property, Plant and Equipment and Intangibles

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located needs significant judgement by the management. In case of intangibles the useful life is determined based on the period over which future economic benefit will flow to the Group.

ii. Tools in use

The assessment of useful life of tools in use has been done considering the historical experience and estimated refurbishment cycle and operating environment.

iii. Income Taxes

The calculation of income taxes requires judgement in interpreting tax rules and regulations. Management judgement is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized.

iv. Fair Value

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

v. Measurement of defined benefit obligations

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

vi. Measurement and likelihood of occurrence of provisions and contingencies

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

vii. Recognition of deferred tax asset

The Group estimates the possible utilization of unabsorbed losses while recognizing deferred tax asset considering the future business plans and economic environment.

B.3 PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to Craftsman Automation Limited, its subsidiaries, joint venture and associates. Subsidiaries are all entities over which the Company exercises control. The Company exercises control if and only if it has the following:

- power over the entity.
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of its returns.

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits, unrealised losses from intra-group transactions are eliminated unless cost cannot be recovered.
- The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.
- An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in associates and joint ventures are accounted for using the equity method.
- Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition.
- The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate Financial Statements.

B.4 PROPERTY PLANT AND EQUIPMENT

Recognition and Measurement

All Property Plant & Equipment (PPE) barring land as at transition date are stated at cost of acquisition / installation as adjusted for import duty waivers and foreign exchange losses / gains less accumulated depreciation and impairment losses.

Cost of acquisition / installation includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable costs of bringing the asset to working condition for its intended use (inclusive of non-refundable purchase taxes and duties).

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

Foreign exchange gain /loss arising on foreign currency denominated borrowing which are not hedged that were incurred to acquire PPE are recorded as part of the cost of asset as per Ind AS 101 Para D13AA and Ind AS 21 Para 7AA and depreciated over their remaining useful life. In respect of exchange gain or loss arising from foreign currency denominated borrowings which are hedged accounting has been done based on Hedge effectiveness either as derivative or cash flow hedge as per Ind AS 109.

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. If Company makes similar assets for sale in the normal course of business, the cost of the asset is usually the same as the cost of constructing an asset for sale. Any internal profits are eliminated in arriving at such costs. Similarly, the cost of abnormal amounts of wasted material, labour, or other resources incurred in self-constructing an asset is not included in the cost of the asset. Borrowing Costs is covered by Ind AS 23 criteria for the recognition of interest as a component of the carrying amount of a self-constructed item of property, plant and equipment.

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

The import duty waived on capital assets which are purchased under the Export Promotion Capital Goods (EPCG) schemes and which are capitalized are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

The Company in respect of all PPE barring land elected to continue with the carrying value of the relevant PPE as recognized in the financial statements as at transition date to Ind-AS measured as per the previous GAAP duly adjusting for the import duty waiver and used that as the deemed cost as at transition date pursuant to exemption under Ind –AS 101. The Company elected to fair value the land as at transition date and use that fair value as the deemed cost.

Depreciation on Plant Property and Equipment

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated on a systematic basis over its useful life.

In respect of certain classes of PPE, the Group uses different useful life other than those prescribed in Schedule II to the Act. The useful life of such class of PPE has been ascertained based on technical review by a Chartered Engineer and assessment by the Management as detailed in the following table

Classes of PPE	Useful life and basis of depreciation
New Plant and Machinery	20 Years
Used Plant and Machinery	10 Years
Tool holder, jigs, fixtures, patterns, dies, moulds and instruments and gauges	5 Years
Lease hold improvements	Over lease period

De-recognition:

An item of PPE is de-recognised at the time of its disposal or when it is assessed that no future economic benefit would accrue from it. The gain/loss arising out of such disposal/retirement is taken to Statement of profit or loss

B.5 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset with finite useful life that are acquired separately and where the useful life is 2years or more is capitalized and carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over the useful life of the asset. The class of asset and the estimated useful life is as follows

Description of the asset	Useful life and basis of amortization
Software – Acquired	5 Years
Technical Know - Acquired	2.5 years

Internally generated intangible assets

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

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

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

Description of the asset	Useful life and basis of amortization
Development Expenditure	3 years

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit or loss when the asset is derecognised.

B.6 IMPAIRMENT OF ASSETS

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

B.7 LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for Machineries and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through-out the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the entity. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the entity changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

B.8 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

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

After initial recognition:

i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

   Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of joint ventures) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in other comprehensive income.

Investments in equity instruments other than joint venture

The Group has valued the investments in equity instruments other than joint ventures at fair value through Other Comprehensive Income. Fair value of quoted instrument has been valued at market rate and in case of unquoted instrument it has been valued at book value of that Company based on Level 2 input.

In respect of investment in equity share capital of group captive power companies which are made to comply with the provisions of Electricity Rules 2003, these investments are carried at cost as these investments can be sold back only at par.

Cash and cash equivalents:

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

Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e., expected cash shortfall.

Impairment of financial assets:

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Group applies the expected credit loss model for recognizing impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Group expects to receive).

De-recognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

The Group has applied the de-recognition requirements of financial assets prospectively for transactions occurring on or after April 1, 2015 (the transition date).

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as a part of cost of an asset is included in the "Finance Costs".

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Group has applied the de-recognition requirements of financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

Derivative financial instruments:

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note 3.6.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting:

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6b sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "Other Income".

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to Statement of profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

B.9 INVENTORIES

The Group determines the cost for items that are not interchangeable or that have been segregated for specific contracts on an individual-item basis as per Ind AS 2, 'Inventories'. The cost of other inventory items used is assigned by using weighted average cost formula.

The Group uses the same cost formula for all inventories of similar nature and use. The cost formula used is applied on a consistent basis from period to period.

Inventories are initially recognized at the lower of cost and net realisable value (NRV). Cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

i) Raw materials, components, stores and spares of inventory are measured at weighted average cost. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Work in progress and finished goods are valued at cost or Net Realizable Value whichever is lower. Cost includes direct materials, labor and a portion of manufacturing overheads. Saleable scrap is valued at the lowest of the net realizable value in the last two months.

ii) Tools are valued at cost till they are issued for usage in production process. In respect of issued tools which can be refurbished, the group depending upon its useful life amortizes on a straight line basis over its useful life. Useful life determined for certain classes of tools is 2- 3 years. Tools which are not refurbish-able are charged off to Statement of profit and loss upon issue from stores to usage. The "tools in use" are carried at Cost less accumulated amortization.

B.10 PROVISIONS

The Group recognizes a provision when there is a present obligation to transfer economic benefits as a result of past events, it is probable (more likely than not) that such a transfer will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

A contingent liability is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Provision for Warranty

Provisions for expected cost of warranty obligations are recognized based on Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Provision for Rejection

Provision for rejection on sales is recognised once the products are sold. Materials are rejected due to various reasons and are either re processed and replaced to the customers depending on the type of rejections. These rejections get fulfilled within a period of 3 months and the provisions represent the value of management's best estimate of possible rejections within the next one quarter.

B.11 REVENUE RECOGNITION

Sale of Goods & Rendering of Services

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Other Operating revenues

Other operating revenues comprise income from ancillary activities incidental to the operations of the Group and are recognised when the right to receive the income is established as per the terms of the contract.

Dividend and Interest Income

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

B.12 BORROWING COST

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

B.13 GOVERNMENT GRANT

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

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

Import duty waivers for capital assets purchased under Export Promotion Capital Goods (EPCG) schemes are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

B.14 EMPLOYEE BENEFITS

Defined contribution plans

Provident fund (PF)

Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

The Union Ministry of Labour issued draft rules under section 67 of the Code on Wages Act on July 7 2020 in the Gazette and the Act is yet to be effective

The three labour codes, the Occupational Health, Safety and Working Conditions Code 2020, the Industrial Relations Code 2020 and the Code on Social Security 2020 have been passed by the parliament and have also received the assent of the President of India on September 28, 2020. However, the date on which these Codes will come into effect has not been notified. The Company will assess the impact of these Codes and will record any related impact in the period these Codes become effective.

Defined benefit plans

Gratuity

Accounting for defined benefit plans is based on actuarial assumptions and different valuation methods to measure the balance sheet obligation and the expense.

Where defined benefit plans are funded, the plan assets are measured at fair value. At each balance sheet date, the plan assets and the defined benefit obligations are remeasured. The Statement of Profit & Loss reflects the change in the surplus or deficit, except for contributions made to the plan and benefits paid by the plan, along with business combinations and Re-measurement gains and losses.

Re-measurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Re-measurements are recognized in other comprehensive income.

The defined benefit costs are comprised of the following individual components:

- Service costs (including current and past service costs as well as gains/losses on curtailments and settlements)
- Net interest costs or income
- Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprises actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Voluntary Retirement Scheme

A liability for termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Group can no longer withdraw the offer of termination benefit or when the Group recognises any related restructuring costs.

Short-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Compensated leave absences:

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy. All leave remaining to be encashed at period end are fully provided.

B.15 FOREIGN CURRENCY TRANSACTIONS

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

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

- Exchange differences on translation or settlement of long term foreign currency monetary items in respect of loans borrowed, which are not hedged, before April 1, 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets, are adjusted to the cost of the assets and depreciated over remaining useful life of such assets. Where the borrowal is after April 1, 2016, such exchange difference is recognised in Statement of Profit and loss. In other cases, where it has been hedged the same has been restated and adjusted against cash flow hedge of the respective derivative instruments.
- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note B.8 for hedging accounting policies).

B.16 FOREIGN OPERATIONS

In the Group's Consolidated Financial Statements, all assets, liabilities and transactions of the Group entities with a functional currency other than the INR are translated into INR upon consolidation. The functional currency of Craftsman Europe BV is EURO and the functional currency of Craftsman Automation Singapore Pte Limited is Singapore Dollar (S$).

On consolidation, assets and liabilities have been translated into INR at the closing rate at the reporting date. Income and expenses have been translated into INR at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are re-classified to Statement of Profit and Loss and are recognised as part of the gain or loss on disposal.

B.17 INCOME TAXES

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefit, in the form of adjustment to future tax liability, is considered as an asset in the Balance Sheet. The carrying amount of MAT is reviewed at each reporting date and the asset would be written down to the extent the Group's right of adjustment would lapse.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

B.18 SEGMENT REPORTING

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators of the reportable segments. The Group's reportable segments have been identified based on end consumption of the products sold or services rendered. The reportable segments are as follows:

- **Automotive- Powertrain & Others :** This segment develops, manufactures, sells its goods and services of powertrain & other products to manufacturers of commercial / passenger vehicles, farm equipment, construction / mining equipment.
- **Automotive- Aluminium Products :** This segment develops, manufactures, sells its goods and services consisting of aluminium automotive products to the manufacturers of two wheelers, passenger vehicles and commercial vehicles.
- **Industrial & Engineering :** This segment develops, manufactures, sells its goods and services such as castings, gears, material handling equipment, railway products, special purpose machines, other general engineering products (together broadly termed as "High End Sub-assembly, Contract Manufacturing & Others") and storage products to various end user industries.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment and as well as those which can be allocated on a reasonable basis. Operating segments are reported in a manner consistent with the internal reporting to the CODM of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

NOTE No.1.1 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Asset Category	Freehold land	Building*	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Property, Plant & Equipment Total
Gross Block							
At April 1, 2020	**7,664**	**18,292**	**1,78,478**	**1,746**	**522**	**114**	**2,06,816**
Additions	-	1,178	14,732	42	12	-	15,964
Disposals	-	132	515	1	-	5	653
Translation reserve	-	-	-	1	-	-	1
At March 31, 2021	**7,664**	**19,338**	**1,92,695**	**1,788**	**534**	**109**	**2,22,128**
Additions	787	3,057	17,319	284	13	86	21,546
Disposals	-	-	681	7	29	41	758
Translation reserve	-	-	-	-	-	-	-
At March 31, 2022	**8,451**	**22,395**	**2,09,333**	**2,065**	**518**	**154**	**2,42,916**
Depreciation							
At April 1, 2020	**-**	**3,600**	**59,016**	**1,247**	**189**	**94**	**64,146**
Additions	-	1,033	15,074	177	53	8	16,345
Disposals	-	132	254	1	-	5	392
Translation reserve	-	-	-	1	-	-	1
At March 31, 2021	**-**	**4,501**	**73,836**	**1,424**	**242**	**97**	**80,100**
Additions	-	829	17,042	154	54	7	18,086
Disposals	-	-	565	7	29	41	642
Translation reserve	-	-	-	-	-	-	-
At March 31, 2022	**-**	**5,330**	**90,313**	**1,571**	**267**	**63**	**97,544**
At April 1, 2020	**7,664**	**14,692**	**1,19,462**	**499**	**333**	**20**	**1,42,670**
At March 31, 2021	**7,664**	**14,837**	**1,18,859**	**364**	**292**	**12**	**1,42,028**
At March 31, 2022	**8,451**	**17,065**	**1,19,020**	**494**	**251**	**91**	**1,45,372**

*Includes WDV of improvements on leasehold buildings worth ₹ 438 Lakhs as on March 31, 2022 (WDV of ₹ 655 Lakhs as on March 31, 2021)

NOTE No.1.2 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Asset Category	TANGIBLE - CWIP	INTANGIBLE - CWIP	Total Capital Work in Progress
Gross Block			
At April 1, 2020	**8,882**	**-**	**8,882**
Additions	2,023	-	2,023
Disposals	7,433	-	7,433
Translation reserve	-	-	
At March 31, 2021	**3,472**	**-**	**3,472**
Additions	4,182	-	4,182
Disposals	3,456	-	3,456
Translation reserve	-	-	
At March 31, 2022	**4,198**	**-**	**4,198**
Impairment of CWIP			
At April 1, 2020	**-**	**-**	**-**
Additions	274	-	274
Disposals	-	-	-
Translation reserve	-	-	
At March 31, 2021	**274**	**-**	**274**
Additions	94	-	94
Disposals	368	-	368
Translation reserve	-	-	
At March 31, 2022	**-**	**-**	**-**
At April 1, 2020	**8,882**	**-**	**8,882**
At March 31, 2021	**3,198**	**-**	**3,198**
At March 31, 2022	**4,198**	**-**	**4,198**

(a) CWIP ageing schedule

As on March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	4,198	-	-	-	4,198
Projects temporarily suspended	-	-	-	-	-
Total	**4,198**	**-**	**-**	**-**	**4,198**

As on March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,036	654	97	411	3,198
Projects temporarily suspended	-	-	-	-	-
Total	**2,036**	**654**	**97**	**411**	**3,198**

(b) For CWIP whose completion is overdue or has exceeded its cost compared to its original plan

As on March 31, 2022 NIL

As on March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Various machines	1,162	-	-	-	1,162
Total	**1,162**	**-**	**-**	**-**	**1,162**

NOTE No. 1.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Asset Category	Computer Software	Product Development	Technical know-how	Intangible Assets Total
Gross Block				
At April 1, 2020	**2,040**	**636**	**430**	**3,106**
Additions	68	-	-	68
Disposals	-	-	-	-
Translation reserve	-	-	-	-
At March 31, 2021	**2,108**	**636**	**430**	**3,174**
Additions	21	-	-	21
Disposals	-	-	-	-
Translation reserve	-	-	-	-
At March 31, 2022	**2,129**	**636**	**430**	**3,195**
Depreciation				
At April 1, 2020	**1,179**	**636**	**229**	**2,044**
Additions	280	-	172	452
Disposals	-	-	-	-
Translation reserve	-	-	-	-
At March 31, 2021	**1,459**	**636**	**401**	**2,496**
Additions	246	-	29	275
Disposals	-	-	-	-
Translation reserve	-	-	-	-
At March 31, 2022	**1,705**	**636**	**430**	**2,771**
At April 1, 2020	**861**	**-**	**201**	**1,062**
At March 31, 2021	**649**	**-**	**29**	**678**
At March 31, 2022	**424**	**-**	**-**	**424**

Note:

1. Additions to PPE & CWIP include exchange gain or loss aggregating to ₹ 53 Lakhs for the year 2020-21 (₹ 175 Lakhs for the year 2019-20) capitalised under Plant & Machinery
2. All term loans both Rupee and Foreign Currency are secured by first pari passu charge on fixed assets of the company. Refer Note no. 3.9

NOTE No. 1.4
RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	8,342	10,847
Additions	2,476	573
Depreciation expense	(2,145)	(2,176)
Deletions	(91)	(901)
Closing	**8,582**	**8,343**

Refer note: B.7 & 3.10a for detailed disclosures

NOTE No. 1.5
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity of Joint Venture		
Carlstahl Craftsman Enterprises Private Ltd (30% stake)		
600,000 equity shares of ₹10 each fully paid up	60	60
Recognition of opening value of investment in Joint venture	136	119
Share of Current year profits in Joint venture	39	16
Total	**235**	**195**

NOTE No. 1.6
NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity instruments (at Fair Value through OCI)		
Unquoted		
MC Machinery Systems India Private Ltd (10% stake)		
(Formerly known as MC Craftsman Machinery Private Ltd)		
2,10,000 equity shares of ₹100 each fully paid up. Sold entirely on 30-Nov-21	-	-
iEnergy wind farm (Theni) Private Ltd #		
4550 equity shares of ₹10 each fully paid up	-	-
TAGMA Centre of Excellence and Training		
15 equity shares of ₹10 each fully paid up	5	5
Bhatia Coke & Energy Limited	-	-
34,810 equity shares of ₹10 each fully paid up (cost ₹10,999,960)		
Hurricane Windfarms Pvt Limited (26% stake)*	4	4
39,000 equity shares of ₹10 each fully paid up		
Watsun Infrabuild Private Limited	21	21
209,252 equity shares of ₹10 each fully paid up		
Total	**30**	**30**

***Note:** The company holds 26% equity stake in Hurricane Windfarms Pvt Ltd. As the shareholders agreement entered into with the promoters of Hurricane Windfarms Pvt Ltd contains restrictive covenants, the company cannot exercise "Significant influence" in terms of Ind AS 28 and therefore is not classified under "Investments in Associates" and accordingly is not considered as a component for consolidated financial statements

amount is below rounding off norms adopted by the Company

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments including deemed equity	30	30
Aggregate amount of impairment in value of investments	-	-

NOTE No. 1.7
SECURITY DEPOSITS - NON CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Rent Deposit	1,356	1,019
Other Deposits	1,158	1,053
Total	**2,514**	**2,072**

NOTE No. 1.8
OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Currency swap & IRS Derivative	**43**	**146**

NOTE No. 1.9
OTHER NON CURRENT ASSETS
(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	3,169	1,229
Less: Provision for doubtful advances to supplier	(28)	(28)
Total	**3,141**	**1,201**

NOTE No. 1.10
INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials, Components and Consumables	33,366	17,183
Work-in-progress	10,758	7,614
Finished goods	2,771	2,771
Consumable Stores	3,919	3,731
Tools in use	2,848	1,960
Machinery Spares	8,185	6,684
Packing Materials	414	349
Stock in transit	380	272
Total	**62,641**	**40,564**

Inventory valued at NRV	496	575
Amount written down to arrive at NRV*	311	128

* These were recognised as an expense during the year and included in changes in value of inventories of WIP in Statement of Profit and Loss

Provision for slow moving inventory made in the current year is ₹ 485 Lakhs (previous year is ₹ 175 Lakhs)

NOTE No. 1.11
TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good - Secured	-	-
Considered good - Unsecured	29,621	23,895
Significant increase in Credit Risk	550	607
Credit impaired	184	184
Less: Provision for doubtful debts	(734)	(791)
Total	**29,621**	**23,895**

Receivables from related parties - refer note 3.7

Movement in Provision for doubtful debt is as follows (including under ECL model):

	Opening	Allowance made during the year	Write off during the year	Closing
March 31, 2022	791	(57)	-	734
March 31, 2021	803	187	(199)	791

Particulars	Ageing as on March 31, 2022					
	a. Less than 6 Months	b. 6 months - 1 year	c. 1 - 2 years	d. 2 - 3 years	e. More than 3 years	Grand Total
Undisputed						
(i) Considered good	28,617	948	56	-	-	29,621
(ii) significant increase in credit risk	-	-	286	152	101	539
(ii) Credit impaired	-	-	-	-	73	73
Disputed						
(iv)Considered good	-	-	-	-	-	-
(v) significant increase in credit risk	-	-	-	-	-	-
(vi) Credit impaired	-	-	8	4	110	122
Gross Total						**30,355**
Less: Provision for doubtful debts						(734)
Total						**29,621**

Particulars	Ageing as on March 31, 2021					
	a. Less than 6 Months	b. 6 months - 1 year	c. 1 - 2 years	d. 2 - 3 years	e. More than 3 years	Grand Total
Undisputed						
(i) Considered good	22,856	879	160	-	-	23,895
(ii) significant increase in credit risk	-	-	341	203	64	608
(ii) Credit impaired				64	9	73
Disputed						
(iv) Considered good	-	-	-	-	-	-
(v) significant increase in credit risk	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	33	77	110
Gross Total						**24,686**
Less: Provision for doubtful debts						(791)
Total						**23,895**

NOTE No. 1.12
CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Balances with banks	2,936	3,125
b. Cash on hand	7	2
Total	**2,943**	**3,127**

NOTE No. 1.13
OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Margin money against LC & Guarantee	1,377	1,151
Earmarked balances with banks	27	-
Other Deposits	1	388
Total	**1,405**	**1,539**

NOTE No. 1.14
SECURITY DEPOSIT-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits -Current	335	330

NOTE No. 1.15
OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Currency swap, Interest Rate Swaps ('IRS') & Forward cover derivative	812	425
Interest receivable	53	69
Total	**865**	**494**

NOTE No. 1.16
OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Balances with Government Authorities	702	832
Advance to Suppliers (Other than Capital Goods)	2,763	5,117
Prepaid Expenses	1,240	1,097
Advance to Employees	98	34
Contract assets - Unbilled Revenue	170	170
Others	156	100
Total	**5,129**	**7,350**

NOTE No. 1.17
EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Authorised				
Equity Shares of ₹5 each	4,00,00,000	2,000	4,00,00,000	2,000
Issued, called, subscribed & Paid Up				
Equity Shares of ₹5 each	2,11,28,311	1,056	2,11,28,311	1,056
Total	**2,11,28,311**	**1,056**	**2,11,28,311**	**1,056**

The movement of equity shares is as below

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	2,11,28,311	1,056	2,01,21,600	1,006
Additions due to issue of shares	-	-	10,06,711	50
Shares outstanding at the end of the year	**2,11,28,311**	**1,056**	**2,11,28,311**	**1,056**

Rights, Preferences and Restrictions to equity shares

The company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the shareholders will be entitled to receive the remaining assets of the company, in proportion to their shareholding.

Details of equity shareholders holding more than 5% shares in the company

Name of the equity shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos.	%	Nos.	%
S Ravi	1,05,00,000	49.70%	1,05,00,000	49.70%
S Murali	21,26,260	10.06%	21,26,260	10.06%
Marina III (Singapore) Pte Limited	11,56,808	5.48%	11,56,808	5.48%
Total	**1,37,83,068**	**65.24%**	**1,37,83,068**	**65.24%**

Details of Promoter's shareholding in the company

Name of the equity shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of Shares held	% of Holding	% Change	No. of Shares held	% of Holding	% Change
Promoter						
S Ravi	1,05,00,000	50%	0%	1,05,00,000	50%	-1%
Promoter Group						
Murali S	21,26,260	10%	0%	21,26,260	10%	0%
Chithra Ravi	200	0%	0%	200	0%	0%
Gautham Ram R	200	0%	0%	200	0%	0%
Mirthula R	200	0%	0%	200	0%	0%
Total	**1,26,26,860**	**60%**	**0%**	**1,26,26,860**	**60%**	**-1%**

For the period of five years immediately preceding the balance sheet date

i) Details of number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

- The company has not allotted any shares pursuant to contracts without payment being received in cash

ii) Details of number and class of shares allotted as fully paid up by way of bonus shares:

- Based on the approval by the shareholders in the Extra ordinary General Meeting held on December 11, 2017 the Company had allotted 431,177 number of fully paid Bonus shares on December 21, 2017 in the ratio of three equity shares of ₹100 each fully paid up for every four existing equity shares of ₹ 100 each fully paid up.

iii) Details of number and class of shares bought back:

- The company has not bought back any shares during the period of 5 years immediately preceding the balance sheet date

Sub-division of shares:

The shareholders of the company at the Extra ordinary General Meeting held on April 30, 2018 approved the subdivision of equity shares of ₹100/- each into equity shares having a face value of ₹5/- each. Consequently the total number of equity shareholding has changed to 20,121,600 equity shares of face value ₹5/- each from that date.

Initial Public Offering of shares:

The equity shares of the Company have been listed on BSE Limited and National Stock Exchange of India Limited on March 25, 2021 upon successful completion of the Initial Public Offer ('IPO' or 'the Public Offer'). The IPO involved (a) Fresh Issue of 10,06,711 equity shares and (b) Offer for Sale of 45,21,450 equity shares of face value of ₹5 each at an offer price of ₹1,490 per share.

NOTE No. 1.18
OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Reserves & Surplus			
Securities Premium	A	28,123	28,308
General Reserves	B	9,662	9,662
Retained Earnings	C	75,136	58,861
Total Reserves & Surplus		**1,12,921**	**96,831**
Cash Flow Hedging Reserve	D	(442)	(953)
Equity instruments through Other Comprehensive Income		(321)	(321)
Foreign currency translation reserve		185	194
Share of Networth in JV		175	136
Total		**1,12,518**	**95,887**

Additions and Deductions since the last balance sheet date:

(i) Securities Premium Account

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	28,308	13,795
Premium on fresh issue of shares	-	14,950
Issue expenses adjusted	(185)	(437)
Closing balance	**28,123**	**28,308**

(ii) Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	58,861	49,304
Profit for the year	16,271	9,719
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of defined benefit obligation (net of tax)	4	(162)
Dividend	-	-
Closing balance	**75,136**	**58,861**

(iii) Cash Flow Hedging Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(953)	(1,661)
Changes in fair value of hedging instruments	785	1,088
Deferred Tax	(274)	(380)
Closing Balance	**(442)**	**(953)**

(iv) Equity instruments through Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(321)	(211)
Changes in fair value of FVOCI equity instruments	-	(110)
Closing Balance	**(321)**	**(321)**

(v) Foreign currency translation reserve

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	194	145
Exchange differences in translating the financial statements of foreign operations	(9)	49
Closing Balance	**185**	**194**

(vi) Share of Networth in JV

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	136	119
Share of current year profits in Joint Venture	38	17
Share of other comprehensive income in Joint Venture	1	-
Closing Balance	**175**	**136**

Refer "Statement of Changes in Equity" for additions/deletions in each of these items

A. Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act 2013 for specified purposes.

B. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc.

C. Retained Earnings includes ₹5542 Lakhs of revaluation reserve created due to Land revaluation on transition date to Ind AS (April 01, 2015), which will not be available for distribution of profits

D. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

E. The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in General Reserve is not entirely distributable.

   In respect of the year ended March 31, 2022, the Board of Directors of the Company has proposed a final dividend of ₹3.75 per share of face value ₹5 each be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹792 Lakhs.

NOTE No. 1.19
LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current*	Non Current	Current*
Secured				
From Banks				
Rupee Term Loans	10,969	5,267	11,528	4,051
Foreign Currency Term Loans	17,886	7,384	24,509	6,770
	28,854	**12,652**	**36,037**	**10,821**
From NBFC				
Rupee Term Loans	8,524	2,208	7,682	-
Total	**37,378**	**14,860**	**43,719**	**10,821**

Notes:
1. The above long term borrowings are carried at amortised cost.

	March 31, 2022	March 31, 2021
Loans at amortised cost as at the end of the year	52,238	54,540
Add : Unamortised upfront fee paid as at the end of year	153	236
Gross loan outstanding as at the end of the year	**52,391**	**54,776**

2. Refer note no 3.7 for security and terms of borrowings.
* Taken to short term borrowings (Note 1.24)

Net Debt Reconciliation:
For the year ended March 31, 2022

Particulars	Cash and cash equiva-lents	Instrument to hedge the finance liability**	Current Borrowing	Non-Current Borrowing plus current maturity of long term debt*	Lease Liability	Total
Balance as at April 01, 2021	3,127	(732)	(15,821)	(55,152)	(10,244)	(78,822)
Acquisition of RoU asset	-	-	-	-	(2,476)	(2,476)
Pre-closure of leases	-	-	-	-	91	91
Cash Flows	(176)	-	(3,508)	3,406	4,234	3,956
Fair Value changes	-	1,049	-		-	1,049
Foreign exchange adjustments	(8)		-	(1,008)	-	(1,016)
Interest expense & other charges	-	-	(1,918)	(4,322)	(924)	(7,164)
Interest & charges paid	-	-	1,908	4,376	924	7,208
Balance as at March 31, 2022	**2,943**	**317**	**(19,339)**	**(52,700)**	**(8,395)**	**(77,174)**

For the year ended March 31, 2021

Particulars	Cash and cash equiva-lents	Instrument to hedge the finance liability**	Current Borrowing	Non-Current Borrowing plus current maturity of long term debt*	Lease Liability	Total
Balance as at April 01, 2020	5,976	(539)	(24,488)	(80,350)	(11,576)	(1,10,977)
Acquisition of RoU asset	-	-	-	-	(573)	(573)
Pre-closure of leases	-	-	-	-	901	901
Cash Flows	(2,853)	-	8,359	23,870	1,004	30,380
Fair Value changes	-	(193)	-	-	-	(193)
Foreign exchange adjustments	4	-	254	1,443	-	1,701
Interest expense & other charges	-	-	(2,117)	(7,222)	(1,077)	(10,416)
Interest & charges paid	-	-	2,171	7,107	1,077	10,355
Balance as at March 31, 2021	**3,127**	**(732)**	**(15,821)**	**(55,152)**	**(10,244)**	**(78,822)**

*Includes the portion of "interest accrued but not due" pertaining to borrowings.
** does not include foreign currency forward contracts that are used for hedging liabilities that are operating cash flows

NOTE No. 1.20
LEASE LIABILITIES - NON-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities - Non-current portion	6,685	8,303
Total	**6,685**	**8,303**

Refer Note No B.7 & 3.10

NOTE No. 1.21
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Currency swap & IRS Derivative	353	902
Rent Advance	2	2
Total	**355**	**904**

Notes:
1. Currency swaps are for principal only and are cash flow hedge and hence are carried at fair value through OCI
2. IRS & IRC derivatives that are hedge effective are carried at fair value through OCI & others are carried at fair value through Statement of Profit & Loss
3. Rent advance is carried at amortized cost as it is not material to be fair valued

NOTE No. 1.22
LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Provisions		
Provision for Warranty Cost	-	21

Note:
Movement in Provision for product warranties is as follows :

Particulars	Opening	Transferred to Short Term	Warranty provided for current year	Closing
As at March 31, 2022	21	6	-	15
As at March 31, 2021	68	47	-	21

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future obligations. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges from 2 to 5 years

NOTE No. 1.23
DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities	16,437	16,219
Deferred Tax Assets	(2,400)	(2,470)
Deferred Tax Liabilities (net)	**14,037**	**13,749**
MAT Credit Entitlement- Unused tax credit	(2,359)	(6,911)
Total	**11,678**	**6,838**

Note : Refer Note No 3.3 for detailed deferred tax working and effective tax rate reconciliation

NOTE No. 1.24
SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Secured			
Loans repayable on demand from banks			
Rupee Loans		4,031	1,890
Foreign Currency Loans		3,791	13,924
	Sub-total (A)	**7,822**	**15,814**
Unsecured			
Rupee Loans		11,500	-
	Sub-total (B)	**11,500**	**-**
Current maturities of long-term debt (C) (refer note 1.19)		14,860	10,821
Total	**(A + B + C)**	**34,182**	**26,635**

Short Term Borrowings from banks are secured by
a. first pari passu charge on current assets of the company.
b. second pari passu charge on fixed assets of the company.

NOTE No. 1.25
LEASE LIABILITIES- CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities - Current portion	1,710	1,941
Total	**1,710**	**1,941**

NOTE No. 1.26
TRADE PAYABLES

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Due to Micro and Small Enterprises		554	1,841
	Sub-total (A)	**554**	**1,841**
Due to Other Suppliers		43,422	31,883
Accrued Expenses and others		2,280	1,492
	Sub-total (B)	**45,702**	**33,375**
Total	**(A + B)**	**46,256**	**35,216**

Payables to related parties - refer note 3.7

Particulars	Ageing as on March 31, 2022				
	a. Less than 1 year	b. 1 - 2 years	c. 2 - 3 years	d. More than 3 years	Grand Total
(i) MSME	554	-	-	-	554
(ii) Others	43,252	113	47	10	43,422
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Gross Total					**43,976**
Accrued Expenses and others					2,280
Total					**46,256**

Particulars	Ageing as on March 31, 2021				
	a. Less than 1 year	b. 1 - 2 years	c. 2 - 3 years	d. More than 3 years	Grand Total
(i) MSME	1,841	-	-	-	1,841
(ii) Others	31,774	97	7	5	31,883
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Gross Total					**33,724**
Accrued Expenses and others					1,492
Total					**35,216**

NOTE No. 1.27
OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	441	620
Currency swap , IRS & Forward cover derivative	185	400
Creditors for capital goods and services	3,996	1,452
Employee related liabilities	1,674	1,546
Dues to directors	17	9
Liability towards selling shareholders (from IPO proceeds)	16	3,081
Others	1,045	1,495
Total	**7,374**	**8,603**

NOTE No. 1.28
CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax provisions less advance payment	**690**	**67**

NOTE No. 1.29
OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	5,327	3,120
Deferred Revenue- EPCG benefit	-	1,148
Statutory Dues	1,798	1,379
Total	**7,125**	**5,647**

NOTE No. 1.30
SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity	203	148
Other Provisions		
Provision for Warranty Cost	158	111
Provision for Rejection	110	94
Total	**471**	**353**

Note:

Movement in Provision for product warranties is as follows :

Particulars	Opening	Expired during the year	Warranty provided for current year	Closing
As at March 31, 2022	111	111	158	158
As at March 31, 2021	123	123	111	111

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future obligations. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges upto one year.

Movement in Provision for rejection is as follows :

Particulars	Opening	Expired during the year	Rejection provided for current year	Closing
As at March 31, 2022	94	94	110	110
As at March 31, 2021	60	60	94	94

This provision is recognised once the products are sold. Materials are rejected due to various reasons and either get re processed and replaced to the customers depending on the type of rejections. These rejections gets fulfilled within a period of 3 months and the provisions represents the present value of management's best estimate of possible rejections within the next one quarter.

NOTE No. 2.1
REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars		March 31, 2022	March 31, 2021
Sale of products;			
Domestic Sales		1,34,604	90,692
Export Sales		15,513	13,201
	A.	**1,50,117**	**1,03,893**
Sale of services;			
Machining Charges		50,919	39,058
Service Charges		686	299
	B.	**51,605**	**39,357**
Other operating revenues;			
Sale of swarf & others		17,663	10,376
Duty Drawback		267	207
EPCG income on fulfilling obligation		1,891	1,938
Export Incentive under RoDTEP		159	-
Export Incentive under MEIS		-	224
	C.	**19,980**	**12,745**
Revenue from operations (A+B+C)		**2,21,702**	**1,55,995**

Refer Note no: 3.14 "Segment Reporting" for breakup of revenue from operations.

NOTE No. 2.2
OTHER INCOME

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Interest Income from deposits measured at amortised cost	138	118
Interest Income due to unwinding of fair valued assets		
-Rent Advance	95	92
Net gain on sale of assets	141	59
Rental income	28	28
Exchange rate Gain/(Loss) on Transaction & Translation	337	694
Unclaimed balances written back	-	17
Others	1	-
Total	**740**	**1,008**

NOTE No. 2.3
COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Cost of goods sold	1,03,033	66,065
Carriage inward	2,542	719
Sub Contract Charges	974	491
Total	**1,06,549**	**67,275**

NOTE No. 2.4
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Inventory at the end of the year		
Work in Progress	10,758	7,614
Finished Goods	2,771	2,771
Sub total	**13,529**	**10,385**
Inventory at the beginning of the year		
Work in Progress	7,614	8,626
Finished Goods	2,771	1,137
Sub total	**10,385**	**9,763**
(Increase) / decrease in inventory	**(3,144)**	**(622)**

NOTE No. 2.5
EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Salaries and wages	14,523	10,990
Contributions to PF & ESI	489	376
Contribution to Gratuity fund	210	156
Managerial Remuneration	1,195	1,277
Staff welfare expenses	2,359	1,663
Total	**18,776**	**14,462**

NOTE No. 2.6
DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Depreciation on Property, Plant & Equipment	18,086	16,150
Amortization of Intangible Assets (Software & Dev.Exp.)	274	452
Amortization- Right-of-use Asset	2,145	2,176
Write off (including obsolescence)	368	193
Impairment of Capital Work in Progress	(274)	274
Total	**20,599**	**19,245**

NOTE No. 2.7
OTHER EXPENSES

(₹ in Lakhs)

Particulars		March 31, 2022	March 31, 2021
Manufacturing Expenses			
Stores, Spares & tool consumed		14,077	9,730
Power & Fuel		11,254	8,210
Repairs & Maintenance			
- Machinery		6,057	3,224
- Building		419	197
- Others		1,485	662
Payment to contractors		3,702	2,853
Other manufacturing expenses		335	169
	A.	**37,329**	**25,045**
Administrative Expenses			
Professional and Consultancy charges		631	441
Insurance Charges		406	398
Rates & Taxes		136	196
Software Licenses		484	362
General Administrative Expenses		623	499
Printing & Stationary		177	89
Postage & Telegrams		46	26
Rent		140	124
Telephone Expenses		133	135
Travelling Expenses		617	251

Contd..

Particulars		March 31, 2022	March 31, 2021
Directors' Sitting Fees		21	21
Remuneration to auditors			
Statutory Audit		54	55
Taxation and Certification		10	21
CSR Expenses		225	154
Amounts written off			
Bad debts		-	199
Doubtful advances		-	(4)
Provisions for the year			
Doubtful advances		-	3
Warranty		24	(59)
Rejections		17	34
Doubtful debts		(57)	(13)
	B.	**3,687**	**2,932**
Selling expenses			
Packing material consumed		1,944	1,105
Carriage Outward		2,953	1,698
Sales Promotion Expenses		192	276
	C.	**5,089**	**3,079**
Total (A+B+C)		**46,105**	**31,056**

NOTE No. 2.8
FINANCE COSTS

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Interest expenses		
On Short Term Borrowings	1,920	2,014
On Long Term Borrowings at Amortised Cost	4,226	7,006
Others	110	103
Other Borrowing costs		
Unwinding of discounted Upfront fee on loans	96	216
Interest unwind - lease liability	924	1,077
Unwinding of Rent Advance	95	92
Bank charges	330	578
MTM (Gain) / Loss - Derivative - (Net)	(14)	13
Net (gain)/loss on foreign currency transactions and translation	735	(371)
Total	**8,422**	**10,728**

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS:

NOTE No. 3.1 The Subsidiaries and Associates considered in the Consolidated Financial Statements:

Following Subsidiaries are considered in the Consolidated Financial Statements:

S. No	Name of the Subsidiary	Country of Incorporation	% of Ownership Interest	
			March 31, 2022	March 31, 2021
1	Craftsman Automation Singapore Pte Ltd*	Singapore	-	100%
2	Craftsman Europe B.V	Netherlands	100%	100%

*Note: the Company passed Board Resolution at their meeting held on August 20, 2019 to wind up the subsidiary in Singapore. The subsidiary was liquidated on June 21, 2021.

Following Joint Venture is considered in the Consolidated Financial Statements:

S. No	Name of the Joint Venture	Country of Incorporation	% of Ownership Interest	
			March 31, 2022	March 31, 2021
1	Carl Stahl Craftsman Enterprises Private limited	India	30%	30%

NOTE No.3.2 Additional Information – Subsidiaries & Joint Ventures:

Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries & Joint Ventures. (₹ in Lakhs)

Name of the entity	March 31, 2022		March 31, 2021	
	As a % of consolidated Net Assets	Amount	As a % of consolidated Net Assets	Amount
Parent Company				
Craftsman Automation Limited	100.57%	1,14,220	100.93%	97,845
Foreign Subsidiaries				
Craftsman Automation Singapore Pte Ltd	0.00%	-	0.00%	-
Craftsman Europe B.V	1.74%	1,975	1.85%	1,790
Sub Total	**102.31%**	**1,16,195**	**102.78%**	**99,635**
Add/Less: Intragroup eliminations / adjustments	-2.31%	(2,621)	-2.78%	(2,692)
Total	**100.00%**	**1,13,574**	**100.00%**	**96,943**

(₹ in Lakhs)

Name of the entity	March 31, 2022		March 31, 2021	
	As a % of consolidated Profit or Loss	Amount	As a % of consolidated Profit or Loss	Amount
Parent Company				
Craftsman Automation Limited	98.38%	16,045	99.38%	9,676
Foreign Subsidiaries				
Craftsman Automation Singapore Pte Ltd	-0.19%	(31)	0.00%	-
Craftsman Europe B.V	1.38%	225	-	-
Sub Total	**99.57%**	**16,239**	**99.38%**	**9,676**
Add/Less: Intragroup eliminations / adjustments	0.43%	70	0.62%	60
Total	**100.00%**	**16,309**	**100.00%**	**9,736**

Name of the entity	March 31, 2022 As a % of consolidated OCI	March 31, 2022 Amount	March 31, 2021 As a % of consolidated OCI	March 31, 2021 Amount
Parent Company				
Craftsman Automation Limited	101.56%	515	89.98%	436
Foreign Subsidiaries				
Craftsman Automation Singapore Pte Ltd	6.19%	31	-1.11%	(5)
Craftsman Europe B.V	-7.97%	(40)	11.37%	55
Sub Total	**99.78%**	**506**	**100.25%**	**486**
Add/Less: Intragroup eliminations / adjustments	0.22%	1	-0.25%	(1)
Total	**100.00%**	**507**	**100.00%**	**485**

Name of the entity	March 31, 2022 As a % of consolidated Total Comprehensive Income	March 31, 2022 Amount	March 31, 2021 As a % of consolidated Total Comprehensive Income	March 31, 2021 Amount
Parent Company				
Craftsman Automation Limited	98.48%	16,560	98.94%	10,112
Foreign Subsidiaries				
Craftsman Automation Singapore Pte Ltd	0.00%	-	-0.05%	(5)
Craftsman Europe B.V	1.10%	185	0.53%	55
Sub Total	**99.58%**	**16,745**	**99.42%**	**10,162**
Add/Less: Intragroup eliminations / adjustments	0.42%	71	0.58%	59
Total	**100.00%**	**16,816**	**100.00%**	**10,221**

NOTE No. 3.3 Income taxes

Income tax expense for the year reconciled to accounting profit

(₹ in Lakhs)

		Year Ended March 31, 2022	Year Ended March 31, 2021
Profit before tax	a	25,173	14,876
Income tax rate	b	34.944%	34.944%
Income tax expenses	a*b	8,796	5,198
Effect of			
i) EPCG Benefit Capitalisation not considered for Income Tax purpose		(8)	(87)
ii) Effect of expenses inadmissible for tax		122	11
iii) Effect of lower tax income of overseas subsidiaries		(35)	24
iv) Effect of share of profit from JV		(12)	(7)
Income tax expense recognised in Statement of Profit & loss		**8,864**	**5,140**

Movement of deferred tax assets/ liabilities

(₹ in Lakhs)

Movement during the year ended March 31, 2022	As at March 31, 2021	Recognised in P&L	Recognised in OCI	MAT utilisation	As at March 31, 2022
Depreciation & Amortization	(15,340)	118	-	-	(15,222)
Provision for doubtful debts	274	(20)	-	-	254
Provision for Loans & Advances and Others	133	(133)	-	-	(0)
Other Temporary Differences	1,184	23	(276)	-	931
MAT Credit Entitlement- Unused tax credit	6,911	-	-	(4,552)	2,359
	(6,838)	**(12)**	**(276)**	**(4,552)**	**(11,678)**

(₹ in Lakhs)

Movement during the year ended March 31, 2021	As at March 31, 2020	Recognised in P&L	Recognised in OCI	MAT utilisation	As at March 31, 2021
Depreciation & Amortization	(15,375)	35	-	-	(15,340)
Provision for doubtful debts	278	(4)	-	-	274
Provision for Loans & Advances and Others	133	-	-	-	133
Other Temporary Differences	1,251	226	(293)	-	1,184
MAT Credit Entitlement- Unused tax credit	9,858	-	-	(2,947)	6,911
	(3,855)	**257**	**(293)**	**(2,947)**	**(6,838)**

NOTE No. 3.4 Employee Benefits

Defined Contribution Plan

The employee provident fund is in the nature of Defined contribution plan. The contribution made to the scheme is considered as expense in the statement of Profit and loss when the employee renders the related service. There is no other obligation other than the contribution payable to employee provident fund.

The total expenses recognised in statement of profit or loss of ₹437 Lakhs (2020-21: ₹307 Lakhs) represents contribution payable to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plans

The group extends defined benefit plan in the form of gratuity to employees. The group makes annual contribution to gratuity fund administered by trustees and managed by SBI Life Insurance Company Ltd. The Group's liability is determined based on actuarial valuation done at the year end as per projected unit credit method. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service subject to the maximum of ₹20 Lakhs. Vesting occurs upon completion of five years of service.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Liquidity Risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the group there can be strain on the cash flows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The principal assumptions used for the purposes of the actuarial valuations were as follows

	As at Mar 31, 2022	As at March 31, 2021
Discount rate	7.48%	7.02%
Expected rate of salary increase	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimate of future salary increase (which has been set in consultation with the group), take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows: (₹ in Lakhs)

	As at Mar 31, 2022	As at Mar 31, 2021
Current Service Cost	204	174
Net interest expense/ (income)	5	(18)
Component of defined benefit cost recognised in P&L	**209**	**156**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain)/loss arising from changes in financial assumptions	(69)	174
Actuarial (Gain)/ Losses due to Experience on DBO	57	81
Actuarial (Gain)/Loss arising from changes in financial assumptions due to demographic assumption changes in DBO	0	(10)
Return on Plan Assets (Greater) / Less than Discount rate	5	4
Components of defined benefit costs recognised in other comprehensive income	(6)	249
Total Defined Benefit Cost	**203**	**405**

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows (₹ in Lakhs)

	As at Mar 31, 2022	As at Mar 31, 2021
Present value of defined benefit obligation	1,718	1,580
Fair value of plan assets	1,516	1,432
Net liability arising from defined benefit obligation (funded)	(202)	(148)

Movements in the present value of the defined benefit obligation in the current year were as follows: (₹ in Lakhs)

	Year ended Mar 31, 2022	Year ended Mar 31, 2021
Opening defined benefit obligation	1,580	1,419
Current Service Cost	204	174
Interest Cost	105	88
Benefits paid	(158)	(344)
Actuarial (gain)/loss	(12)	244
Closing defined benefit obligation	**1,718**	**1,580**

Movements in fair value of plan assets in the current year were as follows: (₹ in Lakhs)

	Year ended Mar 31, 2022	Year ended Mar 31, 2021
Opening fair value of plan assets	1,432	1,675
Interest income of the assets	100	105
Employer contribution	148	0
Benefits payout	(158)	(344)
Actuarial gain/(loss)	(5)	(4)
Closing fair value of plan assets	**1,516**	**1,432**

The group funds the cost of the gratuity expected to be earned on a yearly basis to SBI Life Insurance Company Limited, which manages the plan assets.

The actual return on plan assets was ₹95 Lakhs (2020-21: ₹102 Lakhs)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting year. (₹ in Lakhs)

	As at Mar 31, 2022	As at Mar 31, 2021
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would		
• Decrease by (Mar 22: (8.75%); Mar 21: (8.87%))	(150)	(140)
• Increase by (Mar 22: 10.19%; Mar 21: 10.37%)	175	164
If the expected salary is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 22: 8.75%; Mar 21: 9.13%)	150	144
• Decrease by (Mar 22: (7.90%); Mar 21: (8.15%))	(136)	(129)
If the attrition rate is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 22: 1.71%; Mar 21: 1.36%)	29	21
• Decrease by (Mar 22: (1.92%); Mar 21: (1.53%))	(33)	(24)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of each reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

Funding arrangements

The group has been fully funding the liability through a trust administered by an insurance company. Regular assessment of the increase in liability is made by the insurance company and contributions are being made to maintain the fund. Subject to credit risk of the insurance company & the asset liability mismatch risk of the investments, the group will be able to meet the past service liability on the valuation date that falls due in the future.

The Company expects to make a contribution of ₹232 Lakhs (as at March 31, 2021: ₹260 Lakhs) to the defined benefit plans for the next financial year.

Information on the maturity profile of the liabilities: (₹ in Lakhs)

	March 31, 2022	March 31, 2021
Weighted average duration of the DBO	12.18 years	13.08 years
	₹ Lakhs	**₹ Lakhs**
Projected Benefit Obligation	1719	1580
Accumulated Benefits Obligation	1160	1446

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

FUTURE PAYOUTS	Present Value
Year (i)	104
Year (ii)	105
Year (iii)	109
Year (iv)	98
Year (v)	95
Next 5 year pay-outs(6-10yrs)	369
Pay-outs above ten years	840

NOTE No. 3.5 Earnings per share

	Year Ended March 31, 2022	Year Ended March 31, 2021
	₹	₹
Earnings per share ('EPS')		
Basic earnings per share	77.19	48.32
Diluted earnings per share	77.19	48.32
Face value per share for EPS	5	5
Basic and diluted earnings per share	**₹ Lakhs**	**₹ Lakhs**
Profit for the year attributable to equity shareholders	16,309	9,736
	Nos.	**Nos.**
Total number of equity shares outstanding at the end of the year	2,11,28,311	2,11,28,311
Weighted average number of equity shares		
used in the calculation of basic earnings per share	2,11,28,311	2,01,49,181
after adjustment for effect of dilution	2,11,28,311	2,01,49,181

The Company completed its Initial Public Offering (IPO) and listed its shares on BSE Limited and National Stock Exchange of India Limited on March 25, 2021. The IPO involved fresh issues of 10,06,711 equity shares of face value ₹5 each. The "weighted average number of equity shares" for computation of EPS has been calculated considering above mentioned fresh issue of shares from the date of allotment. (refer note: 1.17 for movement in equity share capital during year)

NOTE No. 3.6 Financial Instruments:

3.6a Capital Management:

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the Group. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, buy back shares and cancel them, or issue new shares. The Group finances its operations by a combination of retained profit, bank borrowings, disposals of property assets and leases.

The Group monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Group. (₹ in Lakhs)

	March 31, 2022	March 31, 2021
Debt (long-term and short-term borrowings including current maturities)	71,560	70,354
Equity	1,13,574	96,943
Debt Equity Ratio	**0.63**	**0.73**

3.6b Financial risk management

In course of its business, the Group is exposed to certain financial risks that could have significant influence on the Group's business and operational / financial performance. These include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Group uses derivative financial instruments to hedge risk exposures in accordance with the Group's policies as approved by the board of directors.

i. Market Risk

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

- Foreign currency risk management:

The Group undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Group actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through treasury division and uses derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Assets	Currency	Amount in Foreign currency (Lakhs)	Amount in ₹(Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹(Lakhs)
Receivables	USD	49	3,684	32	2,327
	EUR	10	858	8	670
	GBP	0	4	0	4
Total Receivables (A)			4,545		3,001
Hedged by derivative contracts (B)		-	-	-	-
Unhedged receivables (C=A-B)			4,545		3,001

Liabilities	Currency	Amount in Foreign currency (Lakhs)	Amount in ₹(Lakhs)	Amount in Foreign currency (Lakhs)	Amount in ₹(Lakhs)
Payable (trade & other)	USD	65	4,928	93	6,784
	JPY	699	436	313	207
	EUR	11	949	0	7
	GBP	0	5	0	7
	CHF	0	0	0	0
Borrowings (ECB and Others)	USD	371	28,131	596	43,584
	EUR	12	1,026	21	1,771
Total Payables (A)			35,475		52,360
Hedges by derivative contracts (B)	USD	199	15,121	271	19,817
Unhedged payables (C=A-B)			20,354		32,543

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 1%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments. The following table details the Group's sensitivity movement in the unhedged foreign exposure: (₹ in Lakhs)

Currency	1% Strengthening of FC	
	As at March 31, 2022	As at March 31, 2021
USD	(143)	(282)
GBP	(0)	(0)
CHF	(0)	(0)
EUR	(11)	(11)
JPY	(4)	(2)
	(158)	**(295)**

A depreciation of foreign currencies would have the opposite effect to the impact in the table above.

The following table details the forward foreign currency contracts outstanding at the end of the reporting period: (₹ in Lakhs)

Cash Flow Hedges	Foreign Currency		Equivalent value		Fair value of contracts	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sell USD	-	12	-	863	-	844

Note:

The MTM of the above has been included in the balance sheet under 'Other Current Financial Liability'. [Refer Note 1.27] as on March 31, 2021

Interest rate risk management:

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk of floating interest rates in foreign currency loans is managed by the Group by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities which are unhedged, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. An increase or decrease of 50 basis point in rupee interest rates and 25 basis points in USD libor rate is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

A decrease in interest rates would have the opposite effect to the impact in the table above.

(₹ in Lakhs)

Base Rate	Increase in Base rate	Effect of Change in interest rates		Outstanding as on	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD Libor	25 bps	23	24	9,014	9,510
INR Baserate	50 bps	56	86	11,260	17,122
		79	**110**	**20,275**	**26,632**

*Interest rate on all USD loans are hedged with either IRS or IRC and hence are not exposed to risk due to interest rate fluctuations.

Foreign currency and interest rate sensitivity analysis for swap contracts:

The Group has taken interest rate swaps ('IRS') to hedge the interest rate risks. The marked-to-market loss as at March 31, 2022 is ₹182 Lakhs (March 31, 2021 loss is ₹836 Lakhs). The amount of gain recognised in OCI for the year ended March 31, 2022 is ₹640 Lakhs (March 31, 2021 – gain ₹642 Lakhs) and the amount of gain recognised in Statement of Profit and Loss for the ineffective portion of cash flow hedge for the year ended March 31, 2022 is ₹14 Lakhs (March 31, 2021: loss of ₹13 Lakhs).

In addition to the above, the Company has an Interest Rate Collar ('IRC'), to hedge the interest rate risks. The marked-to-market gain as at March 31, 2022 is ₹37 Lakhs (March 31, 2021: Loss ₹85 Lakhs). The amount of gain recognised in OCI for the year ended March 31, 2022 is ₹122 Lakhs (March 31, 2021 – Loss ₹26 Lakhs).

In case of currency swaps, the effective portion of cash flow hedges, is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit and loss. Amounts recognised as OCI are transferred to profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs when the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability. The mark-to-market gain as at March 31, 2022 is ₹218 Lakhs (March 31, 2021: gain of ₹174 Lakhs). The amount of gain recognised in OCI for the year ended March 31, 2022 is ₹45 Lakhs (March 31, 2021: loss of ₹426 Lakhs). Also, the effect given to OCI on account of restatement loss of the underlying foreign currency loans for the year ended March 31, 2022 is ₹249 Lakhs (March 31, 2021: gain of ₹1273 Lakhs).

Further, the Company has call options for principal payments of two of its foreign currency loan which is designated as a cash flow hedge. The marked-to-market gain as at March 31, 2022 is ₹243 Lakhs (March 31, 2021: gain of ₹28 Lakhs). The amount of gain recognised in OCI for the period year March 31, 2022 is ₹215 Lakhs (March 31, 2021 – loss of ₹410 Lakhs).

Credit Risk:

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

- **Trade receivables:**

The Group periodically assesses the financial reliability of customers / corporates taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. These include customers / corporates, which have high credit-ratings assigned by international and domestic credit-rating agencies. Individual risk limits are set accordingly. The Group's trade and other receivables, including loans under customer financing activities, consists of a large number of customers, across geographies.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Movement in Credit loss allowance (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	**791**	**803**
Allowance for bad and doubtful debts during the year	(57)	187
Trade receivables written off during the year	-	(199)
Balance as at the end of the year	**734**	**791**

Other financial assets:

a. Bhatia Coke & Energy Limited

Bhatia Coke & Energy Limited is under "Corporate Insolvency resolution process" as per the MCA website. Also, the management of the Company is taken over by an insolvency professional appointed by the National Company Law Tribunal (NCLT)

Given this, the Company has fair valued the investment to NIL as at March 31, 2022. Fair value loss recognised in OCI for the year ended March 31, 2022 is Nil (for the year ended March 31, 2021 is loss of ₹110 Lakhs)

None of the group's other cash equivalents, including time deposits with banks, are past due or impaired.

Movement in Provision for advances: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	**28**	**28**
Allowance for doubtful advances made during the year	-	(4)
Advances written off during the year	-	4
Balance as at the end of the year	**28**	**28**

Refer note: 1.10 of the financial statements.

Liquidity Risk:

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

The table below summarizes the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the discounted cash flows. (₹ in Lakhs)

As at March 31, 2022	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	34,181	36,853	526	71,560
Interest payments on borrowings	3,282	4,169	8	7,459
Lease liability	1,710	3,963	2,722	8,395
Trade Payables	46,256	-	-	46,256

(₹ in Lakhs)

As at March 31, 2021	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	26,635	40,165	3,554	70,354
Interest payments on borrowings	3,870	5,973	126	9,969
Lease liability	1,941	4,709	3,594	10,244
Trade Payables	35,216	-	-	35,216

The table below summarizes the maturity profile for its derivative financial liabilities based on the undiscounted contractual net cash inflows and outflows on derivative liabilities that settle on a net basis or gross basis.

(₹ in Lakhs)

As at March 31, 2022	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Carrying Amount
Currency & Interest rates- Swaps & Options	627	(310)	-	317
Foreign exchange forwards	-	-	-	-
	627	**(310)**	**-**	**317**

(₹ in Lakhs)

As at March 31, 2021	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Carrying Amount
Currency & Interest rates- Swaps & Options	37	(757)	-	(720)
Foreign exchange forwards	(12)	-	-	(12)
	25	**(757)**	**-**	**(732)**

3.6c Categories of Financial assets and liabilities: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
a. Measured at amortized cost:		
Cash and cash equivalents	2,943	3,127
Other bank balances & Interest receivable	1,458	1,608
Trade Receivables	29,621	23,895
Security Deposit	2,849	2,402
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)		
Investments	30	30
Currency swaps & options and IRS & IRC	855	571

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Liabilities		
a. Measured at amortized cost:		
Borrowings	71,560	70,354
Lease Liability	8,395	10,244
Trade Payables	46,256	35,216
Other Financial Liabilities	7,191	8,205
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)		
Currency Swaps & IRS	538	1,288
c. Mandatorily maintained at fair value through profit or loss (FVTPL)		
Others	-	14

3.6d Fair value measurements:

i) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1 : Quoted Price for identical instruments in an active market
- Level 2 : Directly or indirectly observable market inputs, Other than level 1 inputs and
- Level 3 : Inputs which are not based on observable market data

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

As at March 31, 2022 (₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Asset at fair value				
Investments measured at				
i) fair value through OCI	-	-	30	**30**
ii) fair value through P&L	-	-	-	**-**
Derivative Instruments measured at				
i) fair value through OCI	-	855	-	**855**
ii) fair value through P&L	-	-	-	**-**
Liabilities at fair value				
Derivative Instruments measured at				
i) fair value through OCI	-	538	-	**538**
ii) fair value through P&L	-	-	-	**-**

As at March 31, 2021 (₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Asset at fair value				
Investments measured at				
i) fair value through OCI	-	-	30	**30**
ii) fair value through P&L	-	-	-	**-**
Derivative Instruments measured at				
i) fair value through OCI	-	571	-	**571**
ii) fair value through P&L	-	-	-	**-**
Liabilities at fair value				
Derivative Instruments measured at				
i) fair value through OCI	-	1,288	-	**1,288**
ii) fair value through P&L	-	14	-	**14**

Calculation of Fair Values:

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used.

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

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

NOTE No. 3.7 Related party disclosure

a) Related parties

Joint Ventures

Carl Stahl Craftsman Enterprises Private Limited

Company with common directors

MC Machinery Systems India Private Limited (Formerly known as MC Craftsman Machinery Private Limited) till November 30, 2021

Key Management Personnel

Mr. SRINIVASAN RAVI, Chairman and Managing Director

Mr. RAVI GAUTHAMRAM, Whole Time Director

Mr. CHANDRASHEKAR BHIDE, Independent Director

Mr. CHANDRAMOHAN NATARAJAN, Whole Time Director (till July 10 2020)

Mr. SUNDARARAMAN KALYANARAMAN, Independent Director

Mr. UDAI DHAWAN, Nominee Director till June 20, 2021 & Non-Executive Non-Independent Director from June 21, 2021 till March 19, 2022)

Mr. KALLAKURICHI KANNIAH BALU, Independent Director (till May 23, 2020)

Mrs. VIJAYA SAMPATH, Independent Director

Mr. TAMRAPARNI SRINIVASAN VENKATA RAJAGOPAL, Additional Director (from March 19, 2022)

Mr. C.B.CHANDRASEKAR, Chief Financial Officer

Mr. THIYAGARAJ DAMODHARASWAMY, Chief Operating Officer

Mr. SHAINSHAD ADUVANNI, Company Secretary

b) Related Party Transactions – Summary: (₹ in Lakhs)

Transactions during the year ended	Joint Ventures		Common director company		Key Management Personnel	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Purchase of Goods & Services	243	113	37	68	-	-
Sale of Goods & Services#	3,102	1,676	-	-	-	-
Sales Commission expenses#	3	-	-	-	-	-
Reimbursement of Expenditure from	-	4	3	3		-
Remuneration to key management personnel	-	-	-	-	644	584
Commission	-	-	-	-	740	844
Sitting Fee	-	-	-	-	21	21
Rental Income	2	2	17	26	-	-

(₹ in Lakhs)

Balances as at the end of	Joint Ventures		Common director company		Key Management Personnel	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Trade Receivables	723	164	-	-	-	-
Trade Payables	6	2	-	25	-	-
Remuneration payable	-	-	-		17	9
Rent advance received	-	-	-	2	-	-

c) Significant Related party transactions:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of Goods & Services		
Carl Stahl Craftsman Enterprises Private Limited	243	113
MC Machinery Systems India Private Limited	37	68
Sale of Goods & Services		
Carl Stahl Craftsman Enterprises Private Limited	3,102	1,676
MC Machinery Systems India Private Limited#	-	-
Sales Commission Paid		
Carl Stahl Craftsman Enterprises Private Limited#	3	-
Reimbursement of Expenditure from		
Carl Stahl Craftsman Enterprises Private Limited#	-	4
MC Machinery Systems India Private Limited	3	3
Remuneration to key management personnel		
Executive Directors	457	435
Chief Financial Officer	91	72
Chief Operating Officer	71	61
Company Secretary	25	17
Commission		
Executive Directors	715	814
Non-Executive Directors	25	30
Sitting Fee		
Non-Executive Directors	21	21
Rent Income		
Carl Stahl Craftsman Enterprises Pvt Ltd	2	2
MC Machinery Systems India Private Limited	17	26

d) Balances of Related Parties:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Trade Receivable		
Carl Stahl Craftsman Enterprises Private Limited	723	164
MC Machinery Systems India Private Limited	-	-
Trade Payable		
Carl Stahl Craftsman Enterprises Private Limited	6	2
MC Machinery Systems India Private Limited	-	25
Rent advance received		
MC Machinery Systems India Private Limited	-	2
Remuneration payable		
Mr. S Ravi	17	9

amount is below rounding off norms adopted by the Company.

NOTE No. 3.8 Contingent Liabilities and Contingent assets

a) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(₹ in Lakhs)

Contingent Liabilities	As at March 31, 2022	As at March 31, 2021
a.Claims against the company not acknowledged as debt		
Excise	7	7
VAT	50	62
Service tax	67	67
GST	16	43
Income tax	1,821	1,821
Stamp duty	56	56
b.Sales Bills discounted	**2,217**	**-**

b) Commitments

Commitment on Capital Account not provided as on March 31, 2022: ₹20,570 Lakhs; March 31, 2021: ₹10,260 Lakhs.

NOTE No. 3.9 Non-Current Borrowings:

(₹ in Lakhs)

	As at March 31, 2022			Particulars of Repayment		As at March 31, 2021		
	Non-Current	Current Maturity	Total	Installments	Amount/Inst	Non-Current	Current Maturity	Total
ECB-4	237	237	474	Quarterly	USD 0.63/8 , 0.93/8, 1.57/8	534	304	838
ECB-11	909	1,212	2,121	Quarterly	USD 4.00/ 20	2,046	1,168	3,214
ECB-12	-	1,030	1,030	Quarterly	INR 0.5/ 2, 1.0/ 4. 2.18/ 15, 2.3/ 1	994	978	1,972
ECB-13	13,940	3,464	17,404	Half-yearly	USD 11.54 / 13	16,789	2,494	19,283
ECB-14	2,458	754	3,212	Quarterly	USD 2.50/ 20	3,098	543	3,641
FCTL-1	128	255	383	Quarterly	EUR 0.76 / 16	392	260	652
FCTL-2	214	428	642	Quarterly	EUR 1.28 / 15	657	-	657
FCNRB-2	-	-	-	Quarterly	USD 3.33/ 15	-	1,022	1,022
TL-1	2,207	1,289	3,496	Quarterly	INR 208.33/ 24	3,701	-	3,701
TL-4	-	-	-	Quarterly	INR 41.87/ 24	375	249	624
TL-8	-	298	298	Quarterly	INR 160.00/ 20	297	-	297
TL-13	990	703	1,693	Quarterly	INR 66.87 / 20	1,862	938	2,800
TL-14	1,497	995	2,492	Quarterly	INR 250.00/ 20	2,493	992	3,485
TL-15	299	-	299	Quarterly	INR 250.00/ 16	892	-	892
TL-18	3,275	1,874	5,149	Quarterly	INR 156.25 / 48	5,611	1,871	7,482
TL-19	2,993	745	3,738	Quarterly	INR 250.00/ 16	3,982	-	3,982
TL-20	3,324	174	3,498	Quarterly	INR 175.00 / 20	-	-	-
TL-21	4,907	1,400	6,308	Quarterly	INR 350.88 / 20	-	-	-
Total	**37,379**	**14,859**	**52,238**			**43,719**	**10,821**	**54,540**

The balances mentioned above are at amortised cost: Refer note 1.20

All term loans, both Rupee and Foreign Currency are secured by first pari passu charge on fixed assets of the company. Also, a second pari passu charge on current assets of the company are created for all term loans except for loan from Kotak Mahindra Bank.

NOTE No. 3.10 Leases:

3.10a Group as lessee

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

Note: The Group has elected not to assess any reduction in lease payments during the nine months period ended December 31, 2020 as lease modification in accordance with MCA notification G.S.R. 463E dated July 24, 2020 on Ind AS 116 'Leases'.

(₹ In Lakhs)

Particulars	Machinery	Land & Buildings	Total
Balance as at April 1, 2021	811	7,532	8,343
Additions	-	2,476	2,476
Amortization/ expense	(496)	(1,649)	(2,145)
Deletion	-	(91)	(91)
Balance as of March 31, 2022	**315**	**8,268**	**8,582**

Particulars	Machinery	Land & Buildings	Total
Balance as at April 1, 2020	1,307	9,540	10,847
Additions	-	573	573
Amortization/ expense	(496)	(1,680)	(2,176)
Deletion	-	(901)	(901)
Balance as of March 31, 2021	**811**	**7,532**	**8,343**

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

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

Particulars	March 31, 2022	March 31, 2021
Current lease liabilities	1,710	1,941
Non-current lease liabilities	6,685	8,303
Total	**8,394**	**10,244**

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

Particulars	Amount in ₹ Lakhs
Balance as at April 1, 2021	10,244
Additions	2476
Finance cost accrued during the year	924
Deletion	(91)
Payment of lease liabilities	(5,159)
Balance as of March 31, 2022	**8,394**

Particulars	Amount in ₹ Lakhs
Balance as at April 1, 2020	11,576
Additions	573
Finance cost accrued during the year	1,077
Deletion	(901)
Payment of lease liabilities	(2,081)
Balance as of 31 March, 2021	**10,244**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	2,460	2,887
One to five years	5,839	7,010
More than five years	3,154	4,347
Total	**11,453**	**14,244**

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

Rental expense recorded for short-term leases was ₹140 Lakhs for the year ended March 31, 2022. (March 31, 2020: ₹124 Lakhs)

Total cash outflow for leases including short-term was ₹5,298 Lakhs for the year ended March 31, 2022. (March 31, 2021: ₹2,205 Lakhs).

Note: The Company has elected not to assess any reduction in lease payments during the year ended March 31, 2021 as lease modification in accordance with MCA notification G.S.R. 463E dated July 24, 2020 on Ind AS 116 'Leases'.

3.10b Group as lessor

Group has provided a portion of its building on operating lease to MC Machinery Systems India Private Limited & Carlstahl Craftsman Enterprises Private Limited for a period of 3 years.

Non-Cancellable Operating lease commitment	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	28	19
Later than 1 year but not later than 5 years	15	2
Later than 5 years	-	-

NOTE No. 3.11 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
The principal amount due to Micro and Small Suppliers under this Act	554	1,841
Interest accrued and due to suppliers on the above amount	5	8
Interest paid to suppliers under this Act (Section 16)	Nil	Nil
Interest due and payable for the delay (for payment during the year beyond due date)	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed date, during the year	Nil	Nil
Interest accrued and remaining unpaid at the end of year to suppliers under this Act	5	8
Interest due and payable to suppliers under this Act for payment already made	Nil	Nil

The information has been given in respect of Vendors to the extent they could be identified as "Micro and Small Enterprises" on the basis of information available with the company.

NOTE No. 3.12 Offer Expenses for the IPO:

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on March 25, 2021 upon successful completion of the Initial Public Offer ('IPO' or 'the Public Offer'). Owing to pandemic situation, there have been delays in receipt of invoices in relation to services availed for IPO. These expenses are allocated between the selling shareholders and the Company wherein the Company's portion is adjusted against the securities premium reserve. Based on the invoices received and estimates by the management, the total issue expenses for IPO has been crystallised at ₹3838 Lakhs (including GST). Out of the total expenses, share of Selling shareholders of ₹3104 Lakhs (including GST) has been adjusted against their proceeds and the Company has adjusted ₹622 Lakhs (excluding GST) against securities premium (₹185 Lakhs during the year ended March 31, 2022 and ₹437 Lakhs during the year ended March 31, 2021).

NOTE No. 3.13 CSR Expenditure:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Gross amount required to be spent by the company during the year as per section 135 of the Companies Act, 2013 read with Schedule VII	224	154
(b) Amount spent during the year	225	52
(c) Amount transferred to CSR on-going projects subsequently	NA	102

(₹ in Lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	111	-	111
(ii) On purposes other than (i) above	114	-	114

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) amount required to be spent by the company during the year	224	154
(ii) amount of expenditure incurred	225	52
(iii) shortfall at the end of the year	Nil	102
(iv) total of previous years shortfall	Nil	Nil
(v) reason for shortfall	Not Applicable	Delay in project due to lockdowns induced by COVID-19 pandemic. The unspent amount has been transferred to separate bank account.
(vi) nature of CSR activities	1. Promotion of Health care/ Eradicating hunger	1. Promotion of Health care/ Eradicating hunger
	2. Promotion of education	2. Promotion of education
	3. Environment sustainability	3. Environment sustainability
	4. Safety & Welfare	4. Safety & Welfare
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

NOTE No. 3.14 Segment Reporting:

a. Segment disclosure

(₹ in Lakhs)

Segment Revenue	Year Ended March 31, 2022	Year ended March 31 2021
Automotive- Powertrain & Others	1,15,435	81,127
Automotive- Aluminium Products	44,049	32,975
Industrial & Engineering	62,218	41,893
Total Revenue as per Statement of Profit and Loss	**2,21,702**	**1,55,995**

(₹ in Lakhs)

Segment Profit or Loss	Year Ended March 31, 2022	Year ended March 31, 2021
Automotive - Powertrain & Others	30,374	22,064
Automotive - Aluminium Products	954	253
Industrial & Engineering	6,923	7,952
Total Segments	**38,251**	**30,269**
Less: Unallocable Expenditure	(5,434)	(5,690)
Add: Other Income	778	1,025
Earnings Before Interest, Exceptional Item & Tax	**33,595**	**25,604**
Less: Finance Costs	(8,422)	(10,728)
Profit before Tax	**25,173**	**14,876**

(₹ in Lakhs)

Segment Assets	As at March 31, 2022	As at March 31, 2021
Automotive - Powertrain & Others	1,12,333	98,036
Automotive - Aluminium Products	68,966	55,765
Industrial & Engineering	68,692	59,261
Total Segments	**2,49,991**	**2,13,062**
Unallocable Assets	17,487	22,128
Total Assets as per Balance Sheet	**2,67,478**	**2,35,190**

(₹ in Lakhs)

Segment Liabilities	As at March 31, 2022	As at March 31, 2021
Automotive - Powertrain & Others	60,938	52,017
Automotive - Aluminium Products	34,220	29,689
Industrial & Engineering	31,028	27,695
Total Segments	**1,26,186**	**1,09,401**
Unallocable Liabilities	27,718	28,846
Total Liabilities as per Balance Sheet	**1,53,904**	**1,38,247**

(₹ in Lakhs)

Geographical Information	As at March 31, 2022	As at March 31, 2021
Revenue from operations		
India	2,02,254	1,39,205
Outside India	19,448	16,790
Total Revenue	**2,21,702**	**1,55,995**

b. Disclosure about major customers

Revenue from customers individually contributing more than 10% of total revenue of the Company across all the segments, amounts to ₹68,098 Lakhs (₹48,505 Lakhs for the year ended March 31, 2021) of the total revenue of the Company across all the segments.

NOTE No. 3.15 Ratio Analysis

Ratios	FY 21-22	FY 20-21	% Variance
(a) Current Ratio	1.03	0.99	5%
(b) Debt-Equity Ratio	0.63	0.73	-14%
(c) Debt Service Coverage Ratio*	1.70	1.32	28%
(d) Return on Equity Ratio	15%	11%	33%
(e) Inventory turnover ratio	4.30	4.33	-1%
(f) Trade Receivables turnover ratio	8.28	7.21	15%
(g) Trade payables turnover ratio	3.53	2.72	30%
(h) Net capital turnover ratio **	6	6	-1%
(i) Net profit ratio	7.3%	6.2%	17%
(j) Return on Capital employed	20%	16%	20%
(k) Return on investment #	NA	NA	NA

Note:

* Excluding repayment made out of IPO funds

** Net working capital does not include short term borrowings

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

Ratios	Formula (Numerator/Denominator)	Remarks for 25% change
(a) Current Ratio	Current Assets / Current Liabilities	NA
(b) Debt-Equity Ratio	Total Debt/Shareholder's Equity	NA
(c) Debt Service Coverage Ratio*	Earnings available for debt service / Debt Service Debt service = Interest & Lease Payments + Principal Repayments	Higher profits
(d) Return on Equity Ratio	Net Profits after taxes/Average Shareholder's Equity	Higher profits
(e) Inventory turnover ratio	Sales/ Average Inventory	NA
(f) Trade Receivables turnover ratio	Sales / Average Accounts Receivable	NA
(g) Trade payables turnover ratio	Purchases / Trade Payables	Improved sales volumes & realisation
(h) Net capital turnover ratio **S	Net Sales/Working Capital	NA
(i) Net profit ratio	Net Profit/ Net Sales	NA
(j) Return on Capital employed	Earnings before interest and taxes/ Capital Employed Capital employed = Total Assets-Current Liabilities	NA
(k) Return on investment #		

3.16. a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder

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

c) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period

e) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries)

2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

ii) provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022.

3.17 Certain comparative figures have been reclassified to conform to the current year presentation.

For **SHARP & TANNAN**
Chartered Accountants
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : May 9, 2022

For and on behalf of **the Board**

R.Gauthamram
Whole Time Director
DIN : 06789004

S.Ravi
Chairman and Managing Director
DIN : 01257716

Shainshad Aduvanni
Company Secretary M.No.A27895

C. B. Chandrasekar
Chief Financial Officer

Place : Coimbatore
Date : May 9, 2022

Notes:

Notes:

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