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Independent Auditor's Report

To the Members of G.G.Trionics India Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of G.G.Trionics India Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Delay in holding Annual General Meeting

4. We draw attention to note 37 in the accompanying financial statements, which describes that the Company has delayed conducting its Annual General Meeting ('AGM') for the years ended 31 March 2018, 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022, beyond the timelines prescribed under Section 96 of the Act. The Company has filed a compounding application dated 28 April 2023 before the Registrar of Companies under Section 441 of the Act in respect of aforesaid delay, which is pending adjudication as on date. The management is of the view that the impact of aforesaid non-compliance is not currently ascertainable but is not expected to be material to the accompanying financial statements. Our opinion is not modified in respect of this matter.



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Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors are responsible for the other information. The other information but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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.



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as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

10. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
11. 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 the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;



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- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 12(b) above on reporting under section 143(3)(b) of the Act and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed unmodified opinion; and
- 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 32 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024.;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 40 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 40 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.



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- v. The Company has not declared or paid any dividend during the year ended 31 March 2024.
- vi. As stated in note 38 to the financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below:
 - i. The accounting software used for maintenance of all accounting records of the Company did not capture the complete details of what data was changed while recording audit trail (edit log) facility at the application level. However, such software captures the username, date and time in respect of any edits made, along with the total value changes between old and new values.
 - ii. Further, the audit trail feature was not enabled at the database level for such accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Praveen Warriar
Partner
Membership No.: 214767
UDIN: 24214767BKEYYD3577



Chennai
06 September 2024

Walker Chandlok & Co LLP

Annexure I referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of G.G.Trionics India Private Limited on the financial statements for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 11A to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The inventories held by the Company pertaining to Train Collision Avoidance System (TCAS) project comprise of work in progress of the contract under development. Having regard to the nature of such inventory, the management has conducted physical verification of such inventory by way of site visits, verification of installation certificates, video conferencing, and continuous project progress monitoring by competent persons, at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. The remaining inventories comprising of raw material, work in progress and finished goods has been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedures of such verification by the management is appropriate and no discrepancy of 10% or more in aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in Note 5 to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks and/or financial institutions based on the security of current assets. The monthly statements, in respect of the working capital limits have been filed by the Company with such banks and/or financial institutions and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit/review, except for the following:



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| Name of the Bank / financial institution | Working capital limit sanctioned | Nature of current assets offered as security | Month | Information disclosed as per return (₹ Lakhs) | Information as per books of accounts (₹ Lakhs) | Difference |
|--|----------------------------------|--|-------|---|--|------------|
| ICICI Bank | 25 crores | Inventory Raw Material and finished goods | March | 4,001.10 | 4003.33 | 2.23 |
| | | Inventory WIP | | NIL | 1,434.26 | 1,434.26 |
| | | Trade Receivable | | 5,273.89 | 5,149.27 | (124.61) |

- (iii) The Company has not made any investment 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 (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though income-tax have not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payables in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:



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Statement of arrears of statutory dues outstanding for more than six months:

| Name of the statute | Nature of the dues | Amount (₹ Lakhs) | Period to which amount relates | Due Date | Date of Payment | Remarks, if any |
|----------------------|--------------------|------------------|--------------------------------|---------------|-----------------|-----------------|
| Income Tax Act, 1961 | Income Tax | 1.49 | FY 2004-05 | 12-Oct-2006 | Not Paid | - |
| Income Tax Act, 1961 | Income Tax | 7.90 | FY 2005-06 | 20-March-2008 | Not Paid | - |
| Income Tax Act, 1961 | Income Tax | 0.91 | FY 2007-08 | 16-Feb-2016 | Not Paid | - |

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Gross Amount (₹ Lakhs) | Amount paid under Protest (₹ Lakhs) | Period to which amount relates | Forum where dispute is pending | Remarks, if any |
|----------------------|----------------|------------------------|-------------------------------------|--------------------------------|--------------------------------|-----------------|
| Income Tax Act, 1961 | Income Tax | 190.44 | - | FY 19-20, AY 20-21 | CIT Appeals | - |
| Income Tax Act, 1961 | Income Tax | 13.88 | - | FY 18-19, AY 19-20 | Assessing Officer | - |

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.



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- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us, we report that the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 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, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Accounting Standard (AS) 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2021 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.



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Annexure I referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of G.G.Trionics India Private Limited on the financial statements for the year ended 31 March 2024

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management 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) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year, for the current financial year.

Further, the Company has not transferred certain unspent amount in respect of other than ongoing projects to a Fund specified in Schedule VII to the Act. Details are as given below:

| Financial year | Amount identified for Spending on CSR activities "other than On Going Projects" (₹ Lakhs) | Unspent Amount not transferred to Fund (₹ Lakhs) |
|-----------------------|--|---|
| (a) | (b) | (c) |
| 2021-22 | 8.13 | 3.13 |
| 2020-21 | 5.00 | 5.00 |



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Annexure I referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of G.G.Trionics India Private Limited on the financial statements for the year ended 31 March 2024

- (b) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to any ongoing project as at end of the current financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker ChandioK & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Praveen Warriar
Partner
Membership No.: 214767
UDIN: 24214767BKEYYD3577



Chennai
06 September 2024

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Annexure II to the independent Auditor's Report of even date to the members of G.G.Trionics India Private Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of G.G.Trionics India Private Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based internal financial control with reference to financial reporting criteria established by te 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.



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Annexure II to the independent Auditor's Report of even date to the members of G.G.Trionics India Private Limited on the financial statements for the year ended 31 March 2024

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on internal financial control with reference to the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**
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Firm's Registration No.: 001076N/N500013



Praveen Warriar
Partner
Membership No.: 214767
UDIN: 24214767BKEYYD3577



Chennai
06 September 2024

G.G. Tronics India Private Limited
 Balance Sheet as at 31 March 2024
 (Amount in ₹ Lakhs unless otherwise stated)

| Particulars | Note | As At | As At |
|--|------|-------------------------|-------------------------|
| | | 31 March 2024 | 31 March 2023 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 365.59 | 417.53 |
| Reserves and surplus | 4 | 5,375.49 | 5,628.45 |
| | | <u>5,741.08</u> | <u>6,045.98</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 409.57 | - |
| Other long term liabilities | 6 | 24.66 | 23.19 |
| Long-term provisions | 7 | 236.46 | 192.07 |
| | | <u>670.69</u> | <u>215.26</u> |
| Current liabilities | | | |
| Short-term borrowings | 8 | 1,662.34 | 3.80 |
| Trade payables | 9 | | |
| Total outstanding dues of micro enterprises and small enterprises;and | | 228.81 | 43.03 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,577.29 | 3,283.98 |
| Other current liabilities | 10 | 719.84 | 459.41 |
| Short term provisions | 7 | 377.58 | 406.84 |
| | | <u>6,568.86</u> | <u>4,197.06</u> |
| Total | | <u><u>12,977.63</u></u> | <u><u>10,458.30</u></u> |
| ASSETS | | | |
| Non-current assets | | | |
| Property plant and equipment | 11A | 912.06 | 918.26 |
| Intangible assets | 11B | 106.05 | 162.61 |
| Intangible assets under development | 11C | 2.51 | - |
| Deferred tax assets (net) | 12 | 84.41 | 18.92 |
| Long-term loans and advances | 13 | 367.08 | 232.04 |
| Other non-current assets | 14 | 405.17 | 341.02 |
| | | <u>1,877.29</u> | <u>1,672.85</u> |
| Current assets | | | |
| Inventories | 15 | 5,312.29 | 4,456.53 |
| Trade receivables | 16 | 5,149.28 | 2,721.87 |
| Cash and bank balances | 17 | 96.13 | 1,357.88 |
| Short-term loans and advances | 13 | 116.83 | 69.20 |
| Other current assets | 18 | 425.81 | 179.97 |
| | | <u>11,100.34</u> | <u>8,785.45</u> |
| Total | | <u><u>12,977.63</u></u> | <u><u>10,458.30</u></u> |

Summary of significant accounting policies and other explanatory information
 The accompanying notes form part of financial statements

2-41

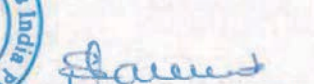
This is the Balance Sheet referred to in our report of even date.

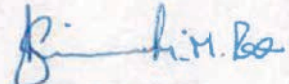
For Walker Chandio & Co LLP
 Chartered Accountants
 Firm Registration Number: 001076MN500013


 Praveen Warrler
 Partner
 Membership No: 214767
 Chennai
 06 September 2024



For and on behalf of the board of directors of
 G.G. Tronics India Private Limited


 Kolar Srinivaschakravarthy Shamantha
 Director
 DIN: 02066206
 Bengaluru
 06 September 2024


 Srinidhi Manjunath Rao
 Director
 DIN: 07578169
 Bengaluru
 06 September 2024

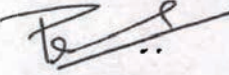

 Pankaj Sachdeva
 Chief Financial Officer
 Bengaluru
 06 September 2024

G.G. Tronics India Private Limited
Statement of Profit and loss for the year ended 31 March 2024
(Amount in ₹ Lakhs unless otherwise stated)

| Particulars | Notes | Year ended | Year ended |
|--|-------|------------------|-----------------|
| | | 31 March 2024 | 31 March 2023 |
| Income | | | |
| Revenue from operations | 19 | 10,542.93 | 9,812.99 |
| Other income | 20 | 64.56 | 92.09 |
| Total Income | | 10,607.49 | 9,905.08 |
| Expenses | | | |
| Cost of materials consumed | 21 | 5,991.87 | 5,872.13 |
| Changes in inventories of finished goods, work-in-progress | 22 | (288.86) | (561.76) |
| Employee benefits expenses | 23 | 1,677.13 | 1,611.98 |
| Finance costs | 24 | 92.47 | 12.59 |
| Depreciation and amortization expense | 25 | 207.62 | 201.23 |
| Other expenses | 26 | 1,809.38 | 1,610.25 |
| Total expenses | | 9,489.61 | 8,746.42 |
| Profit before exceptional and extra-ordinary items and tax | | 1,117.88 | 1,158.66 |
| Tax expense: | | | |
| Current tax | | 195.32 | 204.42 |
| Deferred tax | | (65.49) | 2.51 |
| MAT credit entitlement | | (132.30) | - |
| MAT credit entitlement for prior years | | - | (194.87) |
| | | (2.47) | 12.06 |
| Profit after tax | | 1,120.35 | 1,146.58 |
| Earnings per equity share : | | | |
| Basic earnings per equity share (₹) | 31 | 288.38 | 274.60 |
| Summary of significant accounting policies and other explanatory information | 2-41 | | |
| The accompanying notes form part of financial statements | | | |


This is the Statement of Profit and Loss referred to in our report of even date.


For Walker Chandlok & Co LLP
Chartered Accountants
Firm Registration Number: 001076N/N500013


Praveen Warriar
Partner
Membership No: 214767
Chennai
06 September 2024



For and on behalf of the board of directors of
G.G. Tronics India Private Limited


Kolar Srinivaschakravarthy Shamantha
Director
DIN: 02066206
Bengaluru
06 September 2024


Srinidhi Manjunath Rao
Director
DIN: 07578169
Bengaluru
06 September 2024


Pankaj Sachdeva
Chief Financial Officer
Bengaluru
06 September 2024



G.G. Tronics India Private Limited
Statement of Cash Flow for the year ended 31 March 2024
(Amount in ₹ Lakhs unless otherwise stated)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| A. Cash flow from Operating Activities | | |
| Profit before tax | 1,117.88 | 1,158.66 |
| Add: Non cash/ non operating adjustments | | |
| Depreciation and amortization expense | 207.62 | 201.23 |
| Liabilities written back | (14.02) | (10.17) |
| Interest income from fixed deposits | (32.29) | (67.74) |
| Finance costs | 92.47 | 12.59 |
| Provision for gratuity | 57.12 | 17.35 |
| Provision for compensated absence | 7.12 | 19.85 |
| Provision for warranty | - | 7.62 |
| Provision for slow moving inventory | 61.04 | 34.05 |
| Provision for doubtful trade receivables | 176.26 | 65.25 |
| Rent reserve | 1.47 | 2.43 |
| Rental income | (7.04) | (11.82) |
| Unrealized gain on foreign exchange | 0.04 | 0.16 |
| Operating profit before working capital changes | 1,667.68 | 1,430.07 |
| Movements in working capital: | | |
| Changes in trade receivables | (2,603.67) | 582.46 |
| Changes in Inventories | (916.79) | (1,479.21) |
| Changes in short term loans and advances | (47.63) | 29.01 |
| Changes in other current assets | (245.84) | (13.95) |
| Changes in trade payables | 465.03 | (39.53) |
| Changes in other current liabilities | 274.45 | (73.08) |
| Changes in short term provision | (8.13) | (50.44) |
| Cash generated from Operations | (3,082.58) | (1,044.74) |
| Less: Income Tax Paid | (225.03) | (127.45) |
| Net Cash flows (Utilized in)/generated from from operating activities (A) | (1,639.93) | 257.88 |
| B. Cash flows from investing activities | | |
| Purchase of property plant and equipment and intangible assets | (147.40) | (103.70) |
| Sale of property plant and equipment | - | 0.29 |
| Interest received on fixed deposits | 32.29 | 67.74 |
| Closure/(Investment) of Deposits | 564.18 | (128.15) |
| Rental income | 7.04 | 11.82 |
| Net Cash Generated from/(Utilized in) investing activities (B) | 456.12 | (152.00) |
| C. Cash flows from financing activities | | |
| Repayment of long-term borrowings | - | (7.33) |
| Finance cost paid | (92.47) | (0.85) |
| Dividend paid | - | (150.31) |
| Proceeds from long term borrowings | 409.57 | - |
| Proceeds from short-term borrowings(net) | 1,658.54 | - |
| Payment for buy back of shares | (1,363.37) | - |
| Tax on buy back of shares | (61.88) | - |
| Net Cash generated from/(utilized in) financing activities (C) | 550.39 | (158.49) |
| Net Increase/ Decrease in Cash & cash equivalents (A+B+C) | (633.42) | (52.61) |
| Opening balance of Cash & cash Equivalents | 712.53 | 765.14 |
| Closing balance of Cash & cash equivalents | 79.11 | 712.53 |
| Components of Cash and cash equivalents | | |
| Cash on hand | 0.03 | 0.03 |
| Balances with banks | | |
| - In current accounts | 79.08 | 77.15 |
| - In deposit accounts with original maturity of less than three months | - | 635.35 |
| Total Cash and cash equivalents (refer note 17) | 79.11 | 712.53 |

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number: 001076NN/500013

Praveen Warriar
Partner
Membership No: 214767
Chennai
06 September 2024



For and on behalf of the board of directors of
G.G. Tronics India Private Limited

Kolar Srinivaschakravarthy Shamantha
Director
DIN: 02066206
Bengaluru
06 September 2024

Srinidhi Manjunath Rao
Director
DIN: 07578169
Bengaluru
06 September 2024

Pankaj Sachdeva
Chief Financial Officer
Bengaluru
06 September 2024

G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information
(Amount in ₹ Lakhs, unless otherwise stated)

1 Corporate information

M/s. G.G Tronics India Private Limited ("the Company") was incorporated as a Private Limited Company on 10 January 2003. The Company commenced its commercial operations with effect from the financial year 2003-04. The registered office of the Company is at Plot No 10, 6th Main Rd, 3rd Stage, Phase 3, Peenya, Bengaluru, Karnataka 560058. The Company is engaged in the business of Manufacture of Electrical and Electronic goods etc. for the purposes of traffic management in the railway industry and providing maintenance services in the railway industry.

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles of India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2021, and the relevant provisions of the Companies Act, 2013 ('the Act'). The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounts of the company have been prepared on a going concern basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The Company is a Small and Medium Sized Company ("SMC") as defined in the General Instructions in respect of Accounting Standards notified under the Act. Accordingly, the Company has complied with the accounting standards as applicable to SMC. Pursuant to exemptions/relaxations applicable to a SMC, Accounting Standard (AS) 17 Segment Reporting is not applicable for the current period. Further, certain disclosure requirements in terms of Accounting Standard (AS) 15, Employee benefits, Accounting Standard (AS) 19, Leases, Accounting Standard (AS) 20, Earnings per share and Accounting Standard (AS) 29, Provisions, Contingent Liabilities and Contingent Assets are not applicable to the Company for the current year.

The financial statements are presented in Indian Rupees lakhs unless otherwise stated.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are stated at lower of cost and net realizable value, after providing on obsolescence and other losses, where considered necessary. Cost is determined on first in and first out (FIFO) for raw material and weighted average(WAC) cost basis for work in progress and finished goods. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, non refundable taxes.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and collection is reasonably certain. Revenue is stated at contractual realisable values, net of duties, taxes and trade discounts. Sales exclude Goods and services tax.

Sale of goods

Revenue from sale of goods, are recognised when the significant risks and rewards of ownership of the goods are transferred to the customer, which generally coincides with the delivery or dispatch of goods depending on the terms and conditions of the agreement.

Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from maintenance contracts are recognised over the period of the contract, as an when such services are rendered. Revenue is recognised only if certainty in collection exists.

Revenue from contractual projects

Revenue from contractual project is recognised over time, with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

The Company recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognises revenue to the extent of cost incurred, provided the Company expects to recover the costs incurred towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

2.7 Other Income

Interest income, rental income and other incomes are accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.



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G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information
(Amount in ₹ Lakhs, unless otherwise stated)

2.8 Property, Plant and Equipment

a) Property, Plant and Equipment are stated at cost less accumulated depreciation less accumulated impairment, if any. Cost comprises purchase price and other costs directly attributable to bringing the assets to their present location and working condition for their intended use.

b) Property, Plant and Equipment are tested for impairment when such indicators exist and assets which are not expected to generate any future cash flows are stated at their Net Realizable Value.

c) Useful life of the assets are as follows:

| | |
|--|----------|
| Building | 30 years |
| Plant and machinery | |
| Plant and machinery other than loose tools | 8 years |
| Loose tools | 3 years |
| Furniture and fixtures | 10 years |
| Electrical fittings | 5 years |
| Vehicles | 8 years |
| Computers | 3 years |
| Office equipments | 5 years |

2.9 Intangible assets

Intangible assets purchased are measured at cost less accumulated amortization and accumulated impairment, if any. Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

| | |
|-----------------------|---------|
| Software | 3 Years |
| Intellectual property | 5 years |

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Research cost of internally generated intangible asset are charged to the statement of Profit and Loss in the year in which they are incurred.

2.10 Impairment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and Intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.

2.11 Depreciation

Depreciation/amortization on property, plant and equipment is provided on the straight-line method using the rates arrived at based on the useful lives estimated by the management. The Company has used the rates (as mentioned point 2.8) to provide depreciation on its property, plant and equipment, as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013.

2.12 Foreign Currency Transactions

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as at the date of transaction. The difference, if any, on actual payment / realization is dealt in the profit and loss account. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt in the profit and loss account.

2.13 Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Defined benefit plans

Employees' Gratuity scheme is on funded basis. It is a part of compensation package and the employees are eligible at the time of separation or termination of service as per the provisions of The Payment of Gratuity Act, 1972. Liability on account of Gratuity is provided for on the basis of actuarial valuation.

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G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information
(Amount in ₹ Lakhs, unless otherwise stated)

2.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment. Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income originating during the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax liabilities are recognised for all the taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognised deferred tax assets. It recognises un-recognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax in the future. In the year in which MAT credit becomes eligible to be recognized as an asset, it is credited to the Statement of Profit and Loss as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax in the future, post the period covered by any tax holiday/tax free period.

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G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information
(Amount in ₹ Lakhs, unless otherwise stated)

2.18 Provisions And Contingent Liability:

A provision is recognized when the company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on the best estimate as at the balance sheet date, required to settle the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.19 Contingent Liability

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

2.20 Operating Cycle

Operating cycle and basis of classification of assets and liabilities

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months from the end of reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months from the end of reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months from the end of reporting period, or
- there is no unconditional right to defer the settlement of the liability beyond twelve months from the end of reporting period

All other liabilities are classified as non-current

Based on the nature of service and the time between the rendition of service and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

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G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information (Cont'd)
(Amount in ₹ Lakhs unless otherwise stated)

3. Share capital

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Authorized | | | | |
| Equity share capital (₹ 100/- each) | 500,000 | 500.00 | 500,000 | 500.00 |
| Issued, subscribed & paid up capital | | | | |
| Equity share capital (₹ 100/- each) | 365,593 | 365.59 | 417,531 | 417.53 |
| | 365,593 | 365.59 | 417,531 | 417.53 |

(a) Reconciliation of the number of shares subscribed and amount outstanding at the beginning and at the end of the reporting period:

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| A) Equity shares | | | | |
| Balance at the beginning of the year | 417,531 | 417.53 | 417,531 | 417.53 |
| Less : Number of shares bought back during the year | 51,938 | 51.94 | - | - |
| Balance at the end of the year | 365,593 | 365.59 | 417,531 | 417.53 |

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

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in ₹. Any dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

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

(c) Shares in the company held by each shareholder holding more than 5 per cent.

| Name of shareholder | As at 31 March 2024 | | As at 31 March 2023 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares of ₹ 100 each fully paid-up held by- | | | | |
| KS Shamantha | 182,797 | 50% | 137,797 | 33% |
| Srinidhi M Rao | 182,796 | 50% | 137,796 | 33% |
| M/s.Nippon Signal Co Ltd , Japan | - | 0% | 141,938 | 34% |
| | 365,593 | 100% | 417,531 | 100% |

(d) Shares in the company held by promoters

| Promoter Name | Number of shares | % of total shares | % change during the year |
|----------------------------|------------------|-------------------|--------------------------|
| As at 31 March 2024 | | | |
| KS Shamantha | 182,797 | 50% | 17% |
| Srinidhi M Rao | 182,796 | 50% | 17% |
| As at 31 March 2023 | | | |
| KS Shamantha | 137,797 | 33% | - |
| Srinidhi M Rao | 137,796 | 33% | - |

(e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting period

The Company has not issued any bonus shares or shares for consideration other than cash, during five years immediately preceding 31 March 2024.

Aggregate amount of shares bought back during period of five years immediately preceding the reporting period - 51,938 shares at a price of ₹ 2,625 per share (in ₹), during the year ended 31 March 2024.



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G.G. Tronics India Private Limited
 Summary of significant accounting policies and other explanatory information (Cont'd)
 (Amount in ₹ Lakhs unless otherwise stated)

4. Reserves and surplus

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Surplus in statement of profit and loss | | |
| Balance at the beginning of the year | 3,246.74 | 2,100.16 |
| Add: Profit for the year | 1,120.35 | 1,146.58 |
| Less: Tax on buy back | (61.88) | - |
| Less: Capital redemption reserve | (51.94) | - |
| Balance at the end of the year | 4,253.27 | 3,246.74 |
| Capital redemption reserve | | |
| Opening balance | - | - |
| Additions during the year (Transferred from surplus in Statement of Profit and Loss) | 51.94 | - |
| Closing balance | 51.94 | - |
| Securities premium | | |
| Balance at the beginning of the year | 2,381.71 | 2,381.71 |
| Less : Utilised during the year for buy back of shares | (1,311.43) | - |
| Balance at the end of the year | 1,070.28 | 2,381.71 |
| Total | 5,375.49 | 5,628.45 |



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G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information (Cont'd)
(Amount in ₹ Lakhs unless otherwise stated)

6. Long-term borrowings

| | As At 31 March 2024 | As at 31 March 2023 |
|------------------------------|------------------------|------------------------|
| Term loans | | |
| - From financial institution | | |
| Secured term loan* | 375.34 | - |
| Vehicle Loan | 34.23 | - |
| | 409.57 | - |

*Secured term loan includes Cash Credit facility availed during FY 23-24 (Refer Note 8), from ICICI Bank Ltd is secured against Immovable property and Current Assets. The loan is repayable in 60 equal monthly installment starting from february 2024, and carries interest at 9% per annum and Company has not made any default in repaying the loan. The monthly statements, in respect of the working capital limits have been filed by the Company with such banks or financial institutions.

Summary of reconciliation of Statement provided to the Bank and books of account

| Name of the Bank / financial institution | Working capital limit sanctioned | Nature of current assets offered as security | Month | Information disclosed as per return (₹ Lakhs) | Information as per books of accounts (₹ Lakhs) | Difference |
|--|----------------------------------|--|------------|---|--|------------|
| ICICI Bank | 25 Crores | Inventory Raw Material and Finished goods | March 2024 | 4,001.10 | 4,003.33 | 2.23 |
| | | Inventory WIP | | Nil | 1,434.27 | 1,434.27 |
| | | Trade Receivable | | 5,273.89 | 5,149.28 | (124.61) |

Such differences are primarily on account of work-in-progress, whose number wasn't provided by the management and mentioned as nil in the returns, and valuation exercise of inventory carried on post submission of returns to bankers which include, but are not limited to, loading of overheads. In respect of Trade receivables, the difference is only on account of additional allowance for doubtful debt created during the management's financial statement review, which was post the submission of returns to the bank.

6. Other long term liabilities

| | As At 31 March 2024 | As at 31 March 2023 |
|---------------------------|------------------------|------------------------|
| Rental deposit | 8.25 | 8.25 |
| Rent equalisation reserve | 16.41 | 14.94 |
| | 24.66 | 23.19 |

7. Provisions

| | Long-Term | | Short-Term | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2024 | As at 31 March 2023 |
| Provision for employee benefits: | | | | |
| Provision for gratuity (Refer note 34) | 236.46 | 192.07 | 39.88 | 35.28 |
| Provision for compensated absences | - | - | 23.04 | 15.92 |
| Provision - Others: | | | | |
| Provision for taxes | - | - | 265.53 | 293.48 |
| Provision for warranty | - | - | 48.13 | 62.16 |
| | 236.46 | 192.07 | 377.58 | 406.84 |

Note: The Company operates a gratuity plan. Eligible employees are entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement whichever is earlier. The benefit vests after five years of continuous service.

8. Short-term borrowings

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Loans repayable on demand | | |
| From banks | | |
| Secured* | 1,617.36 | - |
| Loans and advances from directors | 44.98 | - |
| Unsecured | (100.00) | - |
| Current maturities of long-term debt (Refer note 5) | 1,562.34 | - |
| Current maturities of long-term debt (Refer note 5) | 100.00 | 3.80 |
| | 100.00 | 3.80 |



G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information (Cont'd)
(Amount in ₹ Lakhs unless otherwise stated)

| 9. Trade payables | As at | As at |
|---|-----------------|-----------------|
| | 31 March 2024 | 31 March 2023 |
| - total outstanding dues of micro enterprises and small enterprises | 228.81 | 43.03 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises* | 3,577.29 | 3,263.98 |
| *Refer Note 29 | <u>3,806.10</u> | <u>3,327.01</u> |

Trade payables ageing
As at 31 March 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|--------------|-------------|------------------|-----------------|
| | Not Due | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Total outstanding dues of micro enterprises and small enterprises | - | 228.07 | 0.74 | - | - | 228.81 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 103.44 | 3,431.02 | 16.49 | 7.34 | 19.00 | 3,577.29 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Total | 103.44 | 3,659.09 | 17.23 | 7.34 | 19.00 | 3,806.10 |

As at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|--------------|-------------|------------------|-----------------|
| | Not Due | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Total outstanding dues of micro enterprises and small enterprises | - | 43.03 | - | - | - | 43.03 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 132.19 | 3,114.25 | 18.60 | 2.98 | 15.96 | 3,283.98 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Total | 132.19 | 3,157.28 | 18.60 | 2.98 | 15.96 | 3,327.01 |

9. Trade Payables (Cont'd)

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2008

| (a) Amount remaining unpaid to any supplier at the end of each accounting year: | As at | As at |
|---|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Principal | 228.81 | 43.03 |
| Interest | 2.46 | - |
| TOTAL | | |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year. | 2.46 | - |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | - | - |

10. Other current liabilities

| | | |
|---|---------------|---------------|
| Advances from customers (Refer note 29) | 127.98 | 126.75 |
| CSR payable (Refer note 33) | 8.13 | 15.14 |
| Payables to employees | 196.57 | 158.46 |
| Statutory dues | 387.16 | 159.06 |
| | <u>719.84</u> | <u>459.41</u> |



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G.G. Tronics India Private Limited
 Summary of Significant accounting policies and other explanatory information (Cont'd)
 (Amount in ₹ Lakhs unless otherwise stated)

Property plant and equipment

11A. Tangible assets

| | Land | Buildings | Plant and machinery | Furniture and fixtures | Electrical fittings | Vehicles | Computers | Office equipment | Total |
|----------------------------------|--------|-----------|---------------------|------------------------|---------------------|----------|-----------|------------------|----------|
| Gross block | | | | | | | | | |
| Balance as at 1 April 2022 | 141.10 | 789.78 | 443.91 | 64.94 | 6.51 | 78.73 | 74.60 | 48.88 | 1,648.35 |
| Addition | - | - | 70.26 | - | - | 1.15 | 12.80 | 7.29 | 91.50 |
| Disposal | - | - | - | - | - | - | 0.28 | - | 0.28 |
| Balance as at 31 March 2023 | 141.10 | 789.78 | 514.17 | 64.94 | 6.51 | 79.88 | 87.02 | 56.17 | 1,739.57 |
| Addition | - | 15.80 | 42.67 | 1.02 | - | 45.36 | 14.34 | 11.17 | 130.36 |
| Balance as at 31 March 2024 | 141.10 | 805.58 | 556.84 | 65.96 | 6.51 | 125.24 | 101.36 | 67.34 | 1,899.92 |
| Accumulated depreciation | | | | | | | | | |
| Balance as at 1 April 2022 | - | 277.35 | 265.49 | 24.84 | 5.79 | 47.97 | 45.66 | 21.46 | 688.46 |
| Depreciation for the year | - | 25.04 | 68.37 | 5.18 | 0.48 | 8.83 | 16.51 | 8.46 | 132.87 |
| Disposal | - | - | - | - | - | - | 0.02 | - | 0.02 |
| Balance as at 31 March 2023 | - | 302.39 | 333.86 | 30.02 | 6.27 | 56.80 | 62.05 | 29.92 | 821.31 |
| Depreciation for the year | - | 25.25 | 67.35 | 4.91 | 0.15 | 10.43 | 18.03 | 10.41 | 136.53 |
| Balance as at 31 March 2024 | - | 327.64 | 401.21 | 34.93 | 6.42 | 67.23 | 80.08 | 40.33 | 957.86 |
| Net carrying amount as at | | | | | | | | | |
| 31 March 2023 | 141.10 | 487.39 | 180.31 | 34.91 | 0.24 | 23.08 | 24.97 | 26.25 | 918.26 |
| 31 March 2024 | 141.10 | 477.94 | 155.63 | 31.03 | 0.09 | 58.01 | 21.28 | 27.01 | 912.06 |

Note: Land owned by the Company, at Property No 8A/1, Plot No 10, Peenya 3rd Phase, Sy No 34, KIADB Industrial Area Chokkasandra Village, 6th Main Road, Yeshwanthpur, - Bangalore Karnataka, India, 560058 pledged as security. (Refer Note 5).

11B. Intangible assets

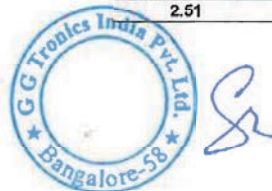
| | Intellectual property | Computer Software | Total |
|----------------------------------|-----------------------|-------------------|--------|
| Gross block | | | |
| Balance as at 1 April 2022 | 267.57 | 101.33 | 368.90 |
| Addition | - | 12.20 | 12.20 |
| Balance as at 31 March 2023 | 267.57 | 113.53 | 381.10 |
| Addition | - | 14.53 | 14.53 |
| Balance as at 31 March 2024 | 267.57 | 128.06 | 395.63 |
| Accumulated amortization | | | |
| Balance as at 1 April 2022 | 80.26 | 69.87 | 150.13 |
| Amortization for the year | 53.51 | 14.85 | 68.36 |
| Balance as at 31 March 2023 | 133.77 | 84.72 | 218.49 |
| Amortization for the year | 53.51 | 17.58 | 71.09 |
| Balance as at 31 March 2024 | 187.28 | 102.30 | 289.58 |
| Net carrying amount as at | | | |
| 31 March 2023 | 133.80 | 28.81 | 162.61 |
| 31 March 2024 | 80.29 | 25.76 | 106.05 |

11C. Intangible assets under development

| | Software under development | Total |
|-----------------------------|----------------------------|-------|
| Balance as at 31 March 2023 | - | - |
| Addition | 2.51 | 2.51 |
| Balance as at 31 March 2024 | 2.51 | 2.51 |

Ageing of intangible assets under development as at 31 March 2024

| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | Total |
|----------------------|------------------|----------|----------|------------------|-------|
| Projects in progress | 2.51 | - | - | - | 2.51 |



G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information (Cont'd)
(Amount in ₹ Lakhs unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| 12. Deferred tax assets (net) | | |
| The tax effect of significant temporary differences that resulted in deferred income tax asset as under: | | |
| Deferred tax asset (Net) | 84.41 | 18.92 |
| | <u>84.41</u> | <u>18.92</u> |
| The tax effect of significant temporary differences that resulted in deferred income tax asset as under: | | |
| Timing difference arising out of: | | |
| Provision for employee benefits | 68.77 | 61.25 |
| Provision for warranty | 2.16 | 2.59 |
| Provision for slow moving inventory | 34.86 | 17.88 |
| Provision for doubtful trade receivables | 52.10 | 18.15 |
| Difference in carrying value of property plant and equipment, intangible assets | (74.21) | (81.82) |
| Others | 0.73 | 0.87 |
| Net deferred tax asset | <u>84.41</u> | <u>18.92</u> |

13. Loans and advances

| | Long-term | | Short-term | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2024 | As at 31 March 2023 |
| Other loans and advances | | | | |
| Unsecured, considered good | | | | |
| Capital advances (Refer note 35) | 23.31 | 23.31 | - | - |
| MAT credit entitlement | 343.78 | 208.75 | - | - |
| Prepaid expenses | - | - | 5.52 | 10.90 |
| Advances paid to suppliers | - | - | 42.12 | 18.39 |
| Employee advances | - | - | 69.19 | 39.91 |
| | <u>367.09</u> | <u>232.06</u> | <u>116.83</u> | <u>69.20</u> |
| Unsecured, considered doubtful | | | | |
| Balances with government authorities | | | | |
| VAT receivable | - | - | 7.02 | 7.02 |
| Less: Provision for VAT receivable | - | - | (7.02) | (7.02) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>367.09</u> | <u>232.06</u> | <u>116.83</u> | <u>69.20</u> |

14. Other non-current assets

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Security deposits | 65.86 | 56.50 |
| Deposit accounts with original maturity of more than twelve months (Refer note 17)* | 339.31 | 284.52 |
| | <u>405.17</u> | <u>341.02</u> |

*Balance in earmarked account represent fixed deposits kept under lien.

15. Inventories

| | | |
|--|-----------------|-----------------|
| Raw materials | 3,952.38 | 3,324.45 |
| Less:- Provision for slow moving inventory | (125.31) | (64.28) |
| | <u>3,827.07</u> | <u>3,260.17</u> |
| Work-in-progress | 1,434.27 | 990.40 |
| Finished goods | 50.95 | 205.96 |
| | <u>5,312.29</u> | <u>4,456.53</u> |



G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information (Cont'd)
(Amount in ₹ Lakhs unless otherwise stated)

16. Trade receivables

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Unsecured, considered good (Refer note 29) | 5,149.28 | 2,721.87 |
| Doubtful | 187.26 | 65.25 |
| | <u>5,336.54</u> | <u>2,787.12</u> |
| Less: Provision for doubtful trade receivables | <u>(187.26)</u> | <u>(65.25)</u> |
| | <u>5,149.28</u> | <u>2,721.87</u> |

Trade receivables Ageing
As at March 31, 2024

| Particulars | Outstanding for following periods from date of transaction | | | | | Total |
|--|--|-----------------|---------------|---------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables considered good | 4,582.72 | 189.61 | 274.27 | 66.72 | 35.96 | 5,149.28 |
| Undisputed Trade Receivables considered doubtful | - | - | - | 94.42 | 92.84 | 187.26 |
| Disputed Trade receivable considered good | - | - | - | - | - | - |
| Disputed Trade receivable considered doubtful | - | - | - | - | - | - |
| Total | <u>4,582.72</u> | <u>189.61</u> | <u>274.27</u> | <u>161.14</u> | <u>128.80</u> | <u>5,336.54</u> |

As at March 31, 2023

| Particulars | Outstanding for following periods from date of transaction | | | | | Total |
|--|--|-----------------|---------------|---------------|------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 year | 2-3 year | More than 3 year | |
| Undisputed Trade Receivables considered good | 1,932.02 | 251.90 | 264.17 | 240.75 | 33.03 | 2,721.87 |
| Undisputed Trade Receivables considered doubtful | - | 1.88 | 38.82 | 13.99 | 10.56 | 65.25 |
| Disputed Trade receivable considered good | - | - | - | - | - | - |
| Disputed Trade receivable considered doubtful | - | - | - | - | - | - |
| Total | <u>1,932.02</u> | <u>253.78</u> | <u>302.99</u> | <u>254.74</u> | <u>43.59</u> | <u>2,787.12</u> |

17. Cash and bank balances

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 0.03 | 0.03 |
| Balances with banks | | |
| - In current accounts | 79.09 | 77.15 |
| - in deposit accounts with original maturity of less than three months* | - | 635.35 |
| Other bank balances | | |
| - in deposit accounts with maturity of more than three months but less than twelve | 17.01 | 645.35 |
| - In deposit accounts with remaining maturity of more than twelve months | 339.31 | 284.52 |
| | <u>435.44</u> | <u>1,642.40</u> |
| Less: Disclosed under other non current assets (refer note 14) | <u>(339.31)</u> | <u>(284.52)</u> |
| | <u>96.13</u> | <u>1,357.88</u> |

*Balance in earmarked account represent fixed deposits kept under lien.

18. Other current assets

| | | |
|------------------------------------|---------------|---------------|
| Unbilled revenue | 364.54 | 154.33 |
| Interest accrued on fixed deposits | 57.80 | 20.89 |
| Others | 3.47 | 4.75 |
| | <u>425.81</u> | <u>179.97</u> |



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G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information (Cont'd)
(Amount in ₹ Lakhs unless otherwise stated)

19. Revenue from operations

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Revenue from operations | | |
| a) Revenue from sale of goods (Refer note 29) | 8,593.92 | 8,813.42 |
| b) Revenue from services | 1,934.44 | 987.58 |
| Other operating revenue | | |
| Other operating revenue | 14.57 | 11.99 |
| | 10,542.93 | 9,812.99 |

20. Other Income

| | | |
|---|--------------|--------------|
| Interest on deposits with banks | 32.29 | 67.74 |
| Rental income | 7.04 | 11.82 |
| Liabilities no longer required written back | 14.02 | 10.17 |
| Freight income | 0.22 | 2.20 |
| Miscellaneous income | 10.99 | 0.16 |
| | 64.56 | 92.09 |

21. Cost of materials consumed

| | | |
|--|-----------------|-----------------|
| Inventory at the beginning of the year | 3,260.17 | 2,377.36 |
| Add: Purchases during the year | 0,556.77 | 6,754.92 |
| Less: Inventory at the end of the year | (3,827.07) | (3,260.17) |
| | 5,991.87 | 5,872.13 |

22. Changes in Inventories of finished goods, work in progress

Finished goods .

| | | |
|---------------------|---------------|-----------------|
| Opening stock | 205.96 | 68.10 |
| Less: Closing stock | (50.95) | (205.96) |
| | 155.01 | (137.86) |

Work-in-progress

| | | |
|---------------------|-----------------|-----------------|
| Opening stock | 990.40 | 566.50 |
| Less: Closing stock | (1,434.27) | (990.40) |
| | (443.87) | (423.90) |
| | (288.86) | (561.76) |

23. Employee benefits expenses

| | | |
|---|-----------------|-----------------|
| Salaries and wages | 1,418.10 | 1,396.08 |
| Director remuneration (Refer note 29) | 72.00 | 72.00 |
| Gratuity expense (Refer note 34) | 57.12 | 17.35 |
| Contribution to provident and other funds | 106.22 | 101.95 |
| Staff welfare expenses | 23.69 | 24.60 |
| | 1,677.13 | 1,611.98 |



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G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information (Cont'd)
(Amount in ₹ Lakhs unless otherwise stated)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| 24. Finance costs | | |
| Interest expenses | | |
| - On borrowings | 68.61 | 0.85 |
| Other borrowing costs | 23.87 | 11.74 |
| | 92.47 | 12.59 |
| 25. Depreciation and amortization expense | | |
| Depreciation of property, plant and equipment (Refer note 11A) | 136.53 | 132.87 |
| Amortization of intangible assets (Refer note 11B) | 71.09 | 68.36 |
| | 207.62 | 201.23 |
| 26. Other expenses | | |
| Subcontracting expenses | 218.26 | 190.58 |
| Rent expenses | 134.47 | 134.53 |
| Legal and professional charges* | 422.43 | 316.79 |
| Electricity charges | 41.74 | 36.32 |
| Insurance | 17.41 | 23.83 |
| Advertisement and exhibition expenses | 6.06 | 35.25 |
| Rates and taxes | 35.68 | 8.49 |
| CSR expenditure (Also, refer note 33) | 17.72 | 15.14 |
| Repairs and maintenance | | |
| - Plant and machinery | 36.88 | 18.55 |
| - Others | - | 12.71 |
| Travel and conveyance | 175.27 | 169.12 |
| Installation, commissioning and maintenance Charges | 372.84 | 435.14 |
| Miscellaneous expense | 154.36 | 140.93 |
| Provision for doubtful debts | 176.26 | 65.25 |
| Provision for warranty | - | 7.62 |
| | 1,809.38 | 1,610.25 |
| * Professional Charges include payment to the Auditor as under | | |
| Statutory audit | 20.50 | 20.00 |
| Certification | 0.50 | 0.50 |
| | 21.00 | 20.50 |



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G.G. Tronics India Private Limited
 Summary of significant accounting policies and other explanatory information (Cont'd)
 (Amount in ₹ Lakhs unless otherwise stated)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| 27. Expenditure in foreign currency | | |
| Purchase of raw material | 11.41 | 92.75 |
| Other expenses | - | 9.15 |
| | 11.41 | 101.90 |
| 28.CIF Value of Imports | | |
| Purchase of raw material | 11.41 | 92.75 |
| | 11.41 | 92.75 |

Total value of all imported and indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption -

| | | |
|--|----------|----------|
| Consumption of Imported raw material | 11.41 | 92.75 |
| Consumption of indigenous raw material | 5,980.46 | 5,779.38 |
| % Consumption of Imported raw material | 0.19% | 1.58% |
| % Consumption of indigenous raw material | 99.81% | 98.42% |

29. Related Party Disclosures

(a) List of related parties

Name of the related party

Nature of relationship

a. Enterprise where direct control exists:

Nippon Signal India Private Limited

Parties exercising significant control (Till 8 September 2023)

Nippon Signals Company Ltd.

Parties exercising significant control (Till 8 September 2023)

Venkateshwara Rail Nirman Pvt Ltd

Entity in which relative of promoter has significant influence

b. Key managerial personnel

KS Shamantha

Director

Srinidhi M Rao

Director

Naoki Temmizu

Director (Resigned w.e.f 8 September 2023)

(b) Transactions with Related Parties during the year

| Related Party | Nature of relationship | Year ended | Year ended |
|-------------------------------------|---------------------------|-----------------|---------------|
| | | 31 March 2024 | 31 March 2023 |
| KS Shamantha | Director remuneration | 36.00 | 36.00 |
| | Loan received | 50.00 | - |
| Srinidhi M Rao | Director remuneration | 36.00 | 36.00 |
| | Loan received | 50.00 | - |
| Nippon Signals Company Ltd | Sales of goods | 12.94 | 248.87 |
| | Sales of services | 63.80 | 230.84 |
| | Dividend declared | - | - |
| | Share Buy Back of shares | 1,363.37 | - |
| Nippon Signal India Private Limited | Sales of goods | - | 83.64 |
| | Sales of services | - | 3.35 |
| | Rental income | 7.04 | 11.82 |
| | Reimbursement of expenses | - | 1.12 |
| | | 1,619.15 | 651.64 |



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G.G. Tronics India Private Limited
Summary of significant accounting policies and other explanatory information (Cont'd)
(Amount in ₹ Lakhs unless otherwise stated)

29. Related Party Disclosures (Cont'd)

| Balance with related party | | As At 31 March 2024 | As At 31 March 2023 |
|--|-----------------------|------------------------|------------------------|
| KS Shamantha | Director remuneration | 2.17 | 2.42 |
| | Loan Payable | 16.49 | |
| Srinidhi M Rao | Director remuneration | 2.17 | 2.60 |
| | Loan Payable | 28.50 | |
| | | <u>49.33</u> | <u>5.02</u> |
| Amount due from related parties | | | |
| Venkateshwara Rail Nirman Pvt Ltd | | 79.21 | 108.21 |
| Nippon Signal Company Ltd | | 43.97 | 176.19 |
| Nippon Signal India Private Limited | | - | 0.39 |
| | | <u>123.18</u> | <u>284.80</u> |
| Advance received from related parties | | | |
| Nippon Signal Company Ltd | | 25.16 | 25.16 |
| | | <u>25.16</u> | <u>25.16</u> |

30. Leases

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 5 years. The lease agreements provide for an increase in the lease payments by 5% every year.

31. Earnings per share

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Net profit attributable to equity shareholders for the period | 1,120.35 | 1,146.58 |
| Weighted average number of equity shares (subscribed) of Rs 100 each used for calculation of basic earnings per share | 368,503 | 417,531 |
| Basic and diluted earnings per share (₹) | <u>288.38</u> | <u>274.60</u> |

32. Contingent liabilities and commitments

Contingent liabilities

(a) Claims against the Company not acknowledged as debt

| | | |
|---------------------------------------|--------------|--------------|
| TDS Defaults appearing in the traces. | - | 16.24 |
| Pending litigations | - | 3.04 |
| Income tax | 77.03 | 77.03 |
| | <u>77.03</u> | <u>96.31</u> |

33. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| (a) Gross amount to be spent | 17.72 | 15.12 |
| (b) Amount spent during the year | | |
| - Construction/ acquisition of any asset | - | - |
| - On purposes other than above | 17.72 | 8.13 |
| (c) Shortfall at the end of the year | 8.13 | 8.13 |
| (d) Nature of CSR activities | Social | Social |
| | Empowerment | Empowerment |
| (e) Details of related party transactions | | |

34. Disclosure pursuant to Accounting Standard – 15 'Employee Benefits

Defined benefit obligation - Actuarial Assumptions

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|----------------------|---|---|
| Discount rate | 7.20% p.a | 7.45% p.a |
| Future salary growth | 6.00% p.a | 6.00% p.a |
| Attrition rate | 10% at younger ages to 2% at older ages | 10% at younger ages to 2% at older ages |
| Mortality rate | Ultimate Mortality Table | Ultimate Mortality Table |

Note: The Company operates a gratuity plan. Eligible employees are entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement whichever is earlier. The benefit vests after five years of continuous service.

35. Advance for industrial land

Long term loan and advances includes advance for capital expenditure of ₹ 23.31 paid during 2007 & 2009 to Karnataka Industrial Area Development Board (KIADB) for allotment of industrial land. The land was allotted on 23 May 2009, however Company has not got possession of the same till date. Management is confident that the possession of the same will be received in due course.



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G.G. Tronics India Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

(Amount in ₹ Lakhs unless otherwise stated)

36. Ratio analysis

| Ratio | Numerator | Denominator | 31 March 2024 | 31 March 2023 | % Change | Reason for Variance beyond 25% |
|---------------------------------|---|---|------------------|------------------|----------|--|
| Current ratio | Current Assets | Current Liabilities | 1.69 | 2.09 | (19%) | NA |
| Return on Equity ratio | Net Profits after taxes | Average Shareholder's Equity | 0.19 | 0.21 | (9%) | NA |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 2.68 | 3.22 | (17%) | NA |
| Trade Payable Turnover Ratio | Net credit purchases | Average Trade Payables | 1.84 | 2.02 | (9%) | NA |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Average working capital = Average (Current assets – Current liabilities) | 2.31 | 2.38 | (3%) | NA |
| Net Profit ratio | Net Profits after taxes | Net sales = Total sales - sales return | 0.11 | 0.12 | (9%) | NA |
| Return on Capital Employed | Earnings before interest and taxes (EBIT) | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.21 | 0.19 | 10% | NA |
| Debt-Equity Ratio | Total Debt | Shareholder's Equity | 0.36 | - | 100% | The Change is ratio is due to the loan availed by the Company during the year. |
| Inventory Turnover Ratio | Cost of goods sold | Average Inventory | 1.17 | 1.54 | (24%) | NA |
| Debt Service Coverage Ratio | Earnings Available for debt service= Net profit before taxes + Non cash operating expenses + Interest + Other adjustments like Loss on sale of fixed assets | Debt Services= interest and lease payment + principal repayment | 16.35 | 0.00 | 100% | The Change is ratio is due to the loan availed by the Company during the year. |

37. The Company has delayed the conduct of its annual general meeting for the years ended 31 March 2022, 31 March 2021, 31 March 2020, 31 March 2019, and 31 March 2018 beyond the timelines prescribed in section 96 of the Companies Act, 2013 ('the Act').

The Company has already conducted the AGM for the years ended 31 March 2022, 31 March 2021, 31 March 2020, 31 March 2019 and 31 March 2018, and has made a combined compounding application under Section 441 dated 28 April 2023 for the said years with the ROC in respect of aforesaid delay. Any fine/penalties that may be levied are not presently ascertainable but not expected to be material to the financial statements.

The Company had also made a compounding application under Section 441 dated 11 May 2023 for regularizing the delay in laying down of financial statements in AGM under Section 129 (2) of the Act in respect of aforesaid years, against which the Regional Director, Ministry of Corporate Affairs had issued an order dated 12 July 2023 requiring the Directors (present and resigned) of the Company to pay compounding fee aggregating to ₹ 13.00 from their own sources, which was duly paid.



G.G. Tronics India Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

(Amount in ₹ Lakhs unless otherwise stated)

38. The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail facility and the same has operated throughout the year for all relevant transactions recorded in the software at the application level, which is able to capture the username, date and time in respect of any edits made, along with the total value changes between old and new values. However, such software did not capture the complete details of what data was changed. Also, the audit trail feature was not enabled at the database level for such accounting software to log any direct data changes, used for maintenance of all accounting records by the Company. The management is currently under process of implementing and enhancing the same.

39. Subsequent events

Subsequent to the reporting date the Company was acquired by CG Power and Industrial Solutions Limited ('CG Power') with 55% voting rights interest in the Company through a combination of purchase of equity shares from the Promoters of the Company and by way of subscription to Compulsorily Convertible Preference Shares for an aggregate consideration of up to ₹ 31,938. Pursuant to the completion of the said acquisition, the Company has become a subsidiary of CG Power w.e.f. 20th August, 2024.

No material events have occurred between the Balance Sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements as at 31 March 2024.

40. Other Statutory Information

i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii. During the year, the Company has not revalued its Property, Plant and Equipment and Intangible Assets.

iii. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

iv. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

v. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

vi. The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.

vii. No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended schedule III:

Relating to borrowed funds:

- i. Wilful defaulter
- ii. Utilisation of borrowed funds & share premium
- iii. Discrepancy in utilization of borrowings

41. The figures of the previous year have been regrouped and reclassified wherever necessary to confirm with current year figures. The impact of such reclassification/ regrouping is not material to the financial statements.

As per our report of even date.

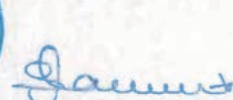
For Walker ChandioK & Co LLP
Chartered Accountants
Firm Registration Number: 001076N / N500013



Praveen Warriar
Partner
Membership No: 214767
Chennai
06 September 2024



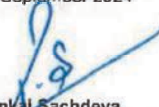
For and on behalf of the Board of Directors of
G.G. Tronics India Private Limited



Kolar Srinivaschakravarthy Shamantha
Director
DIN: 02066206
Bengaluru
06 September 2024



Srinidhi Manjuath Rao
Director
DIN: 07578169
Bengaluru
06 September 2024



Pankaj Sachdeva
Chief Financial Officer
Bengaluru
06 September 2024