



N V NATHAN & CO
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ACORN ENGINEERING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ACORN ENGINEERING LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 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 control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit



procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, the Cash Flow statement and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) 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, we report that there are no such transactions during the year.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in the paragraph 3 and 4 of the Order.



Place: Madurai

Date : 15th May, 2023

For N. V. NATHAN & Co.,

Chartered Accountants

ICAI Firm Registration No. 002434S

A handwritten signature in black ink, appearing to read "T Ramanujam".

T Ramanujam

Partner

Membership No.018998

UDIN: 23018998BGMGY8485

“ANNEXURE-A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 1 (f) under ‘Report on other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Acorn Engineering Limited (“the Company”) as at 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting


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

Opinion

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

Place: Madurai
Date : 15th May, 2023

For N. V. NATHAN & Co.,
Chartered Accountants
ICAI Firm Registration No. 002434S


T Ramanujam
Partner
Membership No.018998



ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' of our report of even date)

- (i) The Company has no Fixed Assets and therefore clause 3(i)(a), (i)(b) and (i)(c) of CARO are not applicable.
- (ii) The company does not hold any Inventory. Clause 3(ii) is therefore not applicable to the company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) (a) to (c) of the Order are not applicable.
- (iv) The Company does not have any loans, investments, guarantees and security under Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder and the directions issued by the RBI are applicable. Hence clause 3(v) of CARO is not applicable to the company.
- (vi) The clause (vi) of CARO in regard to cost audit requirement disclosure is not applicable.
- (vii) (a) The Company has no undisputed statutory dues wherever applicable with appropriate authorities during the year.
(b) There are no dues of income tax, sales tax, service tax, customs duty, excise duty and VAT which have not been deposited on account of any dispute.
- (viii) The Company had no loans from a Financial Institution or Bank or Government or dues to debenture holders & therefore clause (viii) is not applicable to the Company.
- (ix) The Company has not raised any moneys by way of Initial Public Offer / Further Public Offer and term loans during the year. Clause (ix) of the Order is therefore not applicable to the Company.
- (x) There is no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (xi) The provisions of Section 197 with reference to Managerial Remuneration do not apply to the Company, as there has been no managerial remuneration. Hence, clause (xi) of the Order is not applicable to the Company.



- (xii) As the Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company.
- (xiii) In respect of the related parties' transactions entered during the year, the Company has complied with the provisions of Sec. 177 and 188 of the Act, wherever applicable.
- (xiv) The Company has not made any preferential allotment / private placement of shares during the year and therefore clause (xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors / persons connected with him as stipulated u/s. 192 of the Act. Clause 3(xv) of the Order is therefore not applicable to the Company.
- (xvi) The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.



Place: Madurai
Date : 15th May, 2023

For N. V. NATHAN & Co.,
Chartered Accountants
ICAI Firm Registration No. 002434S

A handwritten signature in black ink, appearing to read "T Ramanujam".

T Ramanujam
Partner

Membership No.018998

ACORN ENGINEERING LTD

ANNUAL ACCOUNTS

FOR THE YEAR

2022 - 23

15TH MAY 2023

ACORN ENGINEERING LTD.

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in ₹)

Particulars	Note No.	As at 31.03.2023	As at 31.3.2022
ASSETS			
1) Non-current assets		-	-
2) Current assets		-	-
a) Inventories		-	-
b) Financial Assets		-	-
- Cash and Cash Equivalents	2	9,38,039	9,30,343
- Other Financial Assets	3	-	-
C) Current Tax assets (Net)		-	-
d) Other Current assets		-	-
		9,38,039	9,30,343
TOTAL ASSETS		9,38,039	9,30,343
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	SOCE 1	5,05,000	5,05,000
b) Other equity	SOCE 2	4,16,705	4,13,103
		9,21,705	9,18,103
LIABILITIES			
1) Non-Current Liabilities		-	-
2) Current Liabilities		-	-
a) Other Financial Liabilities	4	-	3,071
b) Other current liabilities	5	14,750	8,850
c) Provisions		-	-
d) Current Tax Liabilities (Net)	6	1,584	319
		16,334	12,240
TOTAL EQUITY AND LIABILITIES		9,38,039	9,30,343

Company Overview, Basis of preparation and significant Accounting Policies. 1

The accompanying notes are an integral part of financial statements.

Per our report attached

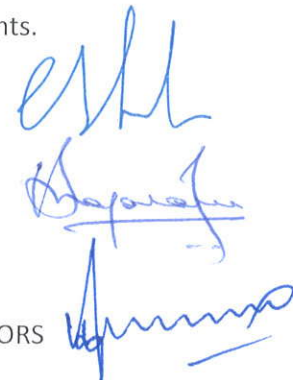
For N V Nathan & Co., (Regn.No.02434S)

Chartered Accountants



T. RAMANUJAM
Partner
Membership No.18998

Madurai, the 15th May 2023

DIRECTORS

New Delhi, the 15th May 2023

UDIN: 23018998 BGVMGY8485

ACORN ENGINEERING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in ₹)

Particulars	Note No.	2022-23	2021-22
Income			
Revenue from Operations		-	-
Other Income	7	32,656	46,518
Total Income		32,656	46,518
Expenses			
Other expenses	8	27,789	22,507
Total Expenses		27,789	22,507
Profit before tax		4,867	24,011
Tax expense			
Current Tax		1,265	6,300
Profit for the year		3,602	17,711
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		3,602	17,711
Earnings per equity share of ₹10/- each: Basic/Diluted		0.07	0.35

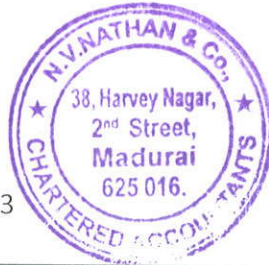
The accompanying notes are an integral part of financial statements.

Per our report attached
For N V Nathan & Co., (Regn.No.02434S)
Chartered Accountants



T. RAMANUJAM
Partner
Membership No.18998

Madurai, the 15th May 2023





DIRECTORS

New Delhi, the 15th May 2023

UDIN: 23018998 BGVMG78485

Statement of Changes in Equity (SOCE) for the year ended 31.3.2023

	As at 31.03.2023	(Amount in ₹) As at 31.03.2022
I SHARE CAPITAL		
a) Authorised		
Equity Shares-100000 of ₹10/- each	10,00,000	10,00,000
Preference Shares -50000 of ₹10/ Each	5,00,000	5,00,000
	<u>15,00,000</u>	<u>15,00,000</u>
b) Issued,Subscribed and Paid up Shares		
Equity Shares -50500 of ₹10/- each		
Balance at the beginning of the year	5,05,000	5,05,000
Changes in the Equity Share capital during the year	-	-
Balance at the end of the reporting period	<u>5,05,000</u>	<u>5,05,000</u>
c) Reconciliation of the number of shares outstanding		
	Nos.	Nos.
Shares outstanding as at the beginning of the year	50,500	50,500
Changes during the year	-	-
Shares outstanding as at the end of the reporting period	<u>50,500</u>	<u>50,500</u>
d) Details of each shareholder holding morethan 5% shares		
Name of shareholder	No of shares held	No of shares held
J.K.Fenner (India) Limited	50,500	50,500

- i) The Company has only one class of Shares having face value of ₹10/- each and each shareholder is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iii) No dividend is declared for the subject year.

II OTHER EQUITY (SOCE)-2

(Amount in ₹)

Particulars	Retained Earnings		Total Other Equity
	General Reserve	Surplus in P&L Statement	
Balance as at 01.04.2021	-	3,95,392	3,95,392
Profit for the year 2021-22	-	17,711	17,711
Transfer to General Reserve	-	-	-
Balance as at 31 st March, 2022	<u>-</u>	<u>4,13,103</u>	<u>4,13,103</u>
Profit for the period ended 31.03.2023	-	3,602	3,602
Transfer to General Reserve	-	-	-
As at 31st March, 2023	<u>-</u>	<u>4,16,705</u>	<u>4,16,705</u>

Per our report attached
For N V NATHAN & CO ., (Regn.No.002434S)
Chartered Accountants



T. RAMANUJAM
Partner
Membership No.18998

Madurai, the 15th May 2023



DIRECTORS

New Delhi, the 15th May 2023

UDIN: 23018998 BGVMGY 8485

Note -1 COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 The Company overview:

Acorn Engineering Limited (the Company) is a public limited company domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are not listed in any of the Stock Exchanges in India. The Registered Office of the Company is situated at, 2nd Floor, Delite Theatre Building, Asaf Ali Road, New Delhi – 110 002. The Company is a subsidiary of J.K. Fenner (India) Ltd.

The Company originally established for manufacture of Engineering Products such as Couplings, Clutches, Bearings, SMSR etc. At present the Company does not carry on any of the business activity.

1.2 Basis of Preparation of financial statements:

Statement of Compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act 2013. All accounting policies and applicable Ind AS have been applied consistently for all periods presented.

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.



Note -1 COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.3 Significant accounting policies:

The accounting policies set out below have been applied consistently throughout the periods presented in these financial statements.

(i) Income tax:

Income tax comprises of current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in Equity or in Other Comprehensive Income.

a) Current tax: Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.

b) Deferred tax: Deferred Tax is recognised for temporary differences. However, Deferred Tax Asset is recognised to the extent that, it is probable that taxable income will be available against which the same can be realised.

(ii) Earnings per share (EPS):

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

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

(iii) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, cheques on hand and remittances in transit for the purpose of meeting short-term cash commitments.



ACORN ENGINEERING LTD.

Notes to financial statements

	As at 31.03.2023	(Amount in ₹) As at 31.03.2022
2. CASH AND CASH EQUIVALENTS		
Balance with Banks on Current Account	2,85,604	-
Cash on hand	-	-
Deposit account - Term Deposit	6,52,435	9,30,343
	<u>9,38,039</u>	<u>9,30,343</u>
3. OTHER FINANCIAL ASSETS		
Interest receivable from banks	-	-
	<u>-</u>	<u>-</u>
4. OTHER FINANCIAL LIABILITIES		
Over drawn- Current Account with Bank	-	3,071
	<u>-</u>	<u>3,071</u>
5. OTHER CURRENT LIABILITIES		
Others -Expenses Payable	14,750	8,850
	<u>14,750</u>	<u>8,850</u>
6. CURRENT TAX LIABILITIES (NET)		
Provision for taxation	31,585	30,320
Less: Advance Tax and TDS	(30,001)	(30,001)
	<u>1,584</u>	<u>319</u>
	<u>2022-23</u>	<u>2021-22</u>
7. OTHER INCOME		
Other Interest Income -Term Deposit Interest	32656	46518
	<u>32656</u>	<u>46518</u>
8. OTHER EXPENSES		
Insurance	-	118
Rates and Taxes	3150	3560
Audit fees	17220	12000
Professional fees	6770	5000
Bank Charges	649	1829
	<u>27789</u>	<u>22507</u>



ACORN ENGINEERING LTD.
Notes to financial statements

9. Related Party Disclosures

(A) Related Parties

(i) Holding Company

J.K.Fenner (India) Limited

(ii) Fellow Subsidiary Companies

Southern Spinners and Processors Ltd.

Modern Cotton Yarn Spinners Ltd.

Divyashree Company Pvt Ltd.

iii) Holding Company of J.K.Fenner (India) Limited

Bengal and Assam Company Ltd.

(B) Transactions carried out with related parties in the ordinary course of business

Nature of Transactions - Other Expenses

Holding Company - J.K. Fenner (India) Limited

As at

As at

(C) Outstanding Balances:

31.03.2023

31.03.2022

Amount payable to Holding Company

10. The provision for current tax represents income tax payable computed under substantive provisions of the income tax Act, 1961.

For N V NATHAN & CO ., (Regn.No.002434S)
Chartered Accountants



T. RAMANUJAM

Partner

Membership No.18998

Madurai, the 15th May 2023



DIRECTORS



New Delhi, the 15th May 2023

UDIN: 23018998BGVMGY 8485

ACORN ENGINEERING LTD.
Notes to financial statements

Statement of Cash Flow	(Amount in ₹)	
	As at 31.03.2023	As at 31.03.2022
Cash flow from Operating Activities		
Net Profit before tax	4,867	24,011
Adjustments for :		
Interest received	(32,656)	(46,518)
Dividend Received	-	-
Operating Profit before Working Capital changes	(27,789)	(22,507)
Increase / (Decrease) in other current liabilities	4,094	6,021
(Increase) / Decrease in Other current assets	-	-
Cash generated from Operations	(23,695)	(16,486)
Direct taxes (paid)/Refund	(1,265)	(6,891)
Net Cash from Operating Activities	(24,960)	(23,377)
Cash flow from Investing Activities		
(Purchase)/Sale of Investment (Net)	-	-
Dividend Received	-	-
Net Cash used in Investing Activities	-	-
Cash flow from Financing Activities		
Interest Income Received	32,656	46,518
Increase/(Decrease) in Cash Credit	-	-
Dividend paid (including dividend tax)	-	-
Net Cash used in Financing Activities	32,656	46,518
Net increase /(Decrease) in Cash and Cash Equivalents	7,696	23,141
Cash and bank balances as at the beginning of the year	9,30,343	9,07,202
Cash and bank balances as at the end of the year	9,38,039	9,30,343

Note:

1. Figures in brackets are outflows.
2. Cash and Cash equivalent includes Cash on hand and Balance with Scheduled Banks.

Per our report attached
For N V NATHAN & CO ., (Regn.No.002434S)
Chartered Accountants

T. Ramu

T. RAMANUJAM
Partner
Membership No. 18998

Madurai, the 15 th May 2023



[Signature]
[Signature]
[Signature]

DIRECTORS
New Delhi, the 15 th May 2023

UDIN : 23018998.BG.VMG.Y.8485