



**KPT INDUSTRIES LTD.**

**46<sup>th</sup> ANNUAL REPORT  
2021-22**



# KPT INDUSTRIES LTD.

Regd. Office : Gat No.320, Mouje Agar, A/P & Taluka: Shirol - 416 103, Dist. Kolhapur

CIN :L29130MH1976PLC019147

## **BOARD OF DIRECTORS**

<b>PRAKASH KULKARNI</b>	Executive Chairman
<b>DARIUS SHROFF</b>	Independent Director
<b>SHISHIR SHIRGAOKAR</b>	Independent Director
<b>SANJAY KIRLOSKAR</b>	Independent Director
<b>PRABHA KULKARNI</b>	Woman Director
<b>DILIP KULKARNI</b>	Managing Director
<b>KETAN PAI</b>	Director

## **BANKERS**

NKGSB Co-Op.Bank Ltd., Kolhapur

IDBI Bank Ltd., Kolhapur

## **AUDITORS**

**Mr. Dharmendra R. Prabhukhot**

Chartered Accountant,  
Plot No. 821, "Guruprasad",  
R.C. Nagar, 2nd Stage,  
Vasant Vihar Colony, Tilakwadi,  
Belagavi - 590 006

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## KPT INDUSTRIES LIMITED

Gat. No. 320, Mouje Agar, A/P & Tal. Shirol - 416 103 Dist. Kolhapur  
CIN :L29130MH1976PLC019147

### BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 46<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2022.

#### 1. FINANCIAL RESULTS:

(Amount ₹ In Lakhs)

	2022	2021
Turnover	11,560.19	10,091.80
Profit Before Interest, Depreciation, Tax & Exceptional Items	1,386.36	1,017.40
Less : Interest	376.65	469.25
Less : Depreciation	288.08	300.40
Profit Before Tax & Exceptional Items	721.63	247.75
<u>Exceptional Items:</u>		
Voluntary Retirement Scheme	(374.90)	--
Profit on sale of Fixed Assets	258.14	--
Profit Before Tax	604.87	247.75
Less : Provision for Taxation, including Deferred Tax	103.84	32.77
Profit After Tax	501.03	214.98
Less : Other Comprehensive Income	(16.96)	2.45
Net Profit for the current year	484.07	217.43
Add : Amount brought forward from last year	715.19	497.76
Profit available for Appropriation	1,199.26	715.19
Transfer to General Reserve	---	---
Dividend on Equity Shares paid for the year 20-21	17.00	--
Balance Carried Forward to Balance Sheet	1,182.26	715.19
Proposed Dividend	34.00	17.00

#### 2. OPERATIONS AND FUTURE PROSPECTS :

As promised in the last year report, despite the gloomy scenario, your Company managed the business in appropriate manner. Not only we crossed the top line, we have been able to show improved bottom line.

Your Company is confident that despite all adversities, FY 2022-23 shall be on a positive note.

### 3. DIRECTORS & KEY MANAGERIAL PERSONNEL:

The Board comprises of 7 Directors out of which three are Independent Directors, two Executive Directors, one Non-Independent Director and one Woman Director.

Sr. No.	Name	Designation
1	Mr. Prakash Kulkarni	Executive Chairman
2	Mr. Darius Shroff	Independent Director
3	Mr. Shishir Shirgaokar	Independent Director
4	Mr. Sanjay Kirloskar	Independent Director
5	Mr. Dilip Kulkarni	Managing Director & CFO
6	Mrs. Prabha Kulkarni	Women Director
7	Dr. Ketan Pai	Director

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Prakash Kulkarni, Executive Chairman, Mr. Dilip Kulkarni, Managing Director and Ms. Aishwarya Toraskar, Company Secretary, are the Key Managerial Persons of the Company.

Based on the recommendation of Nomination & Remuneration Committee & Board Approval dated 30-06-2021 followed by reappointment by Members in the 45<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2021 Mr. Prakash Kulkarni was reappointed as Executive Chairman for a period of 5 years and on the recommendation of Nomination & Remuneration Committee & Board Approval dated 08-02-2022 followed by Members approval through Postal Ballot dated 25-03-2022 Mr. Dilip Kulkarni was reappointed as Managing Director for a period of 5 years, during the year under review.

#### **Declarations of Independence from Independent Directors**

Company has received necessary declaration from, each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### **Directors Retiring by Rotation**

Mr. Dilip Kulkarni, Managing Director (DIN: 00184727), retires by rotation as per the provisions of Companies Act, 2013, and is eligible to be reappointed as a Director of the Company in the forthcoming Annual General Meeting. The Board recommends his appointment.

Mrs. Prabha Kulkarni, Director (DIN: 00053598), retires by rotation as per the provisions of Companies Act, 2013, and is eligible to be reappointed as a Director of the Company in the forthcoming Annual General Meeting. The Board recommends her appointment.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation provided to them, your Directors, pursuant to Section 134(5) of the Companies Act, 2013, state that -

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors were devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;
- f) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

**5. NUMBER OF MEETINGS OF THE BOARD AND IT'S DETAILS:**

The Board of Directors duly met 4 (Four) times in respect of which proper notices were given and the proceedings were properly recorded and signed.

The details of the Board Meetings and the Directors who attended the meetings are given below;

Sl. No.	Date of Meetings	Attended by
1	30-06-2021	Mr.Prakash Kulkarni, Mr.Shishir Shirgaokar, Mr.Darius Shroff, Mr.Sanjay Kirloskar, Mrs.Prabha Kulkarni, Dr.Ketan Pai & Mr.Dilip Kulkarni
2	14-08-2021	Mr.Prakash Kulkarni, Mr.Shishir Shirgaokar, Mr.Darius Shroff, Mr.Sanjay Kirloskar, Mrs.Prabha Kulkarni, Dr.Ketan Pai & Mr.Dilip Kulkarni
3	13-11-2021	Mr.Prakash Kulkarni, Mr.Shishir Shirgaokar, Mr.Darius Shroff, Mr.Sanjay Kirloskar, Mrs.Prabha Kulkarni, Dr.Ketan Pai & Mr.Dilip Kulkarni
4	08-02-2022	Mr.Prakash Kulkarni, Mr.Shishir Shirgaokar, Mr.Darius Shroff, Mr.Sanjay Kirloskar, Mrs.Prabha Kulkarni, Dr.Ketan Pai & Mr.Dilip Kulkarni

**6. ANNUAL EVALUATION OF PERFORMANCE OF BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

During the year under review, the Board has initiated formal evaluation process for its own performance and of its own committees and individual directors, pursuant to Section 134 (3) (p) of the Companies Act, 2013 and Rule 8 (4) of the Companies (Accounts) Rules, 2014.

**7. NOMINATION AND REMUNERATION COMMITTEE:**

The Company has framed Nomination and Remuneration Committee to decide appointment and remuneration of Directors, Independent Directors and Key Management Personnel.

**Salient features of the Nomination and Remuneration Policy are as follows:**

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required.
- b) Remuneration is linked to performance.
- c) Ensuring that remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- d) The criteria for determining qualifications, positive attributes and independence of a Director.

The Nomination and Remuneration Policy of the Company is available on [www.kpt.co.in](http://www.kpt.co.in) pursuant to provisions of Section 178(4) of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Board of Directors met 2 (Two) times in respect of which proper notices were given and the proceedings were properly recorded and signed.

The details of the Nomination and Remuneration Committee Meetings and the Directors who attended the meetings are given below:

Sl. No.	Date of Meetings	Attended by
1	30-06-2021	Mr.Shishir Shirgaokar, Mr.Darius Shroff & Mrs.Prabha Kulkarni
2	08-02-2022	Mr.Shishir Shirgaokar, Mr.Darius Shroff & Mrs.Prabha Kulkarni

**8. AUDIT COMMITTEE:**

The Audit Committee of the Board, pursuant to Section 177(2) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, consists of 3 (Three) Directors. Out of which 2 (Two) Directors are Independent Directors and constitutes majority.

The Audit Committee of the Board of Directors met 4 (Four) times in respect of which proper notices were given and the proceedings were properly recorded and signed.

The details of the Audit Committee Meetings and the Directors who attended the meetings are given below:

Sl. No.	Date of Meetings	Attended by
1	30-06-2021	Mr.Shishir Shirgaokar, Mr.Sanjay Kirloskar & Mr.Dilip Kulkarni
2	14-08-2021	Mr.Shishir Shirgaokar, Mr.Sanjay Kirloskar & Mr.Dilip Kulkarni
3	13-11-2021	Mr.Shishir Shirgaokar, Mr.Sanjay Kirloskar & Mr.Dilip Kulkarni
4	08-02-2022	Mr.Shishir Shirgaokar, Mr.Sanjay Kirloskar & Mr.Dilip Kulkarni

**9. STATUTORY AUDIT REPORT:**

With respect to Statutory Auditor's Report for the year 2021-22, there are no qualifications, adverse remarks or disclaimers made by the Statutory Auditor on the financial statements of the Company. The Company continues to have a robust internal control system in place.

**10. SECRETARIAL AUDIT REPORT:**

Secretarial Audit Report issued by our Secretarial Auditor M/s. V Sreedharan & Associates have not reported any qualifications, adverse remarks or disclaimers in their report for the financial year ended on 31<sup>st</sup> March, 2022. The report in Form MR-3 is attached herewith as **ANNEXURE-I**, to this report.

**11. DIVIDEND:**

As a gesture to acknowledge the strength of the Company, your Directors are pleased to recommend a payment of dividend at the rate of 20% i.e. Re.1/- per equity share having face value of Rs. 5/- each, for the year ended on 31<sup>st</sup> March, 2022.

**12. CHANGE IN NATURE OF BUSINESS:**

During the year under review, there were no changes in nature of business of the Company.

**13. TRANSFER TO RESERVES:**

During the year under review, the Company has not transferred any amount to its reserves.

**14. CHANGES IN CAPITAL OF THE COMPANY:**

There are no changes in the capital of the Company.

**15. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:** Not Applicable.

**16. DEPOSITS:**

The Company has not accepted deposits during the financial year.

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**17. EXTRACT OF ANNUAL RETURN:**

The Annual Return of the Company is available on [www.kpt.co.in](http://www.kpt.co.in) pursuant to provisions of Sections 92(3) and 134(3) of the Companies Act, 2013.

**18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the year under review, the Company has not advanced any loans/ given guarantees / provided securities or made any investments.

**19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Related party transactions that were entered during the financial year, were on an arm's length basis and were in ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **ANNEXURE-II** to this Report.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:****A) CONSERVATION OF ENERGY**

This industry does not fall under Schedule prescribed under Rule(2). Efforts are made to keep the consumption of Power and Fuel to a minimum level. KPT Industries Ltd., also generates clean power by use of wind power.

**B) TECHNOLOGY ABSORPTION****I) Specific areas in which R&D carried out:**

- Enhancing life of electric motors,
- Reducing maintenance cost of products,
- Development of new products / designs / procedures / methods / materials / machines / tools in existing products / processes in related manufacturing areas,
- Improving the electrical characteristics of the motors.

**II) Benefits derived as a result of above R&D:**

- Improved performance/longer service life of product,
- Complete safety,
- Cost reduction,
- Enhancement of quality and service to the customers.

**III) Future plan of action:**

Company plans to continue development activities on the above lines,

**IV) Expenditure on R&D:**

Expenditure of revenue nature incurred on R&D is charged under the respective heads, Capital expenditure on acquisition of assets for R&D, if any, is depreciated as Plant & Machinery.

## TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company has not imported any technology during the last fifteen years. There is a continuous flow of information between the Company and the key suppliers from abroad. The Company's key managers also visit various markets and are exposed to latest products and technologies. Interaction with Suppliers of key components, on a regular basis, keeps the Company abreast with the latest development in product technology, manufacturing process and methods, quality assurance, marketing and management systems. We have, over the years, built requisite infrastructure and technically competent manpower to translate and adopt the latest technical know-how into improved products for our customers.

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings :	₹ 748.07 lakhs	
Outgo :	a) Material	₹ 5086.40 lakhs
	b) Others	₹ 0.98 lakhs
	<b>Total</b>	<b>₹ 5087.38 lakhs</b>

### 21. THREATS & CONCERNS:

The leading brands always come up with new products. We keep on studying this and commensurate actions are taken.

### 22. SAFETY, HEALTH & ENVIRONMENT:

The Company continues to pursue its environmental friendly approach towards Industrial growth. Constant improvements are being made in the process. The Company also has a sustainable policy by which we are committed to achieving excellence in overall performance. Efforts are made to keep the consumption of Power and Fuel to a minimum level. We also generate clean power by use of wind power.

As regards Covid-19, the measures mandated by the Central Government like periodic sanitization of all places at factory, screening of employees at the time of entering premises, social distancing while seating etc., are also taken up.

If an employee is suspected of any symptoms, he is asked to visit the Company doctor and only after due confirmation he is readmitted. KPT is helping all to get possible medical assistance.

To prevent from Covid-19 pandemic, arrangements for washing hands, temperature/oxygen level checking, sanitization operated by footrest sanitizer stands (with footrest) are done at the entrance gate. Inside the factory premises at various places and at canteen, the sanitizer stands (with footrest) and hand wash facilities are made available. Vaccination to all employees of the Company has been also done by the Company.

### 23. TECHNICAL INNOVATION:

No significant products development, other than improving old ones, was made during the year.

### 24. CORPORATE GOVERNANCE CERTIFICATE:

Since, the Company does not exceed the statutory limits as prescribed under Regulation 15 (2) (a) read with proviso's thereunder of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Corporate Governance certificate is not applicable.

### 25. VIGIL MECHANISM:

The Company has established a Vigil Mechanism for Directors and employees to report their genuine concerns and to provide adequate safeguards against victimization of persons who use such mechanism. Company has maintained Vigil Mechanism/Whistle Blower Policy and the same is also placed on our website [www.kpt.co.in](http://www.kpt.co.in).

**26. RISK MANAGEMENT POLICY:**

The Board of Directors of Company is continuously monitoring various risk attached to business. On regular basis, Board and senior managers identify the risk elements. Board and senior managers, on the basis of past experience, ensure management of risk and take necessary steps to mitigate the risks.

In the opinion of the Board there are no risk elements which may threaten the existence of the Company, except general market risks, risk due to effect of changes in government policies, competition risks and risk due to natural calamities.

**27. SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:**

Company does not have any Joint Venture, Subsidiary or Associate Companies.

**28. IMPACT OF ANY REGULATION OR COURT ORDERS**

There are no material orders passed by the Regulation or Courts impacting on the Company's business.

**29. STATEMENT OF COMPLIANCE OF PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No such cases were reported during the Financial Year 2021-22.

**30. EMPLOYEES' REMUNERATION:**

Details of the remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **ANNEXURE-III** to this Report.

**31. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit is decided by the Audit Committee and the Board. To maintain its objectivity and independence, the Board has appointed an Internal Auditor, which reports to the Audit Committee of the Board on a periodic basis.

The Internal Auditor monitors and evaluates the efficacy and adequacy of Internal control Systems in the Company, its compliance with operating systems, accounting procedures and policies for various functions of the Company. Based on the report of Internal Auditor, management undertakes corrective action wherever required and thereby strengthens the control further.

The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

**32. MAINTENANCE OF COST RECORDS:**

Maintenance of cost records is required by the Company under section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

**33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to Regulation 34 (2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 detailed Management discussion & Analysis Report, is attached as **ANNEXURE-IV** to this Report.

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**34. CORPORATE SOCIAL RESPONSIBILITY:**

As per the provision of Section 135 (1) of the Companies Act, 2013, your Company is not required to comply with the provisions of the Corporate Social Responsibility for the FY 2021-22.

**35. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:**  
Not Applicable.

**36. The details of difference between amounts of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:** Not Applicable.

**37. FRAUD REPORTING {Section 134(3) of the Companies Act, 2013}:**

There was no fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

**38. COMPLIANCE OF SECRETARIAL STANDARDS:**

Your Company has complied with the applicable Secretarial Standards during the FY 2021-22.

**39. INVESTOR EDUCATION AND PROTECTION FUND:**

The Company has transferred the unclaimed dividends declared upto the financial year 2014 to the Investor Education and Protection Fund of the Central Government.

**40. ACKNOWLEDGEMENT:**

The Board of Directors would like to thank their customers, vendors, dealers and business associates for their continued support during the year.

The Board of Directors sincerely appreciates and thanks its esteemed Shareholders for their continued support and confidence reposed in the Company.

Your Directors also wish to place on record their appreciation of the contribution made by employees at all levels, during the year.

**For & On behalf of the Board of Directors**

**Place: Shirol**  
**Date : 27<sup>th</sup> May, 2022**

**Prakash Kulkarni**  
**Executive Chairman**  
DIN : 00052342

**Dilip Kulkarni**  
**Managing Director**  
DIN: 00184727

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## ANNEXURE - I

Form No. MR-3

### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**KPT Industries Limited**  
Gat No. 320, Mouje Agar,  
Shirol Taluk  
Kolhapur District  
Maharashtra- 416103

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KPT Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2022 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing by the Company during the period under review;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018;

- e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the audit period)**
  - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);**
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);** and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period);**
- vi. We have been informed by the management of the Company that the Company meticulously follows the provisions of other applicable laws pertaining to the industry to which the Company relates and has devised requisite systems for their desired compliance.

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements entered into by the Company with BSE Limited.

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

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Company Secretary of the Company which was taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per the list of such laws as mentioned above in Point No. vi of para 3 of this report.

Also we were informed by the management of the Company that as per sub- regulation (2) of regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the corporate governance provisions as specified in regulations 17, [17A,] 18, 19, 20, 21,22, 23, 24, [24A,] 25, 26, 27 and clauses (b) to (i) [and (t)] of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V shall not apply to the Company as the Company does not exceed the statutory limits as prescribed under the regulation.

Hence the aforementioned provisions are not applicable to the Company during the audit period.

The following events/actions were having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period:

- a) Re-appointment of Mr. Prakash Kulkarni, as Executive Chairman from April 01, 2021 to March 31, 2026.
- b) Re-appointment of Mr. Dilip Kulkarni, as Managing Director from April 01, 2022 to March 31, 2027.

**For V. SREEDHARAN & ASSOCIATES**

**(Pradeep B. Kulkarni)**

**PARTNER**

**FCS: 7260; CP No. 7835**

**UDIN number: F007260D000406802**

**Peer Review Certificate No. 589/2019**

**Place : Bengaluru**

**Date : 27<sup>th</sup> May, 2022**

This report (i.e. Form No. MR-3) is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

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**‘Annexure’**

To,  
The Members,  
**KPT Industries Limited**  
Gat No. 320, Mouje Agar, Shirol Taluk  
Kolhapur District  
Maharashtra- 416103

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.

**For V. SREEDHARAN & ASSOCIATES**

**(Pradeep B. Kulkarni)**

**PARTNER**

**FCS: 7260; CP No. 7835**

**UDIN number: F007260D000406802**

**Peer Review Certificate No. 589/2019**

**Place : Bengaluru**

**Date : 27<sup>th</sup> May, 2022**

## ANNEXURE-II

### Particulars of Contracts or Arrangements with Related Parties

#### Form No. AOC-2

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

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

#### 1. Details of contracts or arrangements or transactions not at arm's length basis- N.A.

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

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Particulars	KMP	Relative of KMP	Related Party
(a)	Name(s) of the related party and nature of relationship	Mr.Prakash Kulkarni Mr.Dilip Kulkarni	Smt.Malati Kulkarni Mr.Ashok Kulkarni Mrs.Prabha Kulkarni	Trimurti Engineering Tools Pvt.Ltd.,
(b)	Nature of contracts/arrangements/transactions	Remuneration	Dividend / Sitting Fees	Purchase / Sale of Goods
(c)	Duration of the contracts / arrangements/transactions	-	-	01.04.2021 to 31.03.2022
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-	-	Total Amount of All Transactions upto ₹ 350 lacs
(e)	Date(s) of approval by the Board, if any	-	-	28-01-2021
(f)	Amount paid as advances, if any	-	-	-

**For & On behalf of the Board of Directors**

**Prakash Kulkarni**  
Executive Chairman  
DIN : 00052342

**Dilip Kulkarni**  
Managing Director  
DIN : 00184727

**Place : Shirol**  
**Date : 27<sup>th</sup> May, 2022**

### ANNEXURE-III

**Details of the Remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 :**

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Manager and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company, are as follows:

(Amount ₹ in Lakhs)

Sl. No.	Name of Director / KMP & Designation	Remuneration of Director / KMP for financial year 2020-21		Remuneration of Director / KMP for financial year 2021-22		% increase in Remuneration in the Financial Year 2021-22	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Prakash Kulkarni Executive Chairman	Salary	84.00	Salary	84.00	(3.29)	24.95
		Perquisites	4.67	Perquisites	1.85		
2	Dilip Kulkarni Managing Director	Salary	27.00	Salary	48.00	20.77	14.13
		Perquisites	13.27	Perquisites	0.63		
3	Aishwarya Toraskar Company Secretary	Salary	4.34	Salary	6.80	56.87	-
		Perquisites	Nil	Perquisites	Nil		

The Median Remuneration of employees of the Company during the financial year 2021-22 was ₹ 3.44 lakhs.

In the financial year 2021-22, there was an increase of (1.5063)% in the median remuneration of the employees.

As on March 31, 2022, there were 215 permanent employees who were on the roll of the Company.

Average percentile increase made in the salaries of the employees other than managerial personnel in the last financial year is 11.2915 % and percentile increase in the managerial remuneration is 4.2965 %.

The remuneration is as per the remuneration policy of the Company. The policy is in affirmation with the applicable provisions of the Companies Act, 2013.

Statement of Top 10 Employees covered as per Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 : **NIL**.

Disclosure pursuant to Section 197(14) where, any managing or whole-time director of the Company who is in receipt of any commission from the Company, receiving any remuneration or commission from any holding Company or subsidiary company of such Company: **NA**.

## **ANNEXURE-IV**

### **Management Discussion & Analysis Report 2021-22**

#### **1) INDUSTRY STRUCTURE:**

Your Company is known for commitment to excellence and quality. Factory is located at South Western Maharashtra at Shirol, Dist. Kolhapur. The state of the art facility is dedicated in bringing up electric power tools, spares, control motors, blowers, battery operated vehicles (E-cart) and many other engineering products.

Professional electric power tools for metal, wood, concrete, the new range of Shakti power tools for artisans to meet their everyday needs, garden tools, blowers for pneumatic conveying system, power plants, steel, effluent water treatment is our specialty over decades.

#### **2) INDUSTRY OVERVIEW:**

The engineering sector is the largest of the industrial sectors in India. India's engineering sector has witnessed a remarkable growth over the last few years driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. India, on its quest to become a global superpower, has made significant stride towards developing its engineering sector. The Government has appointed Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products, and services from India. India exports transport equipment, capital goods, other machinery/equipment, and light engineering products such as castings, forgings, and fasteners to various countries of the world.

#### **3) DEVELOPMENTS:**

The Company has very good opportunities because of the long term business relationship with valued customers both domestic and export and also in time supplies, superior quality products.

The Company continues its drive for sustainable growth in this growing domestic and international engineering industry. Considering the good distribution network, Company has poised for good growth.

#### **4) OPPORTUNITIES AND THREATS:**

For detailed explanation kindly refer Point No. 21 of the Board's Report.

#### **5) SEGMENTWISE & PRODUCTWISE PERFORMANCE:**

KPT continues to do better in all the segments it operates, viz. power tools, blowers & e-vehicles.

#### **6) OUTLOOK:**

Since the fuel prices are on rise and likely to continue, the scope for e-vehicles shall be on rise as well.

#### **7) RISK AND CONCERNS:**

For detailed explanation kindly refer Point No. 26 of the Board's Report.

#### **8) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

For detailed explanation kindly refer Point No. 31 of the Board's Report.

#### **9) DISCUSSION ON FINANCIAL & OPERATIONAL PERFORMANCE:**

For detailed explanation kindly refer Points No. 1&2 of the Board's Report.

# 10) DEVELOPMENTS IN HUMAN RESOURCE, INDUSTRIAL RELATIONS FRONT, WORKERS EMPLOYED & THEIR WELFARE:

At your Company, we continue to provide a growth & innovation orientated environment. Continuous steps are taken to assure steady progress of the work force which ultimately will lead to the organization success. So, we consistently aim to provide a sustainable, work friendly environment for learning & educating our employees, right from joining stage followed by retention & retirement.

# 11) KEY FINANCIAL RATIOS:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Company is required to give details of significant changes (changes of 25% or more as compared to immediately previous financial year) in financial ratios are as follows:

Particulars	2020-2021	2021-2022	Increase/ (Decrease)	Remark
Interest Coverage Ratio	2.17	3.37	55.47 (times)	Increase in the topline, controlled overheads have contributed to the improvement in operating profit.  There has been significant decrease in finance cost along-with improvement in operating profitability & overall performance.
Operating Profit Margin (%)	2.10	5.84	178.10%	Increase in the top-line & control on the total overheads has resulted in better bottom-line.
Net Profit Margin (%)	2.10	4.30	104.76%	Increase in the top-line & control on the total overheads has resulted in better bottom-line.
Return on net worth (%)	0.07	0.15	109.21%	Increase in the top-line & control on the total overheads has resulted in better bottom-line.

For & On behalf of the Board of Directors

**Prakash Kulkarni**  
Executive Chairman  
DIN : 00052342

**Dilip Kulkarni**  
Managing Director  
DIN : 00184727

Place : Shirol  
Date : 27<sup>th</sup> May, 2022

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## INDEPENDENT AUDITORS' REPORT

To the Members of, **KPT Industries Limited**

### Report on Audit of Indian Accounting Standards (Ind AS) Financial Statements

#### Opinion

I have audited the Ind AS Financial Statements of **KPT Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements")

In my opinion and to the best of my information and according to the explanations given to me, 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 principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the Ind AS Financial Statements under the provisions of the Act and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other Information

- 1) The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS Financial Statements and my auditor's report thereon.
- 2) My opinion on the Ind AS Financial Statements does not cover the other information and I do not express any form of assurance conclusion thereon.
- 3) In connection with my audit of the Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.
- 4) If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Ind AS financial statements of the current period. These matters were addressed in the context of my audit of the Ind AS Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. Following is the Key Audit Matter identified which is of most significance:

##### 1. Trade Receivables:

The Company has significant trade receivables at year end which comprises of almost 29.60% of Total Assets of the Company. Given the size of the balances and the risk that some of the trade receivables may not be recoverable, judgment is required to evaluate whether any provision should be made to reflect the

risk. Assessment of the recoverability of trade receivables is inherently subjective and requires significant management judgment (which includes repayment history and financial position of entities from whom these balances are recoverable, terms of underlining arrangements, overdue balances, market conditions etc.).

**Audit procedures performed:**

My audit procedures for above Key Matter:

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the policy of estimating the loss allowance for trade receivables including adherence to the requirements of the relevant accounting standards.
- Assessing the Company's methodology for provisioning towards trade receivables.
- Understanding the key inputs used in the provisioning methodology by the Company such as repayment history, terms of underlining arrangements, overdue balances, market conditions, expert's opinion etc.
- Obtaining an understanding and assessing the reasonableness of the key outputs derived from provisioning methodology, as well as key judgments and assumptions used by the management.
- Disclosure requirements as per schedule III of the companies act were verified.
- Obtaining balance confirmation from debtors and matching payable balances in this confirmation with the receivable balances of the Company and addressing the reconciliation item.
- Performed subsequent receipt testing of trade receivable balances post year end.
- Discussion with management about status and prospects of suits filled for receivables and assessment of requirement for provisioning.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

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

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

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

My objective is to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my

opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

1. Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. 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.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I gave in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, I report that:

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In my opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in “Annexure B”.
- g) As required by section 197 (16) of the Act; in my opinion and according to information and explanation provided to me, the remuneration paid by the Company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to its directors is not in excess of the limit laid down under this section.
- 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, in my opinion and to the best of my information and according to the explanations given to me:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note No.27 to the financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March 2022.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv)
    - (a) The management has represented to me that, to the best of its knowledge and belief, other than as disclosed in the Note No. 46 to the accounts to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) the management has represented to me, that, to the best of its knowledge and belief, other than as disclosed in the Note No. 46 to the accounts to the Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the information and explanation given to me and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.
- (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after 1<sup>st</sup> April 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on 31<sup>st</sup> March 2022.

**Dharmendra R. Prabhukhot**  
Chartered Accountant  
Membership No: 219438  
UDIN:22219438AJSAEV4134

**Place : Belagavi**  
**Date : 27<sup>th</sup> May 2022**

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## Annexure - A to the Independent Auditor's Report

**Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of my report on even date to the Members of KPT Industries Limited**

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.  
(B) The Company is maintaining proper records showing full particulars of intangible assets
- (b) The Property, Plant & Equipment of the Company are physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts. Also, Company has policy of verifying one block of fixed asset every year as per policy. In my opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note No.1 & 2 on Property, Plant & Equipment and Investment Property to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations provided to me there are 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 in 2016) and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.
- (ii) (a) The physical verification of inventory including stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In my opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records are not in aggregate 10% or more for each class of inventory.  
(b) According to the information and explanations provided to me, the Company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the Company has provided me with the quarterly returns or statements, which they have represented to me have been filed by the Company with their banks or financial institutions. In my opinion, these quarterly returns or statements are in agreement with the books of account of the Company.
- (iii) The Company during the year has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence reporting under Clause (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f), of the said Order are not applicable to the Company.
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. I have broadly reviewed the same, and is of the opinion that, prima facie, the prescribed accounts and records have been made

and maintained. I have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to me and the records of the Company examined by me, in my opinion, the Company is regular in depositing the undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to me and the records of the Company examined by me, there are no statutory dues of Goods and Service Tax, provident fund, employees' state insurance, income tax, duty of customs, cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at 31<sup>st</sup> March 2022 which have not been deposited on account of a dispute, are as follows.:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956 and Maharashtra Value Added Tax, 2002	Central Sales Tax and Value added Tax	19.35	2016-17	Joint Commissioner of sales Tax (Appeal) Kolhapur
Central Sales Tax Act, 1956 and Maharashtra Value Added Tax, 2002	Central Sales Tax and Value added Tax	13.69	2017-18	Joint Commissioner of sales Tax (Appeal) Kolhapur

- (viii) In terms of the information and explanations given to me and the books of account and records examined by me, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.
- (ix) (a) According to the records of the Company examined by me and the information and explanation given to me, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date.
- (b) According to the information and explanations given to me and on the basis of my audit procedures, I report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In my opinion and according to the information and explanations given to me, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to me, and the procedures performed by me, and on an overall examination of the financial statements of the Company, I report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The Company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x) (b) of the Order are not applicable to the Company.

- (xi) (a) During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, I have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such case by the Management.
- (b) During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.
- (c) During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me and as represented to me by the management, there are no whistle blower complaints received by the Company during the year
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) (a) In my opinion and based on my examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) I have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to me and procedures performed by me, I report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, reporting under clause 3(xvi)(b) of the order is not applicable.
- (c) According to the information and explanations given to me and procedures performed by me, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.
- (d) Based on information and explanation given to me and as represented by the management, the Company is not a part of any group. Hence reporting under clause 3(xvi)(d) of the order is not applicable.
- (xvii) The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.
- (xviii) There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable
- (xix) According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my

attention, which causes me to believe that any material uncertainty exists as on the date of the audit report 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. I further state that my reporting is based on the facts up to the date of the audit report and I 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) Company has net profit less than five crore rupees during the immediately preceding financial year so provisions of Section 135 of the Companies Act, 2013, is not applicable to the Company. Accordingly reporting under Clause 3(xx)(a) and 3(xx)(b) of the order is not applicable.

**Dharmendra R. Prabhukhot**  
Chartered Accountant  
Membership No: 219438  
UDIN:22219438AJSAEV4134

**Place : Belagavi**  
**Date : 27<sup>th</sup> May 2022**

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## **Annexure - B to the Independent Auditor's Report**

**Referred to in paragraph 2(f) of my Report on Other Legal and Regulatory Requirements of even date to the Members of KPT Industries Limited**

**Report on the Internal Financial Controls with reference to Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

I have audited the internal financial controls with reference to the Ind AS Financial Statements of **KPT Industries Limited** ("the Company") as of 31<sup>st</sup> March, 2022 in conjunction with my audit of the Ind AS 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 control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls with reference to the Ind AS Financial Statements based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Ind AS Financial Statements and their operating effectiveness. My audit of internal financial controls with reference to the Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to the Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 Ind AS Financial Statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls with reference to Ind AS financial statements.

### **Meaning of Internal Financial Controls with reference to the Ind AS Financial Statements**

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 Ind AS 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 Ind AS 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 Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls with reference to the Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to the Ind AS 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 the Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In my opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Ind AS Financial Statements and such internal financial controls with reference to the Ind AS Financial Statements were operating effectively as at 31<sup>st</sup> March 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Dharmendra R. Prabhukhot**

Chartered Accountant

Membership No: 219438

UDIN:22219438AJSAEV4134

**Place : Belagavi**

**Date : 27<sup>th</sup> May 2022**

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2022 ( Contd....)

		(Amount ₹ in Lakh)	
	Note No	31-03-2022	31-03-2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	1	1,908.64	2,063.75
Right of Use Asset	1	156.65	63.90
Capital work-in-progress	1	45.30	-
Investment property	2	134.28	138.98
Goodwill		-	-
Other intangible asset	1	3.50	2.32
Intangible assets under development		-	-
Biological asset other than bearer plants		-	-
<b>Financial Assets</b>			
Investments	3	40.65	41.30
Trade receivables	4	-	-
Loans	5	-	-
Others	6	79.06	70.98
Other non-current assets	7	58.33	5.33
<b>Total non-current assets</b>		<b>2,426.41</b>	<b>2,386.56</b>
<b>Current Assets</b>			
Inventories	8	3,188.83	2,499.00
<b>Financial Assets</b>			
Investments	3	-	-
Trade receivables	4	2,591.52	2,255.89
Cash and cash equivalents	9 (a)	103.58	36.37
Bank balance other than above	9 (b)	202.26	227.90
Loans	5	-	-
Others	6	14.90	1.05
Other current assets	7	228.02	251.28
<b>Total current assets</b>		<b>6,329.11</b>	<b>5,271.49</b>
<b>TOTAL ASSETS</b>		<b>8,755.52</b>	<b>7,658.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	170.00	170.00
Other equity	11	3,410.02	2,942.95
<b>Total equity</b>		<b>3,580.02</b>	<b>3,112.95</b>

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2022

		(Amount ₹ in Lakh)	
	Note No	31-03-2022	31-03-2021
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	12	971.30	1,018.51
Lease liabilities	14	116.50	37.85
Trade payables			
- Dues to Micro & Small Enterprises	13	-	-
- Dues to other than Micro & Small Enterprises	13	-	-
Other financial liabilities	14	79.78	76.59
Provisions	15	30.18	116.36
Deferred tax liabilities (Net)	16	28.97	99.24
Other non-current liabilities	17	-	12.62
<b>Total non-current liabilities</b>		<b>1,226.73</b>	<b>1,361.17</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	12	2,257.57	1,748.16
Lease liabilities	14	37.51	32.12
Trade payables			
- Dues to Micro & Small Enterprises	13	33.97	38.09
- Dues to other than Micro & Small Enterprises	13	699.49	630.69
Other financial liabilities	14	728.86	532.12
Other current liabilities	17	99.89	84.89
Provisions	15	61.21	73.04
Current tax liabilities (Net)	16	30.27	44.83
<b>Total current liabilities</b>		<b>3,948.77</b>	<b>3,183.94</b>
<b>Total liabilities</b>		<b>5,175.50</b>	<b>4,545.11</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,755.52</b>	<b>7,658.05</b>
Corporate Information	A1		
Significant accounting policies	A2		
See accompanying notes to financial statements	1 - 47		

As per my report of even date attached

For and On behalf of Board of Directors

**Dharmendra R Prabhukhot**  
Chartered Accountant  
M.No: 219438  
UDIN:22219438AJSAEV4134

**Dilip Kulkarni**  
Managing Director  
DIN:00184727

**Prakash Kulkarni**  
Executive Chairman  
DIN:00052342

**Ms.Aishwarya Toraskar**  
Company Secretary  
M.No.A54931

Place : **Belagavi**  
Date : **27<sup>th</sup> May, 2022**

Place : **Shirol**  
Date : **27<sup>th</sup> May, 2022**

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022 (Contd...)

		(Amount ₹ in Lakh) (except EPS)	
	Note No.	31-03-2022	31-03-2021
Revenue from Operations	18	11,647.79	10,215.81
Other Income	19	41.33	33.71
<b>Total Income</b>		<b>11,689.12</b>	<b>10,249.52</b>
<b>Expenses</b>			
Cost of materials consumed	20	2,807.22	2,305.11
Purchases of Stock-in-Trade	20	5,042.05	4,002.97
Changes in inventories of finished goods, stock-in -trade and work-in-progress	21	(503.21)	450.86
Employee benefits expense	22	1,293.47	1,170.34
Finance costs	23	376.65	469.25
Depreciation and amortization expense	24	288.08	300.39
Other expenses	25	1,663.22	1,302.84
<b>Total expenses</b>		<b>10,967.48</b>	<b>10,001.76</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>721.64</b>	<b>247.76</b>
Exceptional items			
Voluntary Retirement Scheme		374.90	-
Profit on sale of Fixed Assets		258.14	-
<b>Profit/(loss) before tax</b>		<b>604.88</b>	<b>247.76</b>
<b>Tax expenses</b>	26		
Current tax		200.00	110.00
Deferred tax			
- MAT Credit Entitlement		(15.51)	(33.17)
- Others		(64.65)	(23.32)
Short/(Excess) Provision of earlier years		(16.00)	(20.74)
<b>Total tax expense</b>		<b>103.84</b>	<b>32.77</b>
<b>Profit/(loss) for the period</b>		<b>501.04</b>	<b>214.99</b>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(Amount ₹ in Lakh) (except EPS)

Note No. **31-03-2022** 31-03-2021

### Other Comprehensive Income

#### Items not to be reclassified to profit or loss

- Remeasurement gains and losses on post employment benefits	(22.58)	3.38
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#### Income Tax relating to items that will not be reclassified to profit or loss

- Tax on re-measurement gains and losses	5.62	(0.94)
------------------------------------------	------	--------

#### Items that will be reclassified to profit or loss

- -

#### Income tax relating to items that will be reclassified to profit or loss

- -

### Other Comprehensive Income net of tax

(16.96) 2.44

### Total Comprehensive Income for the period (Comprising Profit /(Loss) and Other Comprehensive Income for the period

484.07 217.43

### Earnings Per Equity Share

(1) Basic	14.74	6.32
(2) Diluted	14.74	6.32

Corporate Information

A1

Significant accounting policies

A2

See accompanying notes to financial statements

1 - 47

The notes referred to above form an integral part of the financial statements

As per my report of even date attached

For and On behalf of Board of Directors

**Dharmendra R Prabhukhot**  
Chartered Accountant  
M.No: 219438  
UDIN:22219438AJSAEV4134

**Dilip Kulkarni**  
Managing Director  
DIN:00184727

**Prakash Kulkarni**  
Executive Chairman  
DIN:00052342

**Ms.Aishwarya Toraskar**  
Company Secretary  
M.No.A54931

Place : **Belagavi**  
Date : **27<sup>th</sup> May, 2022**

Place : **Shirol**  
Date : **27<sup>th</sup> May, 2022**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022 (Contd...)

	(Amount ₹ in Lakh)	
	31-03-2022	31-03-2021
<b>A Cash flow from operating activities</b>		
Net profit before taxes and extraordinary items -	604.88	247.76
<b>Adjustments for:</b>		
Depreciation - Other than ROU	259.36	272.89
Depreciation - On ROU	28.72	27.51
Dividend Income	(2.58)	(0.92)
(Profit)/Loss on sale of PPE & Investment Property	(258.62)	(3.68)
Bad debts written off	47.25	7.43
Government Grant	(14.47)	(14.47)
Income on de-recognition of financial assets	7.36	(1.53)
Interest income	(15.93)	(7.63)
Interest expenses	369.29	469.25
Loss on sale of PPE	-	0.05
Provision no longer required write back	(4.25)	(1.85)
Foreign exchange fluctuations	-	1.26
<b>Operating profits before working capital changes</b>	<b>1,021.01</b>	<b>996.07</b>
<b>Adjustments for:</b>		
(Increase)/decrease in trade receivable	(378.13)	396.86
(Increase)/decrease in other financial assets	(18.33)	(10.84)
(Increase)/decrease in other non-financial assets	21.53	213.21
(Increase)/decrease in inventories	(689.82)	445.51
Increase/(decrease) in trade payables	64.68	(324.25)
Increase/(decrease) in other financial liabilities	193.89	(46.89)
Increase/(decrease) in other non-financial liabilities	16.85	(13.50)
Increase/(decrease) in Provisions	(120.58)	(0.12)
<b>Cash generated from operations</b>	<b>111.10</b>	<b>1,656.05</b>
Income tax paid	(218.71)	(36.85)
<b>Net cash flow from operating activities</b>	<b>(107.61)</b>	<b>1,619.20</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	(Amount ₹ in Lakh)	
	31-03-2022	31-03-2021
<b>B Cash flow from investing activities</b>		
Purchase of PPE	(183.99)	(153.88)
Proceeds from sale of PPE & Investment Property	280.18	5.39
Purchase of Fixed Deposits	25.43	(58.05)
Interest received	12.34	11.12
Dividend Received	2.58	0.92
Sale of Investment	0.65	0.75
<b>Net cash from investing activities</b>	<b>137.19</b>	<b>(193.75)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from Long Term Borrowings	711.49	603.50
Repayment of Long Term Borrowings	(249.28)	(1,593.68)
Interest paid	(361.96)	(468.31)
Purchase of ROU assets	(45.58)	(38.22)
Dividend and Dividend distribution tax	(17.00)	(9.66)
<b>Net cash used in financing activities</b>	<b>37.67</b>	<b>(1,506.37)</b>
Net increase in cash and cash equivalents	67.25	(80.92)
Cash and cash equivalents at beginning of period (refer note -9) (a)	36.37	117.30
Cash and cash equivalents at the end of period (refer note - 9)(a)	<b>103.58</b>	<b>36.37</b>

Notes:

Cash Flow statement has been prepared under indirect method as set out in Ind AS 7 Statement of Cash Flow.

For Net debt Reconciliation Statement, refer note no. 12.

For Company's policies on Cash & Cash equivalent refer note 2.6 of Significant Accounting Policies.

As per my report of even date attached

**For and On behalf of Board of Directors**

**Dharmendra R Prabhukhot**  
**Chartered Accountant**  
M.No: 219438  
UDIN:22219438AJSAEV4134

**Dilip Kulkarni**  
**Managing Director**  
DIN:00184727

**Prakash Kulkarni**  
**Executive Chairman**  
DIN:00052342

Place : **Belagavi**  
Date : **27<sup>th</sup> May, 2022**

**Ms.Aishwarya Toraskar**  
**Company Secretary**  
M.No.A54931

Place : **Shirol**  
Date : **27<sup>th</sup> May, 2022**

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2022

### A. Equity Share Capital (Refer Note 10)

(Amount ₹ in Lakh)

Equity Shares issued, subscribed and fully paid	No. of Shares	Amount
As at 1 <sup>st</sup> April, 2020	3,400,000	170.00
Issued /Reduced if any during the year	-	-
As at 31 <sup>st</sup> March, 2021	3,400,000	170.00
Issued /Reduced if any during the year	-	-
As at 31 <sup>st</sup> March, 2022	3,400,000	170.00

### B. Other Equity (Refer Note 11)

Particulars	Reserves and Surplus				Total
	General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as on 1 <sup>st</sup> April, 2020	1,916.68	310.93	0.15	497.76	2,725.52
Profit for the year 2020-21	-	-	-	214.99	214.99
Other Comprehensive income for the year	-	-	-	2.44	2.44
Balance as on 31 <sup>st</sup> March, 2021	1,916.68	310.93	0.15	715.19	2,942.95
Profit for the year 2021-22	-	-	-	501.04	501.04
Other Comprehensive income for the year	-	-	-	(16.96)	(16.96)
Total Comprehensive Income for the year	-	-	-	484.07	484.07
Transfer from retained earnings	-	-	-	-	-
Final dividend for the year 20-21	-	-	-	(17.00)	(17.00)
Any other change	-	-	-	-	-
Balance as on 31 <sup>st</sup> March, 2022	1,916.68	310.93	0.15	1,182.26	3,410.02

As per my report of even date attached

For and On behalf of Board of Directors

**Dharmendra R Prabhukhot**  
Chartered Accountant  
M.No: 219438  
UDIN:22219438AJSAEV4134

**Dilip Kulkarni**  
Managing Director  
DIN:00184727

**Prakash Kulkarni**  
Executive Chairman  
DIN:00052342

Place : **Belagavi**  
Date : **27<sup>th</sup> May, 2022**

**Ms.Aishwarya Toraskar**  
Company Secretary  
M.No.A54931

Place : **Shirol**  
Date : **27<sup>th</sup> May, 2022**

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### A1. Corporate information

KPT Industries Limited (“the Company”), is a Public Limited Company incorporated on 30<sup>th</sup> July, 1976, under the provisions of Companies Act, 1956 having its registered office at & post Shirol, District Kolhapur, 416103. Its shares are listed at Bombay Stock Exchange.

The Company is mainly engaged in the business of manufacturing of Electrical Power Tools and Roots (Positive Displacement) Blowers/Exhausters for a wide variety of applications, Electric Commercial Vehicles and power generation through windmills.

### A2. Significant accounting policies

#### 2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date).

The financial statements were authorized for issue by the Board of Directors on 30<sup>th</sup> June 2021.

#### 2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Defined benefit Obligation	Fair value
Certain financial instruments	Fair value

#### 2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information is presented in INR rounded to the nearest Rupee in Lakhs, except share and per share data, unless otherwise stated.

Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest cost on foreign currency borrowing, are capitalized as part of Borrowing Cost.

#### 2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosures of the contingent liabilities at the end of each reporting period. Although these estimates are based on management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### Critical estimates and judgements

The areas involving critical estimates or judgements are:

#### 1. Estimation of defined benefit obligation –

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the market yields on government securities in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables which tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 31.

2. Estimation of provision for warranty claims – Refer note 2.16 Provisions
3. Estimated useful life of intangible assets - Refer note 2.9 Intangible asset and amortization.
4. Deferred tax assets are recognized for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
5. Lease term - The Company had applied provisions of Ind AS 116 effective 01st April, 2019. The said standard provides for certain recognition exemptions for short term leases as well as provides for certain criteria when the lease contracts are non-enforceable. The determination of lease term for the purpose of availing such exemptions and evaluation of such criteria for non-enforceability of a contract involves significant judgment.
6. Revenue Recognition - The Company recognises revenue for each performance obligation either at a point in time or over a time. In case performance obligation is satisfied over a time, the output method is used to determine the revenue since it is faithfully depicting the Company's performance towards complete satisfaction of performance obligation. Practical expedient of "right to consideration" is also considered while recognizing revenue in the amount to which the entity has right to invoice. In case performance obligation is satisfied at a point in time, the Company generally recognises revenue when the control is transferred i.e. in case of goods either on shipment or upon delivery in domestic & on date of shipping in case of export. In case of services, the revenue is recognized based on completion of distinct performance obligation. Refer significant accounting policy note 2.10 on revenue recognition for information about methods, input and assumptions w.r.t transaction price & variable consideration.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### Current versus non-current classification

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

An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

### 2.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials and Stores Spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost is calculated on weighted average method.
- Finished goods and work in progress: Cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Unserviceable, damaged and obsolete inventory is valued at cost or net realizable value whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### 2.6 Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in balance sheet.

### 2.7 Property, plant and equipment

- **Recognition and measurement**

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, except for following category of fixed assets, as assessed by the Management of the Company based on technical evaluation –

## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

Particulars	Life in years
<b>Building:</b>	
- Building at new assembly shop cabin	10
- Building near Store	10

### 2.8 Investment Property

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

Investment properties are depreciated using straight-line method over their estimated useful lives.

### 2.9 Intangible assets and amortization

- **Recognition and measurement**

Intangible assets are recognized when the asset is identifiable, it is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

- **Subsequent measurement**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortization**

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

- **De recognition of Intangible assets**

An Intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and they are recognized in statement of profit and loss when the asset is derecognized.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### 2.10 Revenue recognition

#### Sale of goods

Company recognizes revenue when it transfers control over a good or service to a customer i.e. when it has fulfilled all 5 steps as given by Ind AS 115. Revenue is measured at transaction price i.e. Consideration to which Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component. For contracts with multiple performance obligations, transaction price is allocated to different obligations based on their standalone selling price. In such case, revenue recognition criteria are applied for each performance obligation separately, in order to reflect the substance of the transaction and revenue is recognized separately for each obligation as and when the recognition criteria for the component is fulfilled.

For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

#### Other income

Other income comprises of rental income, interest income, and dividend income, foreign currency gain on financial assets and liabilities and export benefits.

Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method. Dividend income and export benefits in the form of Duty Draw Back claims and Merchant Exchange Incentive Scheme licenses are recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

### 2.11 Finance costs

Finance costs comprises of interest expense on borrowings, and foreign currency loss (to the extent those are regarded as an adjustment to the finance costs) on financial assets and liabilities. Interest expenditure is recognized as it accrues in the statement of profit and loss, using the effective interest method.

### 2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are the assets that necessarily take a substantial period of time to get ready for their intended use or sale.

### 2.13 Foreign currency transactions

The financial statements are presented in INR, which is also the Company's functional currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

#### Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Such differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

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

### 2.14 Employee Benefits

#### Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

#### Post-Employment Benefits

##### Defined Contribution Plan

The Company's state governed provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

##### Defined Benefit Plan

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

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

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### Long Term Employee Benefit

The obligation for long term employee benefits such as long-term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned above.

Accumulated leaves that are expected to be utilized within the next 12 months are treated as short term employee benefits.

## 2.15 Income Taxes

### Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

### 2.16 Provisions

A Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

Contingent liability is disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- Present obligation arising from past events, when no reliable estimate is possible, and
- Possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

#### Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

### 2.17 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### As a Lessee

A lessee is required to recognize assets and liabilities for all leases and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However, when the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty the Company considers that lease to be no longer enforceable. Also, according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, the lessee is not required to recognize right-of-use asset and a lease liability. The Company applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### **Right-of-use assets:**

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

### **Lease Liability:**

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

### **As a lessor**

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### **Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1<sup>st</sup> April, 2019 and applied the standard to all lease contracts existing on 1<sup>st</sup> April, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset the same value at which the lease liability is recognized.

### **2.18 Impairment of non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### 2.19 Fair value measurement

The Company measures certain financial instruments such as Investments at fair value at each balance sheet date. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are determined using present value estimates or other valuation techniques, for example, the present value of estimated expected future cash flows using discount rates commensurate with the risks involved. Fair value estimation techniques normally incorporate assumptions that market participants would use in their estimates of values, future revenues, and future expenses, including assumptions about interest rates, default, prepayment and volatility. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values would not necessarily be realized in an immediate sale or settlement of the instrument.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short- term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

The financial instruments carried at fair value were categorized under the three levels of the Ind AS fair value hierarchy as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

### 2.20 Financial instruments

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

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognized initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### Subsequent measurement

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

### Impairment of financial asset

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Financial assets that are debt instruments and are measured as at FVTOCI.
- Lease receivables.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- Loan commitments which are not measured as at FVTPL.
- Financial guarantee contracts which are not measured as at FVTPL.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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## NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

### Financial liabilities

#### Initial recognition and measurement

The Company initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

#### Derecognition

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

### 2.21 Earnings per share

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

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

### 2.22 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognized in profit or loss as finance costs

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

## **NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES**

Borrowings are classified as current liabilities unless they have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **2.23 Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1: PROPERTY, PLANT AND EQUIPMENT, RIGHT OF USE ASSET AND INTANGIBLE ASSET

Particulars	Tangible Assets							Right of Use Asset			(Amount ₹ in Lakh)		
	Free hold Land	Building	Plant & Equipment	Dies, moulds & Patterns	Furniture & Fixtures	Vehicles	Total	Building	Lease hold Land	Total	Software	Technical Know-how	Total
Gross Block													
As at 31 <sup>st</sup> March 2020	249.14	761.89	4,332.43	916.64	197.22	226.78	6,684.10	106.29	15.94	122.23	98.87	134.29	233.16
Additions	-	11.28	10.24	103.16	8.57	23.49	156.74	9.34	-	9.34	2.57	-	2.57
Disposals/Written off	-	-	0.39	-	-	34.80	35.19	15.80	-	15.80	-	-	-
Other adjustments	-	-	-	-	-	-	-	0.24	-	0.24	-	-	-
Impairment of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2021	249.14	773.18	4,342.28	1,019.80	205.79	215.48	6,805.65	99.59	15.94	115.53	101.44	134.29	235.73
Additions	-	0.40	72.01	43.16	3.92	-	119.49	122.26	-	122.26	2.50	-	2.50
Disposals/Written off	-	23.63	9.19	75.84	-	3.44	112.10	-	0.94	0.94	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2022	249.14	749.95	4,405.10	987.12	209.71	212.04	6,813.05	221.85	15.00	236.85	103.94	134.29	238.23
Depreciation/ Amortization													
As at 31 <sup>st</sup> March 2020	-	331.00	3,207.37	725.30	160.80	80.32	4,504.79	26.01	6.89	32.90	97.11	134.29	231.40
Charge for the year	-	21.74	184.55	36.15	7.56	20.55	270.55	27.00	0.51	27.51	2.01	-	2.01
Depreciation on disposals	-	-	0.31	-	-	33.12	33.43	8.78	-	8.78	-	-	-
As at 31 <sup>st</sup> March 2021	-	352.74	3,391.61	761.45	168.36	67.75	4,741.91	44.23	7.40	51.63	99.12	134.29	233.41
Charge for the year	-	21.93	168.91	39.69	6.36	20.83	257.72	28.21	0.51	28.72	1.32	-	1.32
Depreciation on disposals	-	11.36	8.93	71.66	-	3.27	95.22	-	0.15	0.15	-	-	-
As at 31 <sup>st</sup> March 2022	-	363.31	3,551.59	729.48	174.72	85.31	4,904.41	72.44	7.76	80.20	100.44	134.29	234.73
Net Block													
At 31 <sup>st</sup> March 2022	249.14	386.64	853.51	257.64	34.99	126.73	1,908.64	149.41	7.24	156.65	3.50	-	3.50
At 31 <sup>st</sup> March 2021	249.14	420.44	950.67	258.35	37.43	147.73	2,063.75	55.36	8.54	63.90	2.32	-	2.32

#### Notes:

#### 1) Property, plant and equipment pledged as security

Company has mortgaged/ hypothecated its property, plant and equipment against borrowings. (Refer Note No 12)

#### 2) Contractual obligations

Refer Note No 28 for estimated amount of contract remaining to be executed on capital account .

3) Impairment loss - No Provision for Impairment loss is made during the year.

4) For depreciation and amortisation, refer accounting policy 2.7 and for disclosure refer Note No. 24.

#### 5) Capital Work in Progress

Capital work-in-progress mainly comprises of wall compound , machineries and toolings for manufacturing not ready to use.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Details of immovable properties whose title deeds are not in the name of the Company  
As at March, 2022

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	TD Holder- Promoter, Director or relative of P/D or employee of P/D	Property held since which date	Reason for not being held in the name of the Company (also indicate if in dispute)
PPE	Land & Building	-	-	-	-	-
Investment Property	Land & Building	-	-	-	-	-
PPE retired from active use and held for disposal	Land & Building	-	-	-	-	-
PPE – Others		-	-	-	-	-

As at March 2021

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	TD Holder- Promoter, Director or relative of P/D or employee of P/D	Property held since which date	Reason for not being held in the name of the Company (also indicate if in dispute)
PPE	Land & Building	-	-	-	-	-
Investment Property	Land & Building	-	-	-	-	-
PPE retired from active use and held for disposal	Land & Building	-	-	-	-	-
PPE – Others		-	-	-	-	-

Intangible Assets under development

As at March, 2022

Intangible Assets under development	Intangible Assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at March, 2021

Intangible Assets under development	Intangible Assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Capital Work in Progress

As at March, 2022

CWIP	CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	45.30	-	-	-	45.30
Projects temporarily suspended	-	-	-	-	-

As at March, 2021

CWIP	CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 2. INVESTMENT PROPERTY

(Amount ₹ in Lakh)

Particulars	Leasehold Land	Building	Freehold Land	Total
<b>Gross Block</b>				
<b>As at 1<sup>st</sup> April 2020</b>	13.61	10.00	122.53	146.15
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>13.61</b>	<b>10.00</b>	<b>122.53</b>	<b>146.15</b>
Additions	-	-	-	-
Disposals	-	-	4.38	4.38
<b>As at 31<sup>st</sup> March 2022</b>	<b>13.61</b>	<b>10.00</b>	<b>118.15</b>	<b>141.77</b>
<b>Depreciation and Impairment</b>				
<b>As at 1<sup>st</sup> April 2020</b>	2.92	3.93	-	6.84
Charge for the year	0.19	0.13	-	0.32
Depreciation on disposals	-	-	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>3.11</b>	<b>4.05</b>	-	<b>7.16</b>
Charge for the year	0.19	0.13	-	0.32
Depreciation on disposals	-	-	-	-
<b>As at 31<sup>st</sup> March 2022</b>	<b>3.31</b>	<b>4.18</b>	-	<b>7.48</b>
<b>Net block</b>				
<b>31<sup>st</sup> March 2022</b>	<b>10.31</b>	<b>5.82</b>	<b>118.15</b>	<b>134.28</b>
<b>31<sup>st</sup> March 2021</b>	<b>10.50</b>	<b>5.95</b>	<b>122.53</b>	<b>138.98</b>

Notes:

- 1) Carrying value is at actual cost except leasehold land and building which is net of depreciation/ amortisation.
- 2) For depreciation and amortisation refer accounting policy 2.8 and for disclosure refer Note No. 24.

#### Details of Company's Investment Properties and information about the fair value hierarchy:

The Company obtains independent valuations for its investments properties at least annually. The best evidence of fair value is current prices in active market for similar properties. Where such information is not available, the Company considers information from variety of sources including,

1. Current prices in active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
2. Discounted cash-flow projection based on reliable estimates of future cash-flows.
3. Capitalized income projections based upon a property's estimated net market income and capitalization rate derived from an analysis of market evidence.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

#### Fair value table -

(Amount ₹ in Lakh)

Particulars	Amount
<b>Opening balance as at 1<sup>st</sup> April, 2020</b>	6,025.40
Fair value difference	-
Purchases/transfer from PPE	-
<b>Closing balance as at 31<sup>st</sup> March, 2021</b>	<b>6,025.40</b>
Fair value difference	-
Purchases/transfer from PPE	-
Disposals/written off	(322.77)
<b>Closing balance as at 31<sup>st</sup> March, 2022</b>	<b>5,702.63</b>

**Note :** Fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer & consequently classified as a Level 2 valuation.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Information regarding income and expenditure of investment property

	(Amount ₹ in Lakh)	
	31-03-2022	31-03-2021
Rental Income derived from investment property	3.60	3.60
Direct operating expenses (including repairs and maintenance) generating rental income	--	--
Direct operating expenses (including repairs and maintenance) that did not generate rental income	--	--
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>3.60</b>	<b>3.60</b>
Less - Depreciation	(0.32)	(0.32)
<b>Profit arising from investment properties after depreciation and indirect expenses</b>	<b>3.28</b>	<b>3.28</b>

### 3. FINANCIAL ASSETS - INVESTMENTS

#### Non-Current Investments

#### Other Investments (Unquoted equity instruments)

##### At fair value through Other Comprehensive Income-

(i) <b>Saraswat Co-Op. Bank Ltd :</b>	-	0.10
(31 <sup>st</sup> March, 2021 : 1,000 shares of ₹ 10/- each)		
(ii) <b>Shree Mahalaxmi Co-Op. Bank Ltd. :</b> 10,000 Shares of ₹ 50/-each.	5.00	5.00
(31 <sup>st</sup> March, 2021: 10,000 shares of ₹ 50/- each)		
(iii) <b>Samarth Sahakari Bank Ltd :</b> 5,000 Shares of ₹100/- each.	5.00	5.00
(31 <sup>st</sup> March, 2021: 5,000 shares of ₹ 100/- each)		
(iv) <b>Shamrao Vithal Co-Op. Bank Ltd :</b> 200 Shares of ₹ 25/- each.	-	0.05
(31 <sup>st</sup> March, 2021: 200 shares of ₹ 25/- each)		
(v) <b>Dombivali Nagari Sah. Bank Ltd. :</b>	-	0.50
(31 <sup>st</sup> March, 2021: 1,000 shares of ₹ 50/- each)		
(vi) <b>K. A. Ichalkaranji Janata Sah. Bank Ltd :</b> 51,300 Shares of ₹ 50/- each	25.65	25.65
(31 <sup>st</sup> March, 2021: 51,300 shares of ₹ 50/- each)		
(vii) <b>NKGSB Co-Op. Bank Ltd :</b> 50,000 Shares of ₹ 10/- each.	5.00	5.00
(31 <sup>st</sup> March, 2021: 50,000 Shares of ₹ 10/- each)		
	<b>40.65</b>	<b>41.30</b>
1) Aggregate amount of quoted investments	-	-
2) Aggregate amount of unquoted investments	40.65	41.30
3) Aggregate amount of impairment in value of investments	-	-

Refer Note - 34, for Financial assets at fair value through other comprehensive income- unquoted equity instruments.

Refer Note - 34A, on risk management Policies & Objectives for financial instruments.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

### 4. FINANCIAL ASSET - TRADE RECEIVABLE

#### (a) Non-Current Trade Receivables

From related parties	-	-
From others	-	-
Doubtful	-	-
Less: Loss allowance	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

#### Break-up for security details :

Secured, Considered good	-	-
Unsecured, Considered good	-	-
Significant Increase in credit risk	-	-
Credit Impaired	-	-
Less : Loss Allowance ( Allowance for bad and doubtful debts )	-	-

#### (b) Current trade receivables

From related parties	-	-
From others	2,617.37	2,285.99
Credit Impaired	-	-
Less: Loss allowance	(25.85)	(30.10)
	<u>2,591.52</u>	<u>2,255.89</u>

#### Break-up for security details :

Secured, Considered good	-	-
Unsecured, Considered good	2,521.71	2,251.25
Significant Increase in credit risk	95.66	34.74
Credit Impaired	-	-
Less : Loss Allowance ( Allowance for bad and doubtful debts )	(25.85)	(30.10)

1. Trade receivables are measured at amortised cost.
2. No Trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
3. Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
4. Refer Note 34A & 34B, on credit risk of trade receivable, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Disclosure requirement for Current Trade Receivables

(Amount ₹ in Lakh)

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	
	<b>As at March, 2022</b>							
1.	Undisputed Trade receivables – considered good (external parties)	1,678.97	715.48	93.62	31.45	-	-	2,519.52
2.	Undisputed Trade receivables – considered good (related parties)	-	-	-	-	-	-	-
3.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	7.09	42.48	49.57
4.	Undisputed Trade Receivables – credit impaired (external parties)	-	-	-	-	-	-	-
5.	Undisputed Trade Receivables – credit impaired (related parties)	-	-	-	-	-	-	-
6.	Disputed Trade Receivables– considered good	-	-	-	2.19	-	-	2.19
7.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	0.85	45.24	46.09
8.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	<b>Total</b>	<b>1,678.97</b>	<b>715.48</b>	<b>93.62</b>	<b>33.64</b>	<b>7.94</b>	<b>87.72</b>	<b>2,617.37</b>

(Amount ₹ in Lakh)

S. No.	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Less Than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	
	<b>As at March, 2021</b>							
1	Undisputed Trade receivables – considered good (external parties)	1,155.14	861.94	100.65	40.48	-	-	2,158.21
2	Undisputed Trade receivables – considered good (related parties)	-	-	-	-	-	-	-
3	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	30.75	48.70	79.45
4	Undisputed Trade Receivables – credit impaired (external parties)	-	-	-	-	-	-	-
5	Undisputed Trade Receivables – credit impaired (related parties)	-	-	-	-	-	-	-
6	Disputed Trade Receivables– considered good	-	-	2.19	0.85	-	-	3.04
7	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	3.97	41.32	45.29
8	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	<b>Total</b>	<b>1,155.14</b>	<b>861.94</b>	<b>102.84</b>	<b>41.33</b>	<b>34.72</b>	<b>90.02</b>	<b>2,285.99</b>

(Amount ₹ in Lakh)

**31-03-2022**      31-03-2021

### 5. FINANCIAL ASSET - LOANS

#### (a) Non-Current financial assets-Loans

##### Security Deposits

##### Break-up for security details :

Secured, Considered good

Unsecured, Considered good

Significant Increase in credit risk

Credit Impaired

Less : Loss Allowance

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

1. Loans are measured at amortised cost. - As at 31<sup>st</sup> March, 2022

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

As at 31<sup>st</sup> March, 2021

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

### 6. FINANCIAL ASSET - OTHERS

#### (a) Non-Current other financial assets

Security Deposits	79.06	70.98
<b>Break-up for security details :</b>		
Secured, Considered good		
Unsecured, Considered good	79.06	70.98
Significant Increase in credit risk		
Credit Impaired		
Less : Loss Allowance		
	79.06	70.98

#### (b) Current other financial assets

Interest accrued on bank deposit	3.74	1.05
Prepaid Bank Charges on Borrowings	11.16	-
	14.90	1.05

- Other financial assets are measured at amortised cost.
- Refer Note 34A on risk management Policies & Objectives for financial instruments.

### 7. OTHER ASSETS

#### (a) Non-current other assets

<b>Capital advances</b>		
Unsecured, considered good		
(i) To Related Parties	-	-
(ii) To Others	18.36	2.73
<b>Prepaid Expenses</b>	-	2.60
<b>Income Tax Receivable</b>	39.96	
	58.32	5.33

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

**(b) Current other assets**

**Advances to suppliers**

Unsecured, considered good

(i) To Related Parties

(ii) To Others

**Claims Receivable**

(i) Paid under protest

(ii) VAT/ Excise/ GST Receivable

Advance income Tax (Net of Provision)

Earnest money deposit

Prepaid Expenses

Staff Advance

Sundry Deposits

Others

-	-
6.02	-
65.82	84.63
16.72	-
29.36	40.25
-	4.30
32.63	46.26
10.80	17.37
14.02	1.86
1.68	0.95
50.99	55.63
<b>228.02</b>	<b>251.26</b>

Advance to Directors or to firm/Private Company where Director is interested.

6.02	-
------	---

### 8. INVENTORIES

(a) Raw materials

(b) Work in progress

(c) Finished goods

(d) Stock in trade

(e) Stores and spares

(f) Loose Tools

796.58	608.81
273.35	283.34
488.75	347.64
1,576.88	1,204.78
42.89	45.39
10.38	9.04
<b>3,188.83</b>	<b>2,499.00</b>

### 9. CASH AND BANK BALANCE

**(a) Cash and cash Equivalents**

(i) Cash on hand

(ii) Balances with bank - In current account

**Cash and cash Equivalents**

1.78	1.83
101.81	34.54
<b>103.58</b>	<b>36.37</b>

**(b) Other Bank balance**

(i) Earmarked balances with banks (Unpaid dividend accounts)

(ii) Margin Money deposits :

- With Banks

- With Financial Institutions

**Total Other Bank balances**

4.71	5.21
197.55	222.69
-	-
<b>202.26</b>	<b>227.90</b>

Refer Note 34A on risk management objectives and policies for financial instruments.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)

**31-03-2022**      31-03-2021

### 10. SHARE CAPITAL

#### Authorized Share Capital

10,000,000 Equity Shares of ₹ 5 /- each 500.00 500.00  
(Previous year 10,000,000 Equity Shares of ₹ 5/- each)

30,00,000 Preference Shares of ₹ 10/- each 300.00 300.00  
(Previous year 30,000,000 Preference Shares of ₹ 10/- each)

**800.00** **800.00**

#### Issued, Subscribed & Fully Paid-up

3,400,000 Equity Shares of ₹ 5/- each 170.00 170.00  
(Previous year 3,400,000 Equity Shares of ₹ 5/- each)

**170.00** **170.00**

#### a) Terms/rights attached to Equity Shares

The Company has only one class of equity shares, having par value of ₹ 5/- per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders. 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 share holders.

#### b) Reconciliation of Share Capital

Particulars	31-03-2022		31-03-2021	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Shares outstanding at the beginning of the year	3,400,000	170.00	3,400,000	170.00
Increase/(Decrease) during the year	-	-	-	-
Shares outstanding at the end of the year	3,400,000	170.00	3,400,000	170.00

#### c) Details of Shareholder holding more than 5% shares

Particulars	31-03-2022		31-03-2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Suvina Engineers Pvt.Ltd	7,78,812	22.91	7,78,812	22.91
2. Kulkarni Power Tools Employees Welfare Trust	3,24,000	9.53	3,24,000	9.53

In last five years the Company has neither issued any bonus shares nor shares are issued for consideration other than cash. Further the Company has not bought back any shares in last five years.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

As at March 2022

Shares held by Promoters at the end of the year

S. No.	Promoter Name	No. of Shares held	% of Total shares	% Change during the year
1.	Sunanda Ashok Kulkarni	1,62,176.00	4.77	N.A.
2.	Ashok Arvind Kulkarni	82,304.00	2.42	N.A.
3.	KPT Employees Welfare Trust	3,24,000.00	9.53	N.A.
4.	Prakash Kulkarni Endowment Trust	88,381.00	2.6	N.A.
5.	Prabha Kulkarni Endowment Trust	76,804.00	2.26	N.A.
6.	Suvina Engineers Pvt Ltd.	7,78,812.00	22.91	N.A.
7.	Neema Dilip Kulkarni	1,27,012.00	3.74	N.A.
<b>Total</b>		<b>16,39,489.00</b>	<b>48.23</b>	<b>N.A.</b>

As at March 2021

Shares held by Promoters at the end of the year

S. No.	Promoter Name	No. of Shares held	% of Total shares	% Change during the year
1.	Sunanda Ashok Kulkarni	1,62,176.00	4.77	N.A.
2.	Ashok Arvind Kulkarni	82,304.00	2.42	N.A.
3.	KPT Employees Welfare Trust	3,24,000.00	9.53	N.A.
4.	Prakash Kulkarni Endowment Trust	88,381.00	2.6	N.A.
5.	Prabha Kulkarni Endowment Trust	76,804.00	2.26	N.A.
6.	Suvina Engineers Pvt Ltd.	7,78,812.00	22.91	N.A.
7.	Neema Dilip Kulkarni	1,27,012.00	3.74	N.A.
<b>Total</b>		<b>16,39,489.00</b>	<b>48.23</b>	<b>N.A.</b>

(Amount ₹ in Lakh)

**31-03-2022**

31-03-2021

### 11. OTHER EQUITY

(a) General reserves	1,916.68	1,916.68
(b) Securities Premium Reserve	310.93	310.93
(c) Capital Reserves	0.15	0.15
(d) Retained Earnings		
Opening balance	715.19	497.76
Add: Net Profit for the current year	501.04	214.99
Other Comprehensive Income	(16.96)	2.44
<b>Balance available for appropriation</b>	<b>1,199.26</b>	<b>715.19</b>
Less: Appropriations :		
Dividend on equity	17.00	-
	<b>1,182.26</b>	<b>715.19</b>
	<b>3,410.02</b>	<b>2,942.95</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Notes :

- i) General reserve is created by setting aside amount from Retained Earnings of the Company for general purpose which is freely available for distribution
- ii) Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Act.
- iii) Capital Reserve is created by forfeiture of shares from unpaid Shareholders by Company.
- iv) **Dividend distribution made and proposed** (Amount ₹ in Lakh)

<b>Cash Dividend on Equity shares declared and paid :</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
<b>Final Dividend for the year ended 31<sup>st</sup> March, 2021</b>		
₹ 0.50 per share (31 <sup>st</sup> March, 2020 : ₹ 0.75)	<b>17.00</b>	-
Dividend distribution tax on final dividend	-	-
	<b>17.00</b>	-

### **Proposed dividend on equity shares**

#### **Final Cash dividend for the year ended 31<sup>st</sup> March, 2022**

₹ 1 per equity share (31 <sup>st</sup> March, 2021 : ₹ 0.50 per share)	<b>34.00</b>	<b>17.00</b>
	<b>34.00</b>	<b>17.00</b>

Proposed dividend on equity on shares are subject to approval of shareholders of the Company at annual general meeting and are not recognised as a liability as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

## 12. FINANCIAL LIABILITIES - BORROWINGS

	<b>Interest Rate (p.a.)</b>	<b>Terms of Repayment</b>		
<b>(a) Non- current borrowings</b>				
<b>(i) Term Loans</b>				
<b>- From Banks (Secured)</b>				
<b>1 Samarth Sahakari Bank Ltd.</b> (secured by mortgage of immovable property)	14.00%	Repayable in 84 monthly installments	-	161.85
<b>2 IDBI Bank Limited</b> (secured by second charge on immovable property, Plant and Machinery & Current Assets)	RLLR(Y)+ 1%	Repayable in 36 monthly installments starting from October 2021	<b>222.60</b>	488.20
<b>3 IDBI Bank Limited</b> (secured by second charge on immovable property, Plant and Machinery & Current Assets)	RLLR(Y)+ 1%	Repayable in 36 monthly installments starting from February 2024	<b>133.00</b>	-
<b>4 K.A. Ichalkaranji Janata S.B.Ltd.</b> (secured by hypothecation of machineries and mortgage of immovable property.)	12.00%	Repayable in 20 quarterly installments	<b>53.99</b>	236.31

## NOTES FORMING PART OF FINANCIAL STATEMENTS

		Interest	Terms of	(Amount ₹ in Lakh)	
		Rate (p.a.)	Repayment	31-03-2022	31-03-2021
5	<b>NKGSB Co-op Bank Ltd.</b> (secured by hypothecation of stock and receivables and mortgage of immovable properties )	11.75%	Repayable in 35 monthly instalments	-	38.45
6	<b>NKGSB Co-op Bank Ltd.</b> (secured by mortgage of immovable properties )	10.00%	Repayable in 60 monthly installments from December 2022	<b>368.30</b>	-
7	<b>NKGSB Co-op Bank Ltd.</b> (secured by hypothecation of machineries to be procured out of the loan and mortgage of immovable property)	10.00%	Repayable in 60 monthly installments from February 2023	<b>17.32</b>	-
8	<b>NKGSB Co-op Bank Ltd.</b> (secured by second charge on immovable property,Plant and Machinery & Current Assets)"	8.00%	Repayable in 36 monthly installments starting from March 2024	<b>160.00</b>	-
9	<b>Bank of Baroda</b> (Secured by vehicles purchased out of the loan)	8.70%	Repayable in 36 monthly installments	<b>6.17</b>	43.56
10	<b>Bank of Maharashtra</b> (Secured by vehicles purchased out of the loan)	8.85%	Repayable in 36 monthly installments	-	7.48
11	<b>- From Others (Secured)</b> <b>Electronica Finance Limited</b> (secured by hypothecation of machinery acquired out of the loan)	12.99%	Repayable in 36 monthly installments	-	7.67
<b>Total Secured Term Loans from banks</b>				<b>961.38</b>	983.52
(ii)	<b>Interest Free Sales Tax Deferred Payment Liability (Unsecured)**</b>			<b>9.93</b>	34.99
				<b>971.30</b>	1,018.51
<b>(b) Current borrowings</b>					
<b>Secured</b>					
<b>- Loans repayable on demand from bank</b>					
<b>(i) Working Capital loan repayable on demand</b>					
	<b>- IDBI Bank Ltd.*</b>	RLLR(Y) +2.75%	On Demand	<b>416.33</b>	48.39

## NOTES FORMING PART OF FINANCIAL STATEMENTS

			(Amount ₹ in Lakh)	
	Interest Rate (p.a.)	Terms of Repayment	31-03-2022	31-03-2021
- NKGSB Co-op Bank Ltd.*	10.00%	On Demand	979.72	558.82
*(primarily secured by first pari passu charge on entire current assets with NKGSB and collateral security of first pari passu charge on immovable properties and second charge on plant and machinery with NKGSB.)				
(ii) Post Shipment Facility				
- IDBI Bank Ltd.	RLLR(HY) +2.90%	60 - 90 days	85.40	28.94
*(primarily secured by first pari passu charge on entire current assets with NKGSB and collateral security of first pari passu charge on immovable properties and second charge on plant and machinery with NKGSB.)				
(iii) Buyers Credit Facility				
- NKGSB Co-op Bank Ltd.			349.47	494.56
- IDBI Bank Ltd.			40.91	-
(secured against hypothecation of stock & book debts and mortgage of immovable property )		SOFR + 95 bps		
		Based on operating cycle		
(iv) Current Maturities of long term borrowings				
- From Banks			356.15	556.38
- From Financial Institutions			-	21.44
- From Others ( Unsecured)			29.59	39.63
			2,257.57	1,748.16

Out of the above secured Borrowings, amount guaranteed by Executive Chairman (Including Current Maturities of long term debts.) **2,471.98** 2,047.34

Out of the above secured long term borrowings ₹ 381.51 lakhs are sanctioned but not yet utilised by the Company as on reporting date.

Out of the above secured short term borrowings ₹ 1056.54 lakhs are sanctioned but not utilised by the Company as on reporting date.

### Notes:

- 1) \*\*The Company received interest free loan aggregating to ₹ 531.60 Lakhs from Government of Maharashtra for expansion of business, investment in specific asset and employment generation as per the terms of Scheme. The loan is repayable in full at the end of the period as per the terms of the scheme. Using prevailing market interest rates for an equivalent loan of 12.95%, the fair value of loan at initial recognition is estimated at ₹ 407.17 Lakhs. The difference of ₹ 124.42 Lakhs is recognised as deferred revenue income (Refer Note: 17), which is recognised in statement of profit and loss on straight line basis over the period of sales tax deferral loan i.e ₹ 14.47 Lakhs for F.Y. 2021-22 and of ₹ 14.47 Lakhs F.Y. 2020-21 (Refer note 19). Interest expense of ₹ 4.53 Lakhs for F.Y. 2021-22 and ₹ 8.56 Lakhs for F.Y. 2020-21 was recognised. (Refer note 23).

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

### Terms of Repayment:

- (i) Liability of ₹ 29.40 Lakhs to be repaid in five yearly equal installments of ₹ 5.88 Lakhs from March, 2018 to March, 2022.
  - (ii) Liability of ₹ 343.75 lakhs to be repaid after 10 years from the year in which Sales Tax is collected. The repayment has started from March, 2014 to March, 2023.
- 2) There is no continuing default as at the balance sheet date, in repayment of any of the above loans and interest thereon.

### 3) Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31<sup>st</sup> March, 2022.

Cash and Cash Equivalents	103.58	36.37
Non-Current Borrowings	971.30	1,018.51
Current Borrowings	2,257.57	1,748.16
<b>Total</b>	<b>3,332.46</b>	<b>2,803.03</b>

Particulars	Cash & Cash Equivalents	Borrowings	Total
<b>Net Debt As on April 1, 2020</b>	117.30	3,748.30	<b>3,865.60</b>
Cash Flows	(80.93)	(982.57)	(1,063.49)
Foreign Exchange Adjustment	-	-	-
Interest paid	-	(468.31)	(468.31)
Interest expense	-	469.25	469.25
<b>Net Debt As on March 31, 2021</b>	<b>36.37</b>	<b>2,766.67</b>	<b>2,803.05</b>
Cash Flows	67.21	454.88	522.09
Foreign Exchange Adjustment	-	-	-
Interest paid	-	(361.96)	(361.96)
Interest expense	-	369.29	<b>369.29</b>
<b>Net Debt As on March 31, 2022</b>	<b>103.58</b>	<b>3,228.88</b>	<b>3,332.47</b>

### 13. FINANCIAL LIABILITIES - TRADE PAYABLES

#### (a) Current Liability

##### Dues to Micro and Small Enterprises

(i) To Related Parties	-	2.12
(ii) To Others	<b>33.97</b>	35.97
	<b>33.97</b>	<b>38.09</b>

##### Dues to other than Micro and Small Enterprises

(i) To Related Parties	-	-
(ii) To Others	<b>699.49</b>	630.69
	<b>699.49</b>	<b>630.69</b>

#### Notes:

- Trade and other payables are measured at amortised cost.
- Trade payables are non-interest bearing and are normally settled on 30 to 120 days terms.
- For explanations on the Company's Foreign currency risk and liquidity risk management processes, refer to Note 34A.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

### Disclosure requirement for Current Trade payables

S. No.	Particulars	Not due	Outstanding for following periods from due date of payment				
			Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
	<b>As at March 2022</b>						
1	MSME	29.84	4.13	-	-	-	<b>33.97</b>
2	Others (external parties)	510.82	184.47	0.15	1.58	2.47	<b>699.49</b>
3	Others (related parties)	-	-	-	-	-	-
4	Disputed Dues – MSME	-	-	-	-	-	-
5	Dispute Dues - Others	-	-	-	-	-	-
	<b>Total</b>	<b>540.66</b>	<b>188.60</b>	<b>0.15</b>	<b>1.58</b>	<b>2.47</b>	<b>733.46</b>

S. No.	Particulars	Not due	Outstanding for following periods from due date of payment				
			Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
	<b>As at March 2021</b>						
1	MSME	35.30	2.78	-	-	-	<b>38.09</b>
2	Others (external parties)	443.65	174.98	7.51	2.23	2.32	<b>630.69</b>
3	Others (related parties)	-	-	-	-	-	-
4	Disputed Dues – MSME	-	-	-	-	-	-
5	Dispute Dues - Others	-	-	-	-	-	-
	<b>Total</b>	<b>478.96</b>	<b>177.76</b>	<b>7.51</b>	<b>2.23</b>	<b>2.32</b>	<b>668.78</b>

### 14. FINANCIAL LIABILITIES - OTHER

#### (a) Non Current financial liabilities

(i) Deposit from dealers	79.78	76.59
(ii) Security Deposit	-	-
	<b>79.78</b>	<b>76.59</b>

#### (b) Non-Current lease liabilities

	<b>116.50</b>	<b>37.85</b>
	<b>196.28</b>	<b>114.43</b>

#### (c) Current financial liabilities

(i) Interest accrued but not due on borrowings	4.28	0.16
(ii) Interest accrued and due on borrowings	3.21	-
(iii) Interest payables on MSME	0.76	1.44
(iv) Payables for capital purchases	7.08	8.14
(v) Unpaid dividend	4.71	4.92
(vi) Employee Benefits payables	238.29	196.35
(vii) Selling & Promotion Expenses payables	320.68	238.19
(viii) Other payables	149.86	82.92
	<b>728.86</b>	<b>532.12</b>

#### (d) Current Lease Liabilities

	37.51	32.12
<b>Total</b>	<b>766.37</b>	<b>564.24</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

- Other financial liabilities are measured at amortised cost.
- For explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes (Refer Note No. 34A)
- In the wake of the disruption on account of COVID-19 pandemic, RBI has issued Circular DOR.No. BP.BC.47/21.04.048/2019-20 dated 27<sup>th</sup> March, 2020 and Circular DOR.No.BP. BC.63/21.04.048/2019-20 dated 17<sup>th</sup> April, 2020, wherein certain cash flow benefit have been given to the industry. We have taken due cognizance of these circulars while calculating amount of accrued interest (Refer Note No. 14) and "Current Maturities" (Refer Note No. 12)

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

### 15. PROVISIONS

#### (a) Non-current provision

##### Provision for employee benefits

(i) Leave encashment	27.38	32.87
(ii) Gratuity	2.80	83.49
	<u>30.18</u>	<u>116.36</u>

#### (b) Current provision

##### Provision for employee benefits

(i) Leave encashment	29.37	29.86
(ii) Gratuity	8.75	24.86
(iii) Super Annuation	-	-

##### Other provision (Refer Note 33)

Provision for product warranty	23.10	18.32
	<u>61.21</u>	<u>73.04</u>

### 16. DEFERRED TAX LIABILITY (NET)

The major components of income tax expense for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are:

#### A Deferred tax relates to the following: DTL / (DTA)

(a) Property Plant & Equipment, Right of Use, Intangible Assets	191.77	207.45
<b>Deferred tax Liability</b>	<u>191.77</u>	<u>207.45</u>
(a) Disallowances u/s 43B of Income Tax Act	114.36	72.83
(b) Leases - Ind AS 116	38.76	19.47
(c) Provision for Expected Credit Loss	6.51	8.37
(d) Government Grant - Ind AS 20	3.18	7.54
<b>Deferred tax Asset</b>	<u>162.80</u>	<u>108.21</u>
<b>Net Deferred Tax (Assets)/Liabilities</b>	<u>28.97</u>	<u>99.24</u>

#### 1) Reconciliation of deferred tax (assets)/liabilities, net

<b>Opening balance as of 1<sup>st</sup> April, 2021</b>	99.24	92.52
(a) Tax (income)/expense during the year recognised in Profit or loss	(64.65)	(23.32)
(b) Tax (income)/expense during the year recognised in OCI	(5.62)	0.94
(c) Tax (income)/expense during the year recognised in Reserves		
(d) Reversal of MAT Credit Entitlement	-	29.10
<b>Closing Balance as at 31<sup>st</sup> March, 2022</b>	<u>28.97</u>	<u>99.24</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)

**31-03-2022**      31-03-2021

- 2) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- 3) Applicable tax rate for current year is 25.17% (previous year 31<sup>st</sup> March 2021 : 27.82%)

**B Current tax Asset/(Liability)- Net** **30.27**      44.83

### 17. OTHER LIABILITIES

**(a) Other Non-Current Liabilities**

Deferred Revenue arising from Government grant*	-	12.62
	-	12.62

**(b) Other Current Liabilities**

(i) Statutory dues	58.30	40.26
(ii) Advances from customer	28.97	30.16
(iii) Current Maturities of Deferred Revenue arising from government grant	12.62	14.47

	99.89	84.89
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\* Ind AS 20 - Government Grant - Refer Note No. 12.a (ii)

### 18. REVENUE FROM OPERATIONS

**(a) Revenue from Contracts with Customers**

(i) Sale of Products	11,560.19	10,091.80
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**(b) Other operating revenue**

(i) Export Benefit	23.85	29.58
(ii) Sale of Scrap	47.94	26.97
(iii) Net Gain / (Loss) on Foreign Exchange Fluctuation	15.82	67.46
(iv) Others	-	-

	11,647.79	10,215.81
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### 19. OTHER INCOME

**(a) Interest Income**

(i) From bank	15.03	6.80
(ii) From others	0.91	0.83

	15.93	7.63
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**(b) Dividend income**

	2.58	0.92
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**(c) Other non-operating income**

(i) Government Grant	14.47	14.47
(ii) Lease rent	3.60	3.60
(iii) Income on de-recognition of Financial Assets	-	1.53
(iv) Miscellaneous income	0.01	0.04
(v) Profit on sale of PPE	0.48	3.68
(vi) Provision no longer required write back	4.25	1.85

	22.81	25.16
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	41.33	33.71
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## NOTES FORMING PART OF FINANCIAL STATEMENTS

		(Amount ₹ in Lakh)	
		31-03-2022	31-03-2021
<b>20. COST OF MATERIAL CONSUMED</b>			
(a) <b>Raw material consumed</b>		2,807.22	2,305.11
Opening Raw material		663.24	657.89
Add: Purchases during the year		2,993.83	2,310.47
Less: Closing stock of Raw Material		849.85	663.24
(b) <b>Purchase of Stock-in-trade</b>		5,042.05	4,002.97
		<u>7,849.27</u>	<u>6,308.08</u>
<b>21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>			
<b>Opening Inventory :</b>			
(i) Finished goods		347.64	702.74
(ii) Work-in- progress		283.34	397.12
(iii) Stock in trade		1,204.78	1,186.76
		<u>1,835.76</u>	<u>2,286.62</u>
<b>Closing Inventory :</b>			
(i) Finished goods		488.75	347.64
(ii) Work-in- progress		273.35	283.34
(iii) Stock in trade		1,576.88	1,204.78
		<u>2,338.97</u>	<u>1,835.76</u>
		<u>(503.21)</u>	<u>450.86</u>
<b>22. EMPLOYEE BENEFITS EXPENSE</b>			
(a) Salaries, wages and bonus		1,183.32	1,090.38
(b) Contribution to provident fund and other fund (Refer Note 31)		43.94	43.51
(c) Gratuity (Refer Note 31)		10.82	10.93
(d) Welfare expenses		55.40	25.52
		<u>1,293.47</u>	<u>1,170.34</u>
<b>23. FINANCE COST</b>			
(a) Interest expense		299.02	365.64
(b) Interest on Sales Tax Deferral Loan		4.53	8.56
(c) Net Interest expense/ (income) on defined benefit obligation		5.45	9.68
(d) Interest on Lease liability		7.36	8.95
(e) Other borrowing cost		60.28	76.42
		<u>376.65</u>	<u>469.25</u>
<b>24. DEPRECIATION AND AMORTISATION</b>			
(a) Depreciation on tangible assets		257.72	270.55
(b) Depreciation on Right of Use Assets		28.72	27.51
(c) Depreciation on intangible assets		1.32	2.01
(d) Depreciation on investment property		0.32	0.32
		<u>288.08</u>	<u>300.39</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

### 25. OTHER EXPENSES

(a) Stores, Spares consumed	95.98	68.04
(b) Processing Charges	242.30	169.36
(c) Power and Fuel consumed	94.20	81.59
(d) Repairs to Plant and Machinery	82.25	61.09
(e) Repairs to Factory Building	25.90	18.28
(f) Services to Manufacturing	44.97	42.25
(g) Insurance	18.54	28.86
(h) Advertisement, Publicity and Sales Promotion	113.96	60.94
(i) Product Distribution	222.90	242.22
(j) Warranty Expense	49.82	24.42
(k) Packing Material	126.44	100.99
(l) Cash Discount	86.14	88.90
(m) Rent	15.98	3.29
(n) Rates and Taxes (other than taxes on income)	7.07	9.63
(o) Legal, Professional and Consultancy Charges	91.87	73.70
(p) Directors' Sitting Fees	17.00	14.00
(q) Travelling & Conveyance	180.01	130.74
(r) Printing & Stationery	11.50	10.15
(s) Postage & Telephone	11.42	11.33
(t) Auditors remuneration (Refer note no. 29)	1.55	1.68
(u) Bad Debts Written Off	47.25	7.43
(v) Miscellaneous Expenses	75.67	53.90
(w) Loss on Sale of Fixed Assets	0.49	0.05
	<b>1,663.21</b>	<b>1,302.84</b>

### 26. INCOME TAX

#### Statement of Profit and loss

#### (a) Current income tax:

(i) Current income tax charge	200.00	110.00
(ii) Adjustments in respect of current income tax of previous year	-	-
(iii) Short/(Excess) Provision	(16.00)	(20.74)

#### (b) Deferred tax:

(i) MAT Credit Entitlement	(15.51)	(33.17)
(ii) Relating to origination and reversal of temporary differences	(64.65)	(23.32)
(c) Income tax expense reported in the statement of profit and loss	<b>103.84</b>	<b>32.77</b>

#### Other Comprehensive Income

Current tax related to items recognized in OCI during in the year:

#### Deferred tax related to items recognised in OCI during the year

Net (loss)/gain on actuarial gains and losses	5.62	(0.94)
Income tax charged to OCI	<b>5.62</b>	<b>(0.94)</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

### Tax Reconciliation

(a) Accounting profit before income tax expense	604.86	247.75
(b) Tax @25.168% ( Previous year @ 27.82% )	155.23	68.92
<b>Tax effect adjustments in calculating taxable income</b>		
(a) Other	-	-
(b) Remeasurement Gain /(Loss) allowed as expense	(5.62)	0.94
(c) Short/(Excess) Provision	(16.00)	(20.74)
(d) Tax benefits under various Income tax Sections	(17.26)	12.28
(e) Brought Forward depreciation loss	-	-
(f) MAT Credit Entitlement not accounted in earlier year	(25.02)	(33.17)
(g) MAT Credit Entitlement utilised during the year	15.51	29.10
<b>Current Tax Expense</b>	<b>103.84</b>	<b>(32.77)</b>

### 27. CONTINGENT LIABILITIES

(a) Claims against the Company not acknowledged as debt		
(i) Dispute relating to Maharashtra Value Added Tax Act 2002 and Central Sales Tax Act 1956		
- For the year 2016-17	29.77	-
Against which an amount of ₹ 10.42 lakhs (Previous Year Nil ) has been paid under protest.		
- For the year 2017-18	19.99	-
Against which an amount of ₹ 6.30 lakhs (Previous Year Nil) has been paid under protest.		
	<b>49.77</b>	<b>-</b>

### 28. COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of capital advances ).	41.39	8.37
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### 29. REMUNERATION TO AUDITORS

(a) Statutory Auditors :		
(i) Audit Fees	0.75	0.75
(ii) Other services (Limited Review and Certification)	0.80	0.93
(iii) Expenses reimbursed	-	-
	<b>1.55</b>	<b>1.68</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)  
**31-03-2022**      31-03-2021

### 30. EARNING PER SHARE ( BASIC AND DILUTED )

#### (a) Basic

(i) Profit for the year before tax	604.87	247.76
Less Attributable Tax thereto	103.84	32.77
Profit after Tax	501.03	214.99
(ii) Weighted average number of equity shares used as denominator (No's)	34,00,000	34,00,000
(iii) Basic Earning Per Share (Amount in ₹)	14.74	6.32

#### (b) Diluted

(i) Profit for the year before tax	604.87	247.76
Less Attributable Tax thereto	103.84	32.77
Profit after Tax	501.03	214.99
(ii) Weighted average number of equity shares	34,00,000	34,00,000
(iii) Add : Weighted average number of potential equity shares on account of employee stock options	-	-
(iv) Weighted average number of shares outstanding used as denominator (No's)	34,00,000	34,00,000
(v) Diluted Earning Per Share (Amount in ₹)	14.74	6.32

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 31. EMPLOYEE BENEFITS

#### a) Defined Contribution Plans:

Amount of ₹ 43.94 Lakhs (Previous Year ₹ 43.51 Lakhs) is recognised as an expense and included in Employees benefits expense (Refer note no- 22) in the Statement of Profit and Loss.

#### b) Defined Benefit Plans:

		(Amount ₹ in Lakh)	
		31-03-2022	31-03-2021
		Gratuity Plan	Gratuity Plan
		(Funded)	(Funded)
i)	The amounts recognized in Balance Sheet are as follows:		
(a)	Amount to be recognized in Balance Sheet		
	Present Value of Defined Benefit Obligation	133.42	226.84
	Less: Fair Value of Plan Assets	81.88	78.50
	Amount to be recognized as liability or (asset)	51.54	148.34
(b)	Amounts reflected in the Balance Sheet		
	Liabilities	51.54	148.34
	Assets	-	-
	Net Liability/(Assets)	51.54	148.34
ii)	The amounts recognized in the Statement of Profit and Loss :		
(a)	Current Service Cost	10.82	10.93
(b)	Acquisition (gain)/ loss	-	-
(c)	Past Service Cost	-	-
(d)	Net Interest (income)/expenses	5.45	9.68
(e)	Actuarial Losses/(Gains)	-	-
(f)	Curtailment (Gain)/ loss	-	-
(g)	Settlement (Gain)/loss	-	-
(h)	Expected return on Plan Assets	-	-
	Net periodic benefit cost recognized in the statement of profit & loss-(Employee benefit expenses - Refer Note No. 22)	16.27	20.61
iii)	The amounts recognized in the statement of other comprehensive income (OCI)		
(a)	Opening amount recognized in OCI outside P&L account	17.61	20.99
(b)	Remeasurements for the year - Obligation (Gain)/ Loss	21.64	(2.77)
(c)	Remeasurement for the year - Plan assets (Gain)/ Loss	0.95	(0.62)
(d)	Total Remeasurements Cost /(Credit) for the year recognized in OCI	22.58	(3.39)
(e)	Less: Accumulated balances transferred to retained earnings	-	-
	Closing balances (remeasurement (gain)/loss recognized OCI.	40.19	17.61

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Amount ₹ in Lakh)	
	31-03-2022 Gratuity Plan (Funded)	31-03-2021 Gratuity Plan (Funded)
<b>iv) The changes in the present value of defined benefit obligation (PVO) representing reconciliation of opening and closing balances thereof are as follows:</b>		
(a) Balance of the PVO as at beginning of the period	226.84	223.54
(b) Acquisition adjustment	-	-
(c) Transfer in/ (out)	-	-
(d) Interest expenses	10.78	14.75
(e) Past Service Cost	-	-
(f) Current Service Cost	10.82	10.93
(g) Curtailment Cost / (credit)	-	-
(h) Settlement Cost/ (credit)	-	-
(i) Benefits paid	(136.65)	(19.61)
(j) Remeasurements on obligation - (Gain) / Loss	21.64	(2.77)
<b>Present value of obligation as at the end of the period</b>	<b>133.42</b>	<b>226.84</b>
<b>v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:</b>		
(a) Fair value of the plan assets as at beginning of the period	78.50	73.50
(b) Acquisition adjustment	-	-
(c) Transfer in/(out)	-	-
(d) Interest income	5.33	5.07
(e) Contributions	66.16	-
(f) Mortality Charges and taxes	(0.65)	(0.69)
(g) Benefits paid	(66.51)	-
(h) Amount paid on settlement	-	-
(i) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(0.95)	0.62
<b>Fair value of plan assets as at the end of the period</b>	<b>81.88</b>	<b>78.50</b>
<b>vi) Major Categories of plan assets (as percentage to total plan assets)</b>		
(a) Government of India Securities	-	-
(b) High Quality Corporate Bonds	-	-
(c) Special Deposit Schemes	-	-
(d) Funds Managed by Insurer	100%	100%
	<b>100%</b>	<b>100%</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Amount ₹ in Lakh)	
	31-03-2022	31-03-2021
	Gratuity Plan	Gratuity Plan
	(Funded)	(Funded)
<b>vii) Net interest (Income) /expenses</b>		
1 Interest (Income) / Expense – Obligation	10.78	14.75
2 Interest (Income) / Expense – Plan assets	(5.33)	(5.07)
3 Net Interest (Income) / Expense for the year	5.45	9.68
<b>(viii) Principal actuarial assumptions at the balance sheet date :</b>		
(a) Discount rate as at 31-03-2022- 7.30% (Previous year - 6.80%)		
(b) Salary growth rate : For Gratuity Scheme - 3% (Previous year - 3%)		
(c) Attrition rate: For gratuity scheme the attrition rate is taken at - 2% (Previous year - 2%)		
(d) The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
<b>(ix) The amounts pertaining to defined benefit plans are as follows:</b>		
(a) Defined Benefit Obligation	133.42	226.84
(b) Plan Assets	81.88	78.50
(c) Surplus/(Deficit)	(51.54)	(148.34)

### **(x) General descriptions of defined plans:**

#### **Gratuity Plan:**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

### **(xi) Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of Obligation(PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter at a time by 100 basis points (1%) and studying its impact.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)		
	31-03-2022	31-03-2021
<b>Change in assumption</b>	<b>Effect on gratuity obligation</b>	
<b>(a) Discount rate</b>		
(i) Decrease by 1%	141.83	239.43
(ii) Increase by 1%	126.03	215.59
<b>(b) Salary increase rate</b>		
(i) Decrease by 1%	126.51	216.71
(ii) Increase by 1%	141.14	237.96
<b>(c) Withdrawal rate</b>		
(i) Decrease by 1%	130.68	223.91
(ii) Increase by 1%	135.93	229.54

**xii) Other Details - Expected expense to be recognised in P&L for next year.**

	31-03-2022	31-03-2021
	<b>Gratuity Plan (Funded)</b>	<b>Gratuity Plan (Funded)</b>
(a) Service Cost	7.71	10.82
(b) Past Service Cost	-	-
(c) Net Interest Cost	1.86	10.09
(d) Expense Charged to P&L	9.57	20.91

### 32. RELATED PARTY DISCLOSURES

**(a) Names of Key Management Personnel**

Sr. No.	Name of the related party	Designation in Company
(i)	Mr. Prakash A. Kulkarni	Executive Chairman
(ii)	Mr. Dilip B. Kulkarni	Managing Director

**(b) Relatives of Key Managerial Personnel**

Sr. No.	Name of the related party	Relation with KMP
(i)	Mrs. Prabha P. Kulkarni	Wife of Executive Chairman

**(c) Enterprise over which above persons have significant influence :**

Sr. No.	Name of the related party	Nature of relationship
(i)	Trimurti Engineering Tools Private Limited	Wife of Executive Chairman, has significant influence.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (d) Disclosure of related parties transactions

Nature of transaction / relationship of parties	(Amount ₹ in Lakh)					
	KMP		Relatives of KMP		Enterprise over which significant influence exists	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i) Purchase of goods & services					185.81	143.20
Trimurti Engineering Tools Private Limited					185.81	143.20
(ii) Sale of goods/contract revenue & services					20.32	14.26
Trimurti Engineering Tools Private Limited					20.32	14.26
(iii) Rendering Services					3.60	3.60
Trimurti Engineering Tools Private Limited					3.60	3.60
- Rent received						
(iv) Remuneration Paid	137.48	131.94				
Key Management Personnel						
Mr. Prakash Kulkarni	87.35	90.17				
Mr. Dilip Kulkarni	50.13	41.77				
(v) Directors Sitting fees			3.00	2.00		
Mrs. Prabha Kulkarni			3.00	2.00		

### (e) Amount due to / from related parties

Nature of transaction / relationship of parties						
(i) Amount Due to :						
Key Management Personnel	7.00	5.29				
Mr. Prakash Kulkarni	4.75	3.90				
Mr. Dilip Kulkarni	2.25	1.39				
Enterprise over which above persons have significant influence					-	2.12
Trimurti Engineering Tools Private Limited					-	2.12
(ii) Amount Due from :						
Enterprise over which above persons have significant influence					6.02	-
Trimurti Engineering Tools Private Limited					6.02	-
	<u>7.00</u>	<u>5.29</u>			<u>6.02</u>	<u>2.12</u>

### Terms and conditions of transactions with related parties :

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (f) Transactions with key management personnel

Compensation of key management personnel of the Company.

	(Amount ₹ in Lakh)	
	2021-22	2020-21
Short-term employee benefits	134.48	128.94
Post employment benefits	3.00	3.00
Other long-term employment benefits	-	-
Termination benefits	-	-
	<b>137.48</b>	<b>131.94</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

The above figures do not include provision for leave encashment and gratuity, as actuarial valuation of such provision for the Key Management Personnel is included in the total provision for Leave encashment & gratuity.

### 33. DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS.

	Product Warranty
<b>Carrying amount as at 1<sup>st</sup> April, 2020</b>	19.56
Add: Provision during the year 2020-21	33.11
Add: Unwinding of discounts	-
Less: Amount utilised during the year 2020-21	25.66
Less: Amount reversed during the year 2020-21	8.69
<b>Carrying amount as at 31<sup>st</sup> March, 2021</b>	<b>18.32</b>
Add: Provision during the year 2021-22	53.89
Add: Unwinding of discounts	-
Less: Amount utilised during the year 2021-22	45.04
Less: Amount reversed during the year 2021-22	4.07
<b>Carrying amount as at 31<sup>st</sup> March, 2022</b>	<b>23.10</b>

### 34. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

- a) Set out below, is the fair value of the Company's financial instruments that are recognised in the financial statements

	Fair value	
	31-03-2022	31-03-2021
<b>Financial Assets</b>		
<b>a) Carried at amortised cost</b>		
Non-Current Financial Assets - Security Deposit	79.06	70.98
Non-Current - Other Financial Assets	-	-
Non-Current-Trade receivable	-	-
Current-Trade receivable	2591.52	2255.89
Current - Other Financial Assets	14.90	1.05
Cash and cash equivalent	103.58	36.37
Other Bank Balances	202.26	227.90
	<b>2991.32</b>	<b>2592.21</b>
<b>b) Carried at FVTOCI</b>		
Investments - Non-current	40.65	41.30
	<b>40.65</b>	<b>41.30</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Amount ₹ in Lakh)	
	Fair value	
	31-03-2022	31-03-2021
<b>Financial Liabilities</b>		
<b>a) Carried at amortised cost</b>		
Non-current borrowings	971.30	1018.51
Non-Current-Other financial liabilities	79.78	76.59
Current borrowings	2257.57	1748.16
Trade payable	733.46	668.78
Current-Other financial liabilities	728.86	532.12
	<b>4770.97</b>	<b>4044.15</b>

The fair value of financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer in an orderly transaction between market participants at the measurement date.

The carrying amounts of financial assets and liabilities measured at amortised cost are a reasonable approximation of their fair values.

### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level is given in Note no 2.19 (Reference No) of Significant Accounting Policies.

### b) Financial assets and liabilities for which fair value is disclosed

	Level 1	Level 2	Level 3
<b>Non-current investments -Carried at FVTOCI</b>			
<b>31<sup>st</sup> March, 2022</b>	-	-	<b>40.65</b>
31 <sup>st</sup> March, 2021	-	-	41.30

## 34A. FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES

Company's principal financial liabilities, comprises loans and borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance Company's operations. Company's principal financial assets include investments, trade and other receivables, security deposits, cash and cash equivalents and other bank balances that derive directly from its operations.

Company is exposed to certain risks which includes market risk, credit risk and liquidity risk.

Company's senior management takes care of Company's financial risk activities through appropriate policies and procedures.

The policies for managing these risks are summarised below:

### 1) Credit Risk

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

Company uses expected credit loss model for assessing and providing for credit risk.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### a) Trade receivable

Customer credit risk is managed by the Company under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on this evaluation, credit limit and credit terms are decided. Exposure on customer receivables are regularly monitored and managed through credit lock and release. For export customers, credit insurance is generally taken. An impairment analysis is performed at each reporting date on an individual basis for all the customers. The impairment is based on expected credit model considering the historical data and financial position of individual customer at each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Trade receivables are non-interest bearing and are generally on, 30 days to 180 days credit term. The Company has low concentration of risk as customer base is widely distributed both economically and geographically.

### i) Ageing analysis of trade receivables as on reporting date :

(Amount ₹ in Lakh)

Year	Neither past due nor impaired	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 366 days	
<b>31<sup>st</sup> March, 2022</b>	<b>1678.97</b>	<b>715.48</b>	<b>93.62</b>	<b>129.30</b>	<b>2617.37</b>
31 <sup>st</sup> March, 2021	1272.45	744.62	100.27	168.65	2285.99

### ii) Movement of impairment Allowance (allowance for bad and doubtful debts) :

Particulars	Amount
<b>Loss Allowance as at 1<sup>st</sup> April 2020</b>	31.95
Provided during the year	6.47
Amounts written off	-
Amount written back	(8.32)
<b>Loss Allowance as at 31<sup>st</sup> March 2021</b>	30.10
Provided during the year	0.84
Amounts written off	-
Amount written back	(5.09)
<b>Loss Allowance as at 31<sup>st</sup> March 2022</b>	<b>25.85</b>

### b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment Company adjust its exposure to various counterparties. Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 2) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimized cost.

The table summarises the maturity profile of Company's financial liabilities based on contractual undiscounted payments -

(Amount ₹ in Lakh)

Particulars	On Demand	Less than 1 year	More than 1 year	Total
<b>a) Trade and Other Payables</b>				
31 <sup>st</sup> March, 2022	-	733.46	-	733.46
31 <sup>st</sup> March, 2021	25.11	643.67	-	668.78
<b>b) Borrowings</b>				
<b>i. Interest Bearing</b>				
31 <sup>st</sup> March, 2022	1,871.83	385.74	961.38	3,218.95
31 <sup>st</sup> March, 2021	1,130.71	617.45	983.52	2,731.68
<b>ii. Non-Interest Bearing</b>				
31 <sup>st</sup> March, 2022	-	29.59	9.93	39.52
31 <sup>st</sup> March, 2021	-	39.63	34.99	74.62
<b>c) Other Financial Liabilities</b>				
31 <sup>st</sup> March, 2022	4.71	761.66	196.28	962.65
31 <sup>st</sup> March, 2021	4.92	511.18	114.43	630.54

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

Particulars	Floating Rate	
	Expiring within 1 Year	Expiring beyond 1 Year
31 <sup>st</sup> March, 2022	10.00%	-
31 <sup>st</sup> March, 2021	10.75%	-

### 3) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:- interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments.

Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has been availing the borrowings on variable rate of interest. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107.

### b) Foreign Currency Exposure Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

### 34B. : PROVISION FOR EXPECTED CREDIT LOSS :

Internal rating	Category	Description of category	Basis of recording expected credit loss	
			Loans and deposits	Trade receivables
A	High quality asset, negligible credit risk	Assets where the counter party has strong capacity to meet obligations and where risk is negligible or nil.	12 months expected credit losses	Life- time expected credit losses - simplified approach
B	Standard asset, moderate credit risk	Assets where there is moderate risk of default and where there has been low frequency of defaults in past.		
C	Low quality asset, High credit risk	Assets where there is high probability of default. In general, assets where contractual payments are more than year past due are categorised as low quality asset. Also includes where credit risk of counter party has increased significantly through payments may not be more than a year past due.	Life- time expected credit losses	
D	Doubtful asset-credit impaired	Assets are written off, when there is no reasonable expectations of recovery. Where loans and receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off	

## NOTES FORMING PART OF FINANCIAL STATEMENTS

As at 31<sup>st</sup> March, 2022:

### 1) Expected credit loss for Non-Current-Financial Assets-Security Deposits :

(Amount ₹ in Lakh)

Particulars		Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses.	Financial assets for which credit risk has not increased significantly from inception.	Loan - Security Deposits	A	0.00	0%	-	0.00
		Other Financial Assets	A	14.90	0%	-	14.90
Loss allowance measured at life time expected credit losses.	Financial assets for which credit risk has increased significantly and not credit impaired.	Nil	-	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit impaired.	Nil	-	-	-	-	-

### 2) Expected credit loss for trade receivables under simplified approach

Particulars	Not due	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 366 days	
Gross carrying amount	1678.97	715.48	93.62	129.30	2,617.37
Expected loss rate (in %)	0.09%	0.22%	0.37%	17.33%	0.99%
Expected credit losses (Loss allowance provision)	1.53	1.56	0.35	22.41	25.85
Carrying amount of trade receivable (Net of impairment)	1,677.44	713.92	93.27	106.89	2,591.52

## NOTES FORMING PART OF FINANCIAL STATEMENTS

As at 31<sup>st</sup> March, 2021:

### 1) Expected credit loss for Non-Current-Financial Assets-Security Deposits :

(Amount ₹ in Lakh)

Particulars		Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses.	Financial assets for which credit risk has not increased significantly from inception.	Loan - Security Deposits	A	0.00	0%	-	0.00
		Other Financial Assets	A	1.05	0%	-	1.05
Loss allowance measured at life time expected credit losses.	Financial assets for which credit risk has increased significantly and not credit impaired.	Nil	-	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit impaired.	Nil	-	-	-	-	-

### 2) Expected credit loss for trade receivables under simplified approach :

Particulars	Not due	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 366 days	
Gross carrying amount	1,272.45	744.62	100.27	168.65	2,285.99
Expected loss rate (in %)	0.07%	0.22%	0.22%	16.23%	1.32%
Expected credit losses (Loss allowance provision)	0.87	1.64	0.22	27.37	30.10
Carrying amount of trade receivable (Net of impairment)	1,271.58	742.98	100.05	141.28	2,255.89

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 35. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value. Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Company monitors capital using a gearing ratio, which is net debt divided by total capital. The gearing ratio at the end of the year was as follows:

(Amount ₹ in Lakh)		
Particulars	31-03-2022	31-03-2021
Loans and borrowings	3,228.88	2,766.67
Less: Cash and cash equivalents	103.58	36.37
<b>Net debt</b>	<b>3,125.29</b>	<b>2,730.30</b>
<b>Equity</b>	<b>3,580.02</b>	<b>3,112.95</b>
<b>Gearing ratio</b>	<b>0.87</b>	<b>0.88</b>

### 36. LEASES

#### Company as lessee

The Company has entered into agreement in the nature of lease with different lessors for the purpose to operate regional offices at various places.

These are generally in nature of operating lease and disclosure in regard to Ind AS 116 is as below :

Particulars	31-03-2022	31-03-2021
Depreciation charge for 'Right-to-Use Asset'	28.72	27.51
Interest Expense on Lease Liability	7.36	8.95
Carrying amount of 'Right-to-Use Asset' at the end of the reporting period	156.65	63.90
Total Cash outflow for leases	43.69	38.11
Expense relating to short term leases and leases of low value assets	15.98	3.29

The details of the maturities of lease liabilities as at 31<sup>st</sup> March, 2022 are as follows:

Particulars	31-03-2022	31-03-2021
Within one year	37.51	32.12
After one year but not more than 5 years	93.70	37.85
More than five years	22.79	-
	<b>154.01</b>	<b>69.97</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Operating lease commitments — Company as lessor

The Company has entered into operating leases for land and building, with lease terms of three years. During the year, income earned from lease rent amount to ₹ 3.60 lakhs. Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2022 are as follows:

(Amount ₹ in Lakh)

Particulars	31-03-2022	31-03-2021
Within one year	3.60	-
After one year but not more than 5 years	3.60	-
More than five years	-	-
	<b>7.20</b>	<b>-</b>

37. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2022 are as under:

(Amount ₹ in Lakh)

Particulars	31-03-2022	31-03-2021
Principal amount due and remaining unpaid	33.97	38.09
Interest due on above and unpaid interest	1.44	10.55
Interest paid	1.44	10.55
Payment made beyond appointment day	130.11	228.27
Interest due and payable for the period of delay	0.76	1.44
Interest accrued and remaining unpaid	0.76	1.44
Amount of further interest remaining due and payable in succeeding years	0.76	1.44

### 38. SEGMENT REPORTING

Company operates in four segments such as Portable Power Tools, Blowers, Windmills and E-vehicles. The Management monitors the operating results of entire Company as whole for the purpose of making decisions about resource allocation and performance assessment.

#### I. Primary Segment Information (Business Segment)

(Amount ₹ in Lakh)

Revenue	31-03-2022	31-03-2021
<b>Sales</b>		
Portable Power Tools	8724.74	7321.40
Blowers	2410.56	2196.73
Windmills	63.75	51.29
All other segments includes E-vehicle	361.13	522.38
	<b>11,560.19</b>	<b>10,091.80</b>
<b>Segment Results (Gross)</b>		
Portable Power Tools	1,009.59	611.59
Blowers	355.81	360.24
Windmills	(17.79)	(27.45)
All other segments includes E-vehicle	106.94	133.55
	<b>1,454.55</b>	<b>1,077.93</b>
Unallocated Corporate Expenses	397.59	394.63

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount ₹ in Lakh)

Particulars	31-03-2022	31-03-2021
<b>Operating Profit</b>	<b>1,056.96</b>	683.30
Interest Expense	376.65	469.25
Other Income	41.33	33.71
<b>Profit / ( Loss ) before exceptional item</b>	<b>721.64</b>	247.76
<b>Exceptional items</b>		
Voluntary Retirement Scheme	374.90	-
Profit on sale of PPE & Investment Property	258.14	-
<b>Profit Before Tax</b>	<b>604.88</b>	247.76
<b>Segment Assets</b>		
Portable Power Tools	5,572.60	4,597.26
Blowers	1,543.77	1,557.38
Windmills	272.48	326.46
All other segments includes E-vehicle	521.85	442.41
	<b>7,910.70</b>	6,923.51
Add: Unallocated Corporate Assets	804.16	693.24
	<b>8,714.86</b>	7,616.75
<b>Segment Liabilities</b>		
Portable Power Tools	1,091.93	941.80
Blowers	442.56	343.84
Windmills	-	-
All other segments includes E-vehicle	5.68	6.64
	<b>1,540.17</b>	1,292.28
Add: Unallocated Corporate Liabilities	377.50	386.93
	<b>1,917.67</b>	1,679.21
<b>Capital Expenditure</b>		
Portable Power Tools	93.28	152.45
Blowers	25.01	5.58
Windmills	-	-
All other segments includes E-vehicle	3.70	10.62
	<b>121.99</b>	168.65
<b>Depreciation</b>		
Portable Power Tools	195.37	179.40
Blowers	41.54	43.12
Windmills	45.73	45.73
All other segments includes E-vehicle	5.44	32.14
	<b>288.08</b>	300.39
<b>Non-cash expenses other than depreciation</b>		
Portable Power Tools	(1.30)	1.85
Blowers	(2.95)	(0.62)
Windmills	-	-
All other segments includes E-vehicle		0.03
	<b>(4.25)</b>	1.26

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### II. Secondary Segment Information ( Geographical Segment )

The distribution of the Company's sales by geographical market is as under:

Net Sales	31-03-2022	31-03-2021
India	10,812.12	9,109.43
Outside India	748.07	982.37
	11,560.19	10,091.80

The Company do not have transaction with single customer amounting to 10 percent or more of Company's revenues

### 39. Note on Charge Creation

The Company has registered all Details of Registration or satisfaction of charge with ROC within the prescribed time from the execution of document.

### 40. Foreign Exchange Earnings

Particulars	31-03-2022	31-03-2021
Export of goods	748.07	982.37

### 41. Transactions with Struck off Companies : (Refer below Table) :

#### As at March 2022

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the struck off Company, if any, to be disclosed
NA	Investments in securities	NIL	NA
NA	Receivables	NIL	NA
NA	Payables	NIL	NA
NA	Shares held by struck off Company	NIL	NA
NA	Other outstanding balances (to be specified)	NIL	NA

#### As at March 2021

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the struck off Company, if any, to be disclosed
NA	Investments in securities	NIL	NA
NA	Receivables	NIL	NA
NA	Payables	NIL	NA
NA	Shares held by struck off Company	NIL	NA
NA	Other outstanding balances (to be specified)	NIL	NA

### 42. Willful Defaulter

The Company has not been declared willful defaulter by any banks/Financial Institutions.

### 43. Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 44. Note on Undisclosed Income If any

The Company does not have any transaction 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).

Also none of the previously unrecorded income and related assets have been recorded in the books of account during the year.

### 45. Ratios :

Sr. No.	Particulars	For the year 2021-22				For the year 2020-21				Variance (%)	Reasons
		Numerator	Denominator	Times	Days	Numerator	Denominator	Times	Days		
1	<b>Current Ratio</b> [Current assets / Current Liability]	6,329.12	3,948.77	1.60		5,271	3,183.94	1.66		-3.19	
2	<b>Debt-Equity Ratio</b> [Debt/Equity]	3,228.88	3,580.02	0.90		2,766.67	3,112.95	0.89		0.00	
3	<b>Debt Service Coverage Ratio</b>	1,105.48	1,311.30	0.84		908.21	693.93	1.31		-35.59	DSCR decreased because of bullet repayments of term loans
4	<b>Return on Equity Ratio</b>  [(PAT)/(Total op. Equity+Total Cl. Equity)/2]	501.03	3,346.49	0.15		215	3,004	0.07		109.21	Increase in top line and control on overheads has resulted in better bottom line.
5	<b>Inventory Turnover</b> [Consumption /(Op. Inventory+Cl. Inventory)/2]	7,346	2,844	2.58	141	6,759	2,722	2.48	147	4.02	
6	<b>Trade Receivables Turnover</b> [Sales/(Op. Receivable+Cl. Receivables)/2]	11,648	2,452	4.75	77	10,216	2,488	4.11	89	15.70	
7	<b>Trade Payable Turnover</b> [Consumption/(Op. Payables+Cl. Payables)/2]	8,654	701	12.34	30	6,773	830	8.16	45	51.24	Trade payable turnover improved because of payments to trade payables due to improvement in liquidity.
8	<b>Net Capital Turnover Ratio</b> [Sales/Working Capital]	11,648	2,380	4.89		10,216	2,088	4.89		-0.01	

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Sr. No.	Particulars	For the year 2021-22				For the year 2020-21				Variance (%)	Reasons
		Numerator	Denominator	Times	Days	Numerator	Denominator	Times	Days		
9	Net Profit Ratio  [PAT/Sales]	501	11,648	0.04		215	10,216	0.02		104.40	Increase in top line and control on overheads has resulted in better bottomline.
10	Return on Capital Employed [PBIT/TCE=(NW-DTA+Debt+DTL)]	982	6,838	0.14		717	5,979	0.12		19.69	
11	Return on Investment  [ROI=Dividend Received / Average Investments]	2.58	41	0.06		0.92	41	0.02		179.70	Last year there was no dividend from Co-operative banks due to Covid pandemic.

### 46 Disclosure related to reporting under rule 11(e) of the companies (audit and auditors) rules, 2014, as amended.

- 1) 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 any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2) No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 47. Previous Years figures are rearranged and regrouped wherever necessary.

As per my report of even date attached

**For and On behalf of Board of Directors**

**Dharmendra R Prabhukhot**  
Chartered Accountant  
M.No: 219438  
UDIN : 22219438AJSAEV4134

**Dilip Kulkarni**  
Managing Director  
DIN:00184727

**Prakash Kulkarni**  
Executive Chairman  
DIN:00052342

**Ms.Aishwarya Toraskar**  
Company Secretary  
M.No.A54931

Place : **Belagavi**  
Date : **27<sup>th</sup> May, 2022**

Place : **Shirol**  
Date : **27<sup>th</sup> May, 2022**

## NOTES

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**Form No.MGT - 12****Polling Paper**

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : **KPT Industries Ltd.**

Registered Office : Gat No.320, Mouje Agar, A/P & Taluka: SHIROL-416 103  
Dist.Kolhapur, Maharashtra.

**BALLOT PAPER**

Sl. No.	Particulars	Details
1.	Name of the first named Shareholder	
2.	Postal Address	
3.	Registered Folio No./ *Client ID No	
4.	Class of Share	EQUITY

\*Applicable to investors holding shares in dematerialized forms

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No.	Item No	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive, consider and adopt the Financial Statements for the year ended on 31 <sup>st</sup> March, 2022 and the Board's & Auditor's Reports, thereon.			
2.	To declare dividend for the financial year ended on 31 <sup>st</sup> March, 2022.			
3.	To appoint a Director in place of Mr.Dilip Kulkarni, Director (DIN: 00184727), who retires by rotation and, being eligible, seeks re-appointment.			
4.	To appoint a Director in place of Mrs.Prabha Kulkarni, Director (DIN: 00053598), who retires by rotation and, being eligible, seeks re-appointment.			
5.	To appoint Statutory Auditors of the Company and to fix their remuneration.			

Place : Shirol

Date : 27<sup>th</sup> May, 2022

(Signature of Shareholder)

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Vikhroli (West), Mumbai 400 083

Tel : 022-49186300

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