Regd. Office:
KPT Industries **Ltd.**
Gat No. 320, Mouje Agar,
A/P & Taluka: Shirol - 416 103,
Dist. Kolhapur, Maharashtra, India.

T: +91 231 2689900
F: +91-231-2689946
E: kpt.ho@kpt.co.in
CIN: L29130MH1976PLC019147

KPT POWER TOOLS
KPT BLOWERS
KPT E VEHICLES

www.kpt.co.in

KPT/SECR/STKEXG/21-22 www.listing.bseindia.com 31st August, 2021

BSE Limited
Corporate Relationship Department
2nd Floor, New Trading Ring,
P.J. Towers, Dalal Street,
MUMBAI 400 001

Dear Sir,

Sub: - Submission of Annual Report pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting here with our 45th Annual Report for the year ending as on 31.03.2021.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **KPT** Industries **Ltd.**,
(Formerly known as Kulkarni Power Tools Ltd.,)

KPT Industries Ltd. INDIA SHIROL

Aishwarya Toraskar
COMPANY SECRETARY & COMPLIANCE OFFICER

KPT INDUSTRIES LTD.

(Formerly known as Kulkarni Power Tools Limited)

45th ANNUAL REPORT
2020-21

KPT INDUSTRIES LTD.

(Formerly known as Kulkarni Power Tools Limited)

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

CIN :L29130MH1976PLC019147

BOARD OF DIRECTORS

P.A. KULKARNI	Executive Chairman
D.C. SHROFF	Independent Director
S.S. SHIRGAOKAR	Independent Director
S.C. KIRLOSKAR	Independent Director
P.P. KULKARNI	Woman Director
D.B. KULKARNI	Managing Director
K.V. PAI	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

KPT INDUSTRIES LIMITED

(Formerly known as Kulkarni Power Tools Ltd.)
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 45th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2021.

1. FINANCIAL RESULTS: **₹ In Lakhs**

	2021	2020
Turnover	**10,091.80**	10,525.62
Profit Before Interest, Depreciation, Tax & Exceptional Items	**1,017.40**	1,353.36
Less : Interest	**469.25**	571.80
Less : Depreciation	**300.40**	298.00
Profit Before Tax	**247.75**	483.20
Less : Provision for Taxation, including Deferred Tax	**32.77**	(14.46)
Profit After Tax	**214.98**	497.66
Less : Other Comprehensive Income	**2.45**	(10.77)
Net Profit for the current year	**217.43**	486.89
Add : Amount brought forward from last year	**497.76**	85.64
Profit available for Appropriation	**715.19**	572.53
Transfer to General Reserve	**---**	---
Balance Carried Forward to Balance Sheet	**715.19**	572.53
Proposed Dividend	**17.00**	25.50
Tax on Proposed Dividend	**---**	5.24

2. OPERATIONS AND FUTURE PROSPECTS:

The results for FY 2020/21 should be assessed, taking into account the unprecedented pandemic situation that prevailed in India. Normal business activities were closed in states after states at different time frames.

As promised in the last year report, despite the gloomy scenario, your Company managed the business correctly. Not only, we maintained the top line, we reduced overheads and have been able to show a reasonable bottom line.

It is known that the current FY 2021/22 has faced the second wave of the pandemic and together with that the normal activities have been badly hit by floods in the Western India which is very crucial for industrial activities.

However, your Company is confident that despite all such adversities, FY 2021/22 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.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr.Prakash Kulkarni, (DIN: 00052342) Executive Chairman, Mr. Dilip Kulkarni, (DIN: 00184727) Managing Director and Ms.Aishwarya Toraskar, Company Secretary, are the Key Managerial Personnel of the Company.

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.Prakash Kulkarni, Whole time Director (DIN : 00052342), 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.

Dr.Ketan Pai, Director (DIN :06980628), 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.

Change in Directors

Mr.Prakash Kulkarni, Whole time Director (DIN : 00052342) has been reappointed as an Whole time Director, designated as an Executive Chairman for a period of 5 years w.e.f. 1st April, 2021, subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Board recommends his re-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 -

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

b) 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;

c) 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 OTHER COMMITTEE DETAILS:

The Board of Directors duly met 4 (four) times on 30-06-2020, 14-09-2020, 12-11-2020 & 28.01.2021 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	30-06-2020	Mr.P.A.Kulkarni, Mr.S.S.Shirgaokar, Mr.D.C.Shroff, Mr.S.C.Kirloskar, Mrs.P.P.Kulkarni, Dr.K.V.Pai & Mr.D.B.Kulkarni
2	14-09-2020	Mr.P.A.Kulkarni, Mr.S.S.Shirgaokar, Mr.D.C.Shroff, Mr.S.C.Kirloskar, Mrs.P.P.Kulkarni, Dr.K.V.Pai & Mr.D.B.Kulkarni
3	12-11-2020	Mr.P.A.Kulkarni, Mr.S.S.Shirgaokar, Mr.D.C.Shroff, Mr.S.C.Kirloskar, Mrs.P.P.Kulkarni, Dr.K.V.Pai & Mr.D.B.Kulkarni
4	28-01-2021	Mr.P.A.Kulkarni, Mr.S.S.Shirgaokar, Mr.D.C.Shroff, Mr.S.C.Kirloskar, Mrs.P.P.Kulkarni, Dr.K.V.Pai & Mr.D.B.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 pursuant to provisions of Section 178(4) of the Companies Act, 2013.

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 on 30-06-2020, 14-09-2020, 12-11-2020 & 28.01.2021 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	30-06-2020	Mr.S.S.Shirgaokar, Mr.S.C.Kirloskar & Mr.D.B.Kulkarni
2	14-09-2020	Mr.S.S.Shirgaokar, Mr.S.C.Kirloskar & Mr.D.B.Kulkarni
3	12-11-2020	Mr.S.S.Shirgaokar, Mr.S.C.Kirloskar & Mr.D.B.Kulkarni
4	28-01-2021	Mr.S.S.Shirgaokar, Mr.S.C.Kirloskar & Mr.D.B.Kulkarni

9. **STATUTORY AUDIT REPORT:**

With respect to Statutory Auditor's Report 2020-21, please note that Company continues to have robust internal control system in place.

10. **SECRETARIAL AUDIT REPORT:**

Secretarial Audit Report for the financial year ended on 31st March, 2021, is attached herewith as **ANNEXURE-I,** to this report.

11. **DIVIDEND:**

As a gesture to acknowledge the strength of the Company, even in the gloomy situation elsewhere, your Directors are pleased to recommend a payment of dividend at the rate of 10% for the year ended on 31st March, 2021.

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.

17. **EXTRACT OF ANNUAL RETURN:**

The Annual Return of the Company is available on 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 Limited., 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 fourteen 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	:	**₹ 982.37 lacs**		
Outgo	:	**a)**	Material	₹ 4058.97 lacs
		b)	Others	₹ 93.84 lacs
			Total	**₹ 4152.81 lacs**

21. THREATS & CONCERNS:

We always observe changes in products in different markets, so as to implement the same in Indian market, if found suitable.

22. SAFETY, HEALTH & ENVIRONMENT:

Our Company continues to pursue its environmental friendly approach towards Industrial growth. Constant improvements are being made in the process. 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 :

We continuously introduce changes in our different product range, based on the feedback from our customers.

24. CORPORATE GOVERNANACE CERTIFICATE :

Since the Paid-up Capital of the Company does not exceed rupees ten crores and the net worth does not exceed rupees twenty five crores, under the provision of Regulation 15 (2) (a) read with proviso's thereunder of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this certification requirement 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 victimisation of persons who use such mechanism.

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 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 2020-21.

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 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. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016: Not Applicable

34. DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS: Not Applicable

35. 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

	Prakash Kulkarni	**Dilip Kulkarni**
Place : Shirol	**Executive Chairman**	**Managing Director**
Date : 14th August, 2021	DIN : 00052342	DIN: 00184727

ANNEXURE - I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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
(Formally known as Kulkarni Power Tools Limited)
Gat no. 320, Mouje Agar,
A/P & Tal. Shirol - 416 103
Dist. Kolhapur

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) **(Formally known as Kulkarni Power Tools Limited)**. 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 **KPT INDUSTRIES LIMITED (Formally known as Kulkarni Power Tools Limited)**, 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, its agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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 **KPT INDUSTRIES LIMITED (Formally known as Kulkarni Power Tools Limited)** for the financial year ended on 31st March, 2021 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, Overseas Direct Investment and External Commercial Borrowings;

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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  c. 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;

vi. 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:

i) Secretarial Standards issued by the Institute of Company Secretaries of India.

ii) The Securities And Exchange Board of India (Depositories And Participants) Regulations, 2018.

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

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.

Majority decision is carried through and recorded as part of the minutes.

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

We further report that during the audit period the Company has not taken any actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Disclaimer: Physical verification of documents could not be conducted due to Covid-19 pandemic. This certificate is issued on the basis of information provided by the company and audit meetings conducted through video conferencing mode.

For KMDS & ASSOCIATES
COMPANY SECRETARIES

CS M. B. KASODEKAR
PARTNER
Membership No. F 2756
C. P. No: 1681
Unique Code of Partnership Firm: P2020MH080600

Place : Pune
Date : 24th June, 2021

UDIN : F002756C000500396

‘Annexure A’

To,
The Members,
KPT INDUSTRIES LIMITED
(Formally known as Kulkarni Power Tools Limited)
Gat no. 320, Mouje Agar,
A/P & Tal. Shirol - 416 103
Dist. Kolhapur

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

1. Maintenance of secretarial records 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. 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.

Disclaimer: *Physical verification of documents could not be conducted due to Covid-19 pandemic. This certificate is issued on the basis of information provided by the company and audit meetings conducted through video conferencing mode.*

For KMDS &ASSOCIATES
COMPANY SECRETARIES

CS M B KASODEKAR
PARTNER
Membership No. F 2756
C. P. No: 1681
Unique Code of Partnership Firm: P2020MH080600

Place : Pune
Date : 24th June, 2021

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	-	-	01.04.2020 to 31.03.2021
(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	-	-	12-02-2020
(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 : 14.08.2021

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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company, are as follows:

(₹ in Lakhs)

Sl. No.	Name of Director / KMP & Designation	Remuneration of Director / KMP for financial year 2019-20	Remuneration of Director / KMP for financial year 2020-21	% increase in Remuneration in the Financial Year 2020-21	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Prakash Kulkarni Executive Chairman	Salary 84.00 Perquisites 1.33	Salary 84.00 Perquisites 4.67	3.91	25.38
2	Dilip Kulkarni Managing Director	Salary 27.00 Perquisites 0.22	Salary 27.00 Perquisites 13.27	47.95	11.53
3	Aishwarya Toraskar Company Secretary	Salary 4.34 Perquisites Nil	Salary 4.34 Perquisites Nil	-	-

The Median Remuneration of employees of the Company during the financial year 2020-21 was ₹ 3.49 lakhs.

In the financial year 2020-21, there was an increase of 7.3929% in the median remuneration of the employees.

As on March 31, 2021, there were 261 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 1.8673% and percentile increase in the managerial remuneration is 14.5624%.

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**.

INDEPENDENT AUDITORS' REPORT

To the Members of KPT Industries Limited

Report on Audit of the 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 31st March 2021, 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 statement of affairs of the Company as at 31st March 2021, 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.

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:

- **Trade Receivables:**

  The company has significant trade receivables at year end which comprises of almost 29.46% 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, judgement 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 judgement (which includes repayment history and financial position of entities from whom these balances are recoverable, terms of underling arrangements, overdue balances, market conditions etc.).

  Audit Procedure Performed:

  My audit procedure 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 judgements 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.

Other Information

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, Secretarial Report and my auditor's report thereon, which is expected to be made available to me after the date of this Auditor's Report.

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.

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.

If, later when the other information is made available to me, I find any misstatement, I shall be required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Stand alone 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 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 the Financial Statements

My objective is to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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, 2016 ("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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 for which there were any material foreseeable losses as at 31st March 2021.

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Dharmendra R. Prabhukhot
Chartered Accountant
Membership No: 219438
UDIN:21219438AAAAAR3675

Place : Belagavi
Date : June 30, 2021

Annexure - A to the Auditor's Report

Referred to in paragraph 1 of my report on Other Legal and Regulatory Requirements of even date to the Members of KPT Industries Limited

(i) **(a)** The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets 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 asset every year as per policy. In my opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties as disclosed in Note 1 on Property, Plant & Equipment to the financial statements are held in the name of the Company.

(ii) 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. The discrepancies noticed on physical verification of inventory as compared to book records were and properly dealt with in books of accounts.

(iii) According to information and explanations given to me, The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the reporting under Clause 3 (iii) of the Companies (Auditor's report) Order, 2016, is not applicable to the Company.

(iv) According to information & explanations given to me, in my opinion in respect of loan, investment, guarantees, and security, provisions of Sections 185 and 186 of the Companies Act, 2013 has been complied with.

(v) According to information and explanation given to me, the Company has not accepted any deposits from public, accordingly the reporting under Clause 3 (v) of the Companies (Auditor's report) Order, 2016, is not applicable to the Company.

(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 information and explanation given to me, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods and Service tax, Cess and any other statutory dues applicable to it.

(b) According to information and explanations provided to me, no disputed amounts payable in respect of Provident Fund, Employees' state insurance, Income Tax, Goods and Service Tax, Duty of Custom, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to information and explanations given to me, there are no dues of Income tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Goods and Service tax and Cess which have not been deposited on account of any dispute.

(viii) 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 borrowings to any financial institution or bank. Also, according to information and explanation given to me, in my opinion, the Company neither has any loans or borrowings from Government, nor issued any debentures.

(ix) According to the information and explanation given to me, in my opinion the Company has not raised money by way of initial public offer. However, during the year company has taken term loan from bank. In my opinion they were utilised for the purpose for which they raised the funds.

(x) According to information and explanation given to me, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to information & explanation given to me and based on my examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company, accordingly the reporting under Clause 3 (xii) of the Companies (Auditor's report) Order, 2016, is not applicable to the Company.

(xiii) According to information & explanation given to me, in my opinion all transactions with related parties are in compliance with sections 177 & 188 of Companies Act 2013 wherever applicable and the details have been disclosed in notes to accounts of Financial Statements as per Indian Accounting Standard 24 - Related Party Disclosures. (Refer Note no. 32)

(xiv) According to Information & Explanation given to me, the Company has not issued shares by way of preferential allotment/private placement of shares or fully or partly convertible debentures during the year under review, accordingly provisions of section 42 of the Companies Act 2013 are not applicable to the Company.

(xv) According to information & explanation given to me, the Company has not entered into non-cash transactions with directors or persons connected with him; accordingly, provisions of section 192 are not applicable to the Company.

(xvi) According to information & explanation given to me, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Dharmendra R. Prabhukhot
Chartered Accountant
Membership No: 219438
UDIN:21219438AAAAAR3675

Place : Belagavi
Date : June 30, 2021

Annexure - B to the 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 Ind AS Financial Statements of **KPT Industries Limited** ("the Company") as of 31st March, 2021 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls with reference to 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the existence of the internal financial controls with reference to financial statements and their operating effectiveness. My audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting 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 over financial reporting with reference to Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2021, 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.

Dharmendra R. Prabhukhot
Chartered Accountant
Membership No: 219438
UDIN:21219438AAAAAR3675

Place : Belagavi
Date : June 30, 2021

BALANCE SHEET AS AT 31st MARCH, 2021 (Contd....)

(Amount in ₹ Lakh)

	Note No	31-03-2021	31-03-2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	1	**2,063.75**	2,179.30
Right of Use Asset	1	**63.90**	89.33
Capital work-in-progress	1	**-**	4.82
Investment property	2	**138.98**	139.30
Goodwill		**-**	-
Other intangible asset	1	**2.32**	1.76
Intangible assets under development		**-**	-
Biological asset other than bearer plants		**-**	-
Financial Assets			
Investments	3	**41.30**	42.05
Trade receivables	4	**-**	-
Loans	5	**70.98**	49.84
Others	6	**-**	-
Other non-current assets	7	**5.33**	2.73
Total non-current assets		**2,386.56**	2,509.13
Current Assets			
Inventories	8	**2,499.00**	2,944.51
Financial Assets			
Investments	3	**-**	-
Trade receivables	4	**2,255.89**	2,657.71
Cash and cash equivalents	9 (a)	**36.37**	117.30
Bank balance other than above	9 (b)	**227.90**	179.32
Loans	5	**-**	-
Others	6	**1.05**	5.37
Other current assets	7	**251.28**	462.83
Total current assets		**5,271.49**	6,367.04
TOTAL ASSETS		**7,658.05**	8,876.17
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	**170.00**	170.00
Other equity	11	**2,942.95**	2,725.52
Total equity		**3,112.95**	2,895.52

BALANCE SHEET AS AT 31st MARCH, 2021

(Amount in ₹ Lakh)

	Note No	31-03-2021	31-03-2020
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	1,018.51	1,047.38
Trade payables			
- Dues to Micro & Small Enterprises	13	-	-
- Dues to other than Micro & Small Enterprises	13	-	-
Other financial liabilities	14	114.43	142.26
Provisions	15	116.36	114.44
Deferred tax liabilities (Net)	16	99.24	92.52
Other non-current liabilities	17	12.62	27.09
Total non-current liabilities		1,361.16	1,423.69
Current liabilities			
Financial liabilities			
Borrowings	12	1,130.71	2,423.31
Trade payables			
- Dues to Micro & Small Enterprises	13	38.09	90.16
- Dues to other than Micro & Small Enterprises	13	630.69	900.99
Other financial liabilities	14	1,141.70	875.25
Other current liabilities	17	84.89	98.39
Provisions	15	113.04	118.47
Current tax liabilities (Net)	16	44.83	50.39
Total current liabilities		3,183.95	4,556.96
Total liabilities		4,545.10	5,980.65
TOTAL EQUITY AND LIABILITIES		7,658.05	8,876.17
Corporate Information	A1		
Significant accounting policies	A2		
See accompanying notes to financial statements	1 - 40		

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:21219438AAAAAR3675

D.B.Kulkarni
Managing Director
DIN:00184727

P.A.Kulkarni
Executive Chairman
DIN:00052342

Ms.A.S.Toraskar
Company Secretary
M.No.A54931

Place : **Belagavi**
Date : **30th June, 2021**

Place : **Shirol**
Date : **30th June, 2021**

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd...)

(Amount in ₹ Lakh) (except EPS)

	Note No.	31-03-2021	31-03-2020
Revenue from Operations	**18**	**10,215.81**	10,596.61
Other Income	**19**	**33.71**	129.89
Total Income		**10,249.52**	10,726.50
Expenses			
Cost of materials consumed	**20**	**2,305.12**	2,977.67
Purchases of Stock-in-Trade	**20**	**4,002.97**	4,058.82
Changes in inventories of finished goods, stock-in -trade and work-in-progress	**21**	**450.86**	(741.26)
Employee benefits expense	**22**	**1,170.34**	1,134.86
Finance costs	**23**	**469.25**	571.80
Depreciation and amortization expense	**24**	**300.40**	298.35
Other expenses	**25**	**1,302.84**	1,943.06
Total expenses		**10,001.78**	10,243.30
Profit/(loss) before exceptional items and tax		**247.75**	483.20
Exceptional items		**-**	-
Profit/(loss) before tax		**247.75**	483.20
Tax expenses	**26**		
Current tax		**110.00**	78.20
Deferred tax			
- MAT Credit Entitlement		**(33.17)**	(29.10)
- Others		**(23.32)**	(35.41)
Short/(Excess) Provision of earlier years		**(20.74)**	(28.15)
Total tax expense		**32.77**	(14.46)
Profit/(loss) for the period		**214.98**	497.66

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹ Lakh) (except EPS)

	Note No.	31-03-2021	31-03-2020
Other Comprehensive Income			
Items not to be reclassified to profit or loss			
- Remeasurement gains and losses on post employments benefits		**3.39**	(14.92)
Income Tax relating to items that will not be reclassified to profit or loss			
- Tax on re-measurement gains and losses		**(0.94)**	4.15
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		**2.45**	(10.77)
Total Comprehensive Income for the period (Comprising Profit /(Loss) and Other Comprehensive Income for the period		**217.43**	486.89
Earnings Per Equity Share			
(1) Basic in ₹		**6.32**	14.64
(2) Diluted in ₹		**6.32**	14.64

Corporate Information	**A1**
Significant accounting policies	**A2**
See accompanying notes to financial statements	**1 - 40**

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:21219438AAAAAR3675

D.B.Kulkarni
Managing Director
DIN:00184727

P.A.Kulkarni
Executive Chairman
DIN:00052342

Ms.A.S.Toraskar
Company Secretary
M.No.A54931

Place : **Belagavi**
Date : **30th June, 2021**

Place : **Shirol**
Date : **30th June, 2021**

Cash flow Statement for the year ended 31st March, 2021 (Contd...)

(Amount in ₹ Lakh)

		31-03-2021	31-03-2020
A	**Cash flow from operating activities**		
	Net profit before taxes and extraordinary items -	**247.75**	483.20
	Adjustments for:		
	Depreciation - Other than ROU	**273.40**	271.84
	Depreciation - On ROU	**27.00**	26.51
	Dividend Income	**(0.92)**	(3.06)
	(Profit)/Loss on sale of fixed assets	**(3.68)**	(7.58)
	Bad debts written off	**7.43**	173.80
	Provision for Doubtful Debts	**-**	0.72
	Government Grant	**(14.47)**	(14.47)
	Income on de-recognition of financial assets	**(1.53)**	(60.46)
	Interest income	**(7.63)**	(40.73)
	Interest expenses	**469.25**	571.81
	Loss on sale of fixed asset	**0.05**	-
	Provision no longer required write back	**(1.85)**	-
	Foreign exchange fluctuations	**1.26**	20.28
	Operating profits before working capital changes	**996.06**	1,421.87
	Adjustments for:		
	(Increase)/decrease in trade receivable	**396.86**	126.94
	(Increase)/decrease in other financial assets	**(10.84)**	1.96
	(Increase)/decrease in other non-financial assets	**213.21**	(65.21)
	(Increase)/decrease in inventories	**445.51**	(446.57)
	Increase/(decrease) in trade payables	**(324.25)**	(555.87)
	Increase/(decrease) in other financial liabilities	**(46.89)**	496.23
	Increase/(decrease) in other non-financial liabilities	**(13.50)**	60.33
	Increase/(decrease) in Provisions	**(0.12)**	(31.83)
	Cash generated from operations	**1,656.04**	1,007.85
	Income tax paid	**(36.85)**	(50.37)
	Net cash from operating activities	**1,619.19**	957.48

Cash flow Statement for the year ended 31st March, 2021

(Amount in ₹ Lakh)

		31-03-2021	31-03-2020
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(153.88)**	(267.31)
	Proceeds from sale of other fixed assets	**5.39**	12.09
	Purchase of Investments	**-**	(5.00)
	Purchase of Fixed Deposits	**(58.05)**	-
	Proceeds from Partnership Firm	**-**	606.96
	Interest received	**11.12**	22.37
	Dividend Received	**0.92**	3.06
	Sale of Investment	**0.75**	0.90
	Net cash from investing activities	**(193.75)**	373.07
C	**Cash flow from financing activities**		
	Proceeds from Long Term Borrowings	**603.50**	158.68
	Repayment of Long Term Borrowings	**(1,593.68)**	(912.07)
	Interest paid	**(468.31)**	(549.10)
	Purchase of ROU assets	**(38.22)**	(33.69)
	Dividend and Dividend distribution tax	**(9.66)**	(52.69)
	Net cash used in financing activities	**(1,506.37)**	(1,388.87)
	Net increase in cash and cash equivalents	**(80.93)**	(58.32)
	Cash and cash equivalents at beginning of period (refer note -9)	**117.30**	175.62
	Cash and cash equivalents at the end of period (refer note - 9)	**36.37**	117.30

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:21219438AAAAAR3675

Place : **Belagavi**
Date : **30th June, 2021**

D.B.Kulkarni
Managing Director
DIN:00184727

Ms.A.S.Toraskar
Company Secretary
M.No.A54931

P.A.Kulkarni
Executive Chairman
DIN:00052342

Place : **Shirol**
Date : **30th June, 2021**

Statement of changes in Equity for the period ended 31st March, 2021

A. Equity Share Capital (Refer Note 10) **(Amount in ₹ Lakh)**

Equity Shares issued, subscribed and fully paid	No. of Shares	Amount
As at 1st April, 2019	3,400,000	170.00
Issued /Reduced if any during the year	-	-
As at 31st March, 2020	3,400,000	170.00
Issued /Reduced if any during the year	-	-
As at 31st March, 2021	**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 1st April, 2019	1,916.68	310.93	0.15	85.64	2,313.40
Profit for the year 2019-20	-	-	-	497.66	497.66
Other Comprehensive income for the year	-	-	-	(10.77)	(10.77)
Total Comprehensive Income for the year	1,916.68	310.93	0.15	572.53	2,800.29
Final Dividend on for the year ended 31st March 2019	-	-	-	(25.50)	(25.50)
Tax on final dividend for year ended 31st March 2019	-	-	-	(5.24)	(5.24)
Interim Dividend on for the year ended 31st March 2020	-	-	-	(25.50)	(25.50)
Tax on interim dividend for year ended 31st March 2020	-	-	-	(5.24)	(5.24)
Net impact on account of adoption of Ind AS 116 (Net of Tax)	-	-	-	(13.29)	(13.29)
Transfer from retained earnings	-	-	-	-	-
Any other change	-	-	-	-	-
Balance as on 31st March, 2020	1,916.68	310.93	0.15	497.76	2,725.52
Profit for the year 2020-21	-	-	-	214.98	214.98
Other Comprehensive income for the year	-	-	-	2.45	2.45
Total Comprehensive Income for the year	1,916.68	310.93	0.15	715.19	2,942.95
Transfer from retained earnings	-	-	-	-	-
Any other change	-	-	-	-	-
Balance as on 31st March, 2021	**1,916.68**	**310.93**	**0.15**	**715.19**	**2,942.95**

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:21219438AAAAAR3675

Place : **Belagavi**
Date : **30th June, 2021**

D.B.Kulkarni
Managing Director
DIN:00184727

Ms.A.S.Toraskar
Company Secretary
M.No.A54931

P.A.Kulkarni
Executive Chairman
DIN:00052342

Place : **Shirol**
Date : **30th June, 2021**

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

A1. Corporate information

KPT Industries Limited (“the Company”), is a Public Limited Company incorporated on 30th July, 1976, under the provisions of Companies Act, 1956 having its registered office at Gat No.320, Mouje Agar, Tal. 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 30th 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.

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 1st 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.

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.

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

- 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.

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

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

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 –

Particulars	Life in years
Building:	
- 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.

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

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.

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.

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

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.

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.

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

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.

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:

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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 1st April, 2019 and applied the standard to all lease contracts existing on 1st 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.

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)

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

- 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.

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.

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

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).

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 TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

2.24 Standards issued but not effective

The amendments are proposed to be effective for annual reporting periods beginning on or after 1st April 2021.

The Company is in the process of evaluating the impact of these amendment on financial statements.

1. **Amendment to Ind AS 116, "Leases" - Covid-19-Related Rent Concessions beyond 30 June 2021:**

   On 24th July 2020, the MCA issued the Companies (Indian Accounting Standard) Amendment Rules, 2020 which amended Ind AS 116 to provide relief for lessees in accounting for eligible rent concessions upto 31th July 2021 that are a direct consequence of COVID-19. The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to extend the relief for lessees in accounting for eligible rent concessions upto 31st July 2022.

2. **Amendment to Ind AS 116, "Leases" - Interest Rate Benchmark Reform Phase 2:**

   The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to include a practical expedient in respect of all lease modifications that change the basis for determining future lease payments as a result of interest rate benchmark reform.

3. **Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" – Onerous Contracts:**

   The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

4. **Amendments to Ind AS 16, "Property, Plant and Equipment" – Proceeds before Intended Use:**

   The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

5. **Amendments to Ind AS 103, "Business Combinations" – Reference to the Conceptual Framework:**

   The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes amendments to change out updated reference to "Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards" and update it with reference to "Conceptual Framework for Financial Reporting under Indian Accounting Standards". It also proposes certain consequential amendments.

6. **Amendments to 101, "First-time Adoption of Indian Accounting Standards" – Subsidiary as a First-time Adopter:**

   The exposure draft on amendments to Ind AS 101 issued by the Institute of Chartered Accountants of India proposes amendments to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

NOTES TO ACCOUNTS : SIGNIFICANT ACCOUNTING POLICIES

7. **Amendments to 41, “Agriculture” – Taxation in Fair Value Measurements:**

   The exposure draft on amendments to Ind AS 41 issued by the Institute of Chartered Accountants of India proposes amendments to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS’s.

8. **Amendments to Ind AS 109, “Financial Instruments” and Ind AS 107, “Financial Instruments: Disclosures” - Interest Rate Benchmark Reform: Phase 2:**

   The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to assist entities in providing useful information about the effects of the transition to alternative benchmark rates and support preparers in applying the requirements of Ind AS’s when changes are made to contractual cash flows or hedging relationships as a result of the transition to an alternative benchmark interest rate.

9. **New Indian Accounting Standard (Ind AS) 117, Insurance Contracts:**

   The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts.

10. **Amendments in schedule III to the Companies Act 2013:**

    The Ministry of Corporate Affairs, Government of India issued notification dated 24th March 2021 to amend schedule III to the Companies Act 2013 to enhance the discloser required to be made by the Company in its financial statements. The main purpose is to bring more transparency in the financial reporting. However the said amendment is effective from financial year beginning from 1st April 2021.

    The above exposure drafts have not been notified by the Ministry of Corporate Affairs (‘MCA’) to be applicable from 1st April, 2021 as at the date of approval of these financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(Amount in ₹ Lakh)

Particulars	Tangible Assets							Right of Use Asset			Intangible Asset		
	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 31st March 2019	249.14	761.89	4,275.11	846.03	194.14	174.95	6,501.26	-	15.94	15.94	98.87	134.29	233.16
Additions	-	-	59.20	70.61	3.32	137.56	270.69	106.29	-	106.29	-	-	-
Disposals/Written off	-	-	1.88	-	0.24	85.73	87.85	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st 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	-	11.29	10.24	103.16	8.57	23.49	156.75	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 31st March 2021	**249.14**	**773.18**	**4,342.28**	**1,019.80**	**205.79**	**215.47**	**6,805.66**	**99.59**	**15.94**	**115.53**	**101.44**	**134.29**	**235.73**
Depreciation/ Amortization													
As at 31st March 2019	**-**	**309.68**	**3,013.90**	**690.47**	**151.77**	**153.98**	**4,319.80**	**-**	**6.38**	**6.38**	**93.93**	**134.29**	**228.22**
Charge for the year	-	21.32	195.14	34.83	9.26	7.78	268.33	26.01	0.51	26.52	3.18	-	3.18
Depreciation on disposals	-	-	1.67	-	0.23	81.44	83.34	-	-	-	-	-	-
As at 31st 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 31st 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**
Net Block													
At 31st March 2021	**249.14**	**420.44**	**950.67**	**258.35**	**37.43**	**147.72**	**2,063.75**	**55.36**	**8.54**	**63.90**	**2.32**	**-**	**2.32**
At 31st March 2020	249.14	430.89	1,125.06	191.34	36.42	146.46	2,179.31	80.28	9.05	89.33	1.76	-	1.76

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2. INVESTMENT PROPERTY

(Amount in ₹ Lakh)

Particulars	Leasehold Land	Building	Freehold Land	Total
Gross Block				
As at 1st April 2019	13.61	10.00	122.53	146.15
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31st March 2020	**13.61**	**10.00**	**122.53**	**146.15**
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31st March 2021	**13.61**	**10.00**	**122.53**	**146.15**
Depreciation and Impairment				
As at 1st April 2019	2.72	3.80	-	6.52
Charge for the year	0.19	0.13	-	0.32
Depreciation on disposals	-	-	-	-
As at 31st March 2020	**2.92**	**3.93**	**-**	**6.84**
Charge for the year	0.19	0.13	-	0.32
Depreciation on disposals	-	-	-	-
As at 31st March 2021	3.11	4.05	-	7.16
Net block				
31st March 2021	**10.50**	**5.95**	**122.53**	**138.98**
31st March 2020	**10.70**	**6.07**	**122.53**	**139.30**

1) Carrying value is at actual cost except leasehold land and building which is net of depreciation.

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 consider 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
Opening balance as at 1st April 2019	6,025.40
Fair value difference	-
Purchases	-
Closing balance as at 31st March 2020	**6,025.40**
Fair value difference	-
Purchases/transfer from PPE	-
Closing balance as at 31st March 2021	**6,025.40**

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)

	31-03-2021	31-03-2020
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	--	--
Profit arising from investment properties before depreciation and indirect expenses	**3.60**	3.60
Less - Depreciation	**(0.32)**	(0.32)
Profit arising from investment properties after depreciation and indirect expenses	**3.28**	3.28

3. FINANCIAL ASSETS - INVESTMENTS

Non-Current Investments

Other Investments (Unquoted equity instruments)

At fair value through Other Comprehensive Income-

		31-03-2021	31-03-2020
(i)	**Saraswat Co-Op. Bank Ltd :** 1,000 Shares of ₹ 10/- each. (31st March, 2020 : 1,000 shares of ₹ 10/- each)	**0.10**	0.10
(ii)	**Shree Mahalaxmi Co-Op.Bank Ltd. :** 10,000 Shares of ₹ 50/-each. (31st March, 2020: 11,500 shares of ₹ 50/- each)	**5.00**	5.75
(iii)	**Samarth Sahakari Bank Ltd :** 5,000 Shares of ₹100/- each. (31st March, 2020: 5,000 shares of ₹ 100/- each)	**5.00**	5.00
(iv)	**Shamrao Vithal Co-Op. Bank Ltd :** 200 Shares of ₹ 25/- each. (31st March, 2020: 200 shares of ₹ 25/- each)	**0.05**	0.05
(v)	**Dombivali Nagari Sah. Bank Ltd. :** 1,000 Shares of ₹ 50/- each. (31st March, 2020: 1,000 shares of ₹ 50/- each)	**0.50**	0.50
(vi)	**K. A. Ichalkaranji Janata Sah. Bank Ltd :** 51,300 Shares of ₹ 50/- each (31st March, 2020: 51,300 shares of ₹ 50/- each)	**25.65**	25.65
(vii)	**NKGSB Co-Op. Bank Ltd :** 50,000 Shares of ₹ 10/- each. (31st March, 2020: 50,000 Shares of ₹ 10/- each)	**5.00**	5.00
		41.30	42.05
1)	Aggregate amount of quoted investments	**-**	-
2)	Aggregate amount of unquoted investments	**41.30**	42.05
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 objectives and policies for financial instruments.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

		31-03-2021	31-03-2020
4.	**FINANCIAL ASSET - TRADE RECEIVABLE**		
	(a) Non-Current Trade Receivables		
	From related parties	-	-
	From others	-	-
	Doubtful	-	-
	Less: Loss allowance	-	-
		-	-
	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	**2,285.99**	2,689.66
	Doubtful	-	-
	Less: Loss allowance	**(30.10)**	(31.95)
		2,255.89	2,657.71
	Break-up for security details :		
	Secured, Considered good	-	-
	Unsecured, Considered good	**2,251.25**	2,661.39
	Significant Increase in credit risk	**34.75**	28.27
	Credit Impaired	-	-
	Less : Loss Allowance (Allowance for bad and doubtful debts)	**(30.10)**	(31.95)

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.

		31-03-2021	31-03-2020
5.	**FINANCIAL ASSET - LOANS**		
	(a) Non-Current financial assets-Loans		
	Security Deposits	**70.98**	49.84
	Break-up for security details :		
	Secured, Considered good	-	-
	Unsecured, Considered good	**70.98**	49.84
	Significant Increase in credit risk	-	-
	Credit Impaired	-	-
	Less : Loss Allowance	-	-
		70.98	49.84

1. Loans are measured at amortised cost.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

		31-03-2021	31-03-2020
6.	**FINANCIAL ASSET - OTHERS**		
(a)	**Non-Current other financial assets**		
	Others	**-**	-
		-	-
(b)	**Current other financial assets**		
	Interest accrued on bank deposit	**1.05**	5.37
		1.05	5.37

1. Other financial assets are measured at amortised cost.

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

		31-03-2021	31-03-2020
7.	**OTHER ASSETS**		
(a)	**Non-current other assets**		
	Capital advances		
	Unsecured, considered good		
	(i) To Related Parties	**-**	-
	(ii) To Others	**2.73**	2.73
	Prepaid Expenses	**2.60**	-
		5.33	2.73
(b)	**Current other assets**		
	Advances to suppliers		
	Unsecured, considered good	**-**	-
	(i) To Related Parties	**-**	-
	(ii) To Others	**84.63**	143.13
	Claims Receivable		
	(i) Paid under protest	**-**	20.75
	(ii) VAT/ Excise/ GST Receivable	**40.25**	90.67
	Advance income Tax (Net of Provision)	**4.30**	-
	Earnest money deposit	**46.26**	45.91
	Prepaid Expenses	**17.37**	61.79
	Staff Advance	**1.86**	48.56
	Sundry Deposits	**0.95**	0.95
	Others	**55.65**	51.06
		251.28	462.83
	Advance to Directors or to firm/Private Company where Director is interested.	**-**	-
8.	**INVENTORIES**		
(a)	Raw materials	**608.81**	606.58
(b)	Work in progress	**283.34**	397.12
(c)	Finished goods	**347.64**	702.74
(d)	Stock in trade	**1,204.78**	1,186.76
(e)	Stores and spares	**45.39**	39.81
(f)	Loose Tools	**9.04**	11.50
		2,499.00	2,944.51

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

	31-03-2021	31-03-2020
9. CASH AND BANK BALANCE		
(a) Cash and cash Equivalents		
(i) Cash on hand	**1.83**	0.30
(ii) Balances with bank - In current account	**34.54**	117.00
Cash and cash Equivalents	**36.37**	117.30
(b) Other Bank balance		
(i) Earmarked balances with banks (Unpaid dividend accounts)	**5.21**	14.68
(ii) Margin Money deposits :	**-**	-
- With banks	**222.69**	164.64
- With Financial Institutions	**-**	-
Cash and cash Equivalents	**227.90**	179.32

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

	31-03-2021	31-03-2020
10. SHARE CAPITAL		
Authorized Share Capital		
10,000,000 Equity Shares of ₹ 5 /- each (Previous year 10,000,000 Equity Shares of ₹ 5/- each)	**500.00**	500.00
30,00,000 Preference Shares of ₹ 10/- each (Previous year 30,000,000 Preference Shares of ₹ 10/- each)	**300.00**	300.00
	800.00	**800.00**
Issued, Subscribed & Fully Paid-up		
3,400,000 Equity Shares of ₹ 5/- each (Previous year 3,400,000 Equity Shares of ₹ 5/- each)	**170.00**	170.00
	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 shareholders.

b) Reconciliation of Share Capital

Particulars	31-03-2021		31-03-2020	
	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

NOTES FORMING PART OF FINANCIAL STATEMENTS

c) Details of Shareholder holding more than 5% shares

Particulars	31-03-2021		31-03-2020	
	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.

(Amount in ₹ Lakh)

	31-03-2021	31-03-2020
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	**497.76**	85.64
Add: Net Profit for the current year	**214.98**	497.66
Other Comprehensive Income	**2.45**	(10.77)
Balance available for appropriation	**715.19**	572.53
Less: Appropriations :		
Dividend on equity	**-**	51.00
Tax on dividend	**-**	10.48
Transition impact of Ind AS 116 (Net of tax)	**-**	13.29
	715.19	497.76
	2,942.95	2,725.52

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

		31-03-2021	31-03-2020
iv)	**Dividend distribution made and proposed**		
	Cash Dividend on Equity shares declared and paid :		
	Final Dividend for the year ended 31st March, 2019		
	₹ 0.75 per share (31st March, 2018 : ₹ NIL)	-	25.50
	Dividend distribution tax on final dividend	-	5.24
	Interim dividend for the year 31st March, 2020		
	₹ 0.75 per share (31st March, 2019 : ₹ 0.75)	-	25.50
	Dividend distribution tax on interim dividend	-	5.24
		-	61.48
	Proposed dividend on equity shares		
	Final Cash dividend for the year ended 31st March, 2021		
	₹ 0.50 per share (31st March, 2020 : ₹ 0.75 per share)	**17.00**	-
		17.00	-

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 31st March 2021 and 31st March 2020.

12. FINANCIAL LIABILITIES - BORROWINGS

(Amount in ₹ Lakh)

		Interest Rate (p.a.)	Terms of Repayment	31-03-2021	31-03-2020
(a)	**Non- current borrowings**				
(i)	**Term Loans** **- From Banks (Secured)**				
1	**Samarth Sahakari Bank Ltd.** (secured by mortgage of immovable property)	14.00%	Repayable in 84 monthly installments	**161.85**	316.03
2	**IDBI Bank Limited** (secured by second charge on immovable property,Plant and Machinery & Current Assets)	RLLR(Y)+ 1%	Repayable in 36 monthly installments starting from October 2021	**488.20**	-
3	**K.A. Ichalkaranji Janata S.B.Ltd.** (secured by hypothecation of machineries and mortgage of immovable property.)	12.25%	Repayable in 20 quarterly instalments	**236.31**	454.22
4	**NKGSB Co-op Bank Ltd.** (secured by hypothecation of stock and receivables and mortgage of immovable properties)	10.75%	Repayable in 35 monthly instalments	**38.45**	94.19

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

			Interest Rate (p.a.)	Terms of Repayment	31-03-2021	31-03-2020
	5	**Bank of Baroda** (Secured by vehicles purchased out of the loan)	8.70%	Repayable in 36 monthly instalments	**43.56**	78.97
	6	**Bank of Maharashtra** (Secured by vehicles purchased out of the loan)	8.85%	Repayable in 36 monthly instalments	**7.48**	-
		- From Others (Secured)				
	7	**Electronica Finance Limited** (secured by hypothecation of machinery acquired out of the loan)	12.99%	Repayable in 36 monthly installments	**7.67**	37.91
		Total Secured Term Loans from banks			**983.52**	981.32
	(ii)	**Interest Free Sales Tax Deferred Payment Liability (Unsecured)****			**34.99**	66.06
					1,018.51	1,047.38
(b)		**Current borrowings**				
		Secured				
		- Loans repayable on demand from bank				
	(i)	**Working Capital loan repayable on demand**				
		- IDBI Bank Ltd.*	MCLR(Y) +4.3%	On Demand	**48.39**	685.66
		- NKGSB Co-op Bank Ltd.* *(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.)	10.75%	On Demand	**558.82**	1,254.08
	(ii)	**Post Shipment Facility**				
		- IDBI Bank Ltd. *(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.)	MCLR(HY) +2.1%	60 - 90 days	**28.94**	-
	(iii)	**Buyers Credit Facility**				
		- NKGSB Co-op Bank Ltd. (secured against hypothecation of stock & book debts and mortgage of immovable property)	6m Libor + 1.4bps	Based on operating cycle	**494.56**	308.57
		Unsecured				
		- Loan from Finance Companies				
		- Concord Marketing and Financers Private Limited		On Demand	**-**	175.00
					1,130.71	2,423.31
Out of the above secured Borrowings,amount guaranteed by Executive Chairman (Including Current Maturities of long term debts.)					**2,023.59**	3,098.53

NOTES FORMING PART OF FINANCIAL STATEMENTS

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. 2020-21 and of ₹ 14.47 Lakhs F.Y. 2019-20 (Refer note19). Interest expense of ₹ 8.56 Lakhs for F.Y. 2020-21 and ₹ 13.55 Lakhs for F.Y. 2019-20 was recognised. (Refer note 23)

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 lacs 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.

(Amount in ₹ Lakh)

3) Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31st March, 2021.

	31-03-2021	31-03-2020
Cash and Cash Equivalents	**36.37**	117.30
Non-Current Borrowings	**1,018.51**	1,047.38
Current Borrowings	**1,130.71**	2,423.31
	2,285.59	3,587.99

	Cash & Cash Equivalents	**Borrowings**	**Total**
Net Debt As on April 1, 2019	**175.62**	**4,015.93**	4,191.55
Cash Flows	(58.32)	(290.34)	(348.66)
Foreign Exchange Adjustment	-	-	-
Interest paid	-	(549.10)	(549.10)
Interest expense	-	571.81	571.81
Net Debt As on March 31, 2020	**117.30**	**3,748.30**	3,865.60
Cash Flows	(80.93)	(982.57)	(1,063.50)
Foreign Exchange Adjustment	-	-	-
Interest paid	-	(468.31)	(468.31)
Interest expense	-	469.25	469.25
Net Debt As on March 31, 2021	**36.36**	**2,766.67**	2,803.04

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

	31-03-2021	31-03-2020
13. FINANCIAL LIABILITIES - TRADE PAYABLES		
(a) Current Liability		
Dues to Micro and Small Enterprises		
(i) To Related Parties	**2.12**	82.20
(ii) To Others	**35.97**	7.96
	38.09	90.16
Dues to other than Micro and Small Enterprises		
(i) To Related Parties	**-**	-
(ii) To Others	**630.69**	900.99
	630.69	900.99

Notes:

1 Trade and other payables are measured at amortised cost.

2 Trade payables are non-interest bearing and are normally settled on 30 to 120 days terms.

3 For explanations on the Company's Foreign currency risk and liquidity risk management processes, refer to Note 34A.

	31-03-2021	31-03-2020
14. FINANCIAL LIABILITIES - OTHER		
(a) Non Current financial liabilities		
(i) Deposit from dealers	**76.58**	72.79
(ii) Security Deposit	**-**	-
(iii) Lease Liability	**37.85**	69.47
	114.43	142.26
(b) Current financial liabilities		
(i) Current Maturities of long term debt	**-**	-
- From Banks	**556.38**	207.26
- From Financial Institutions	**21.44**	18.22
- From Others (Unsecured)	**39.63**	52.13
(ii) Interest accrued but not due on borrowings	**0.16**	7.63
(iii) Interest payables on MSME	**1.44**	10.55
(iv) Payables for capital purchases	**8.14**	7.52
(v) Unpaid dividend	**4.92**	14.58
(vi) Lease Liability	**32.12**	29.22
(vii) Employee Benefits payables	**156.35**	111.09
(viii) Other payables	**321.12**	417.05
	1,141.70	875.25

1. Other financial liabilities are measured at amortised cost.
2. For explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes (Refer Note No. 34A)
3. 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 27th March, 2020 and Circular DOR.No.BP. BC.63/21.04.048/2019-20 dated 17th 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. 14)

NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Amount in ₹ Lakh) 31-03-2021	31-03-2020
15. PROVISIONS		
(a) Non-current provision		
Provision for employee benefits		
(i) Leave encashment	**32.87**	31.00
(ii) Gratuity	**83.49**	83.44
	116.36	114.44
(b) Current provision		
Provision for employee benefits		
(i) Leave encashment	**29.86**	31.04
(ii) Gratuity	**64.86**	66.60
(iii) Super Annuation	**-**	1.27
Other provision (Refer Note 33)		
Provision for product warranty	**18.32**	19.56
	113.04	118.47

16. DEFERRED TAX LIABILITY (NET)

The major components of income tax expense for the year ended 31st March, 2021 and 31st March, 2020 are:

	31-03-2021	31-03-2020
Deferred tax relates to the following: DTL/ (DTA)		
(a) Property Plant & Equipment, Right of Use, Intangible Assets	**207.45**	235.98
Deferred tax Liability	**207.45**	235.98
(a) Disallowances u/s 43B of Income Tax Act	**72.83**	65.33
(b) Leases - Ind AS 116	**19.47**	32.58
(c) Provision for Expected Credit Loss	**8.37**	8.89
(d) Government Grant - Ind AS 20	**7.54**	7.56
(e) MAT Credit Entitlement	**-**	29.10
Deferred tax Asset	**108.21**	143.46
Net Deferred Tax (Assets)/Liabilities	**99.24**	92.52

	31-03-2021	31-03-2020
1) Reconciliation of deferred tax (assets)/liabilities, net		
Opening balance as of 1st April, 2020	**92.52**	166.29
(a) Tax (income)/expense during the year recognised in Profit or loss	**(23.32)**	(64.51)
(b) Tax (income)/expense during the year recognised in OCI	**0.94**	(4.15)
(c) Tax (income)/expense during the year recognised in Reserves	**-**	(5.11)
(d) Reversal of MAT Credit Entitlement	**29.10**	-
Closing Balance as at 31st March, 2021	**99.24**	92.52

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 27.82% (previous year 31st March, 2020 : 27.82%)

	31-03-2021	31-03-2020
4) Current tax Asset/(Liability)- Net	**44.83**	50.39

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

		31-03-2021	31-03-2020
17.	**OTHER LIABILITIES**		
(a)	**Other Non-Current Liabilities**		
	Deferred Revenue arising from Government grant*	**12.62**	27.09
		12.62	27.09
(b)	**Other Current Liabilities**		
(i)	Statutory dues	**40.25**	28.85
(ii)	Advances from customer	**30.17**	55.08
(iii)	Current Maturities of Deferred Revenue arising from government grant	**14.47**	14.47
		84.89	98.40

* Ind AS 20 - Government Grant - Refer Note No. 12.a

		31-03-2021	31-03-2020
18.	**REVENUE FROM OPERATIONS**		
(a)	**Revenue from Contracts with Customers**		
(i)	Sale of Products	**10,091.80**	10,525.62
(b)	**Other operating revenue**		
(i)	Export Benefit	**29.58**	31.13
(ii)	Sale of Scrap	**26.97**	35.15
(iii)	Net Gain / (Loss) on Foreign Exchange Fluctuation	**67.46**	4.71
(iv)	Others	**-**	-
		10,215.81	10,596.61
19.	**OTHER INCOME**		
(a)	**Interest Income**		
(i)	From bank	**6.80**	20.63
(ii)	From others	**0.83**	20.10
		7.63	40.73
(b)	**Dividend income**	**0.92**	3.06
(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**	60.45
	(iv) Miscellaneous income	**0.03**	-
	(v) Profit on sale of Fixed Asset	**3.68**	7.58
	(vi) Provision no longer required write back	**1.85**	-
		25.16	86.10
		33.71	129.89

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

		31-03-2021	31-03-2020
20.	**COST OF MATERIAL CONSUMED**		
	(a) Raw material consumed	**2,305.12**	2,977.67
	Opening Raw material	**657.89**	952.59
	Add: Purchases during the year	**2,310.47**	2,682.97
	Less: Closing stock of Raw Material	**663.24**	657.89
	(b) Purchase of Stock-in -trade	**4,002.97**	4,058.82
		6,308.09	7,036.49
21.	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**		
	Opening Inventory :		
	(i) Finished goods	**702.74**	246.39
	(ii) Work-in- progress	**397.12**	311.86
	(iii) Stock in trade	**1,186.76**	987.10
		2,286.62	1,545.35
	Closing Inventory :		
	(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
		1,835.76	2,286.62
		450.86	(741.26)
22.	**EMPLOYEE BENEFITS EXPENSE**		
	(a) Salaries, wages and bonus	**1,090.38**	1,080.99
	(b) Contribution to provident fund and other fund (Refer Note 31)	**43.51**	48.40
	(c) Gratuity (Refer Note 31)	**10.93**	(36.06)
	(d) Welfare expenses	**25.52**	41.53
		1,170.34	1,134.86
23.	**FINANCE COST**		
	(a) Interest expense	**365.64**	446.25
	(b) Interest on Sales Tax Deferral Loan	**8.56**	13.55
	(c) Net Interest expense/ (income) on defined benefit obligation	**9.68**	13.05
	(d) Interest on Lease liability	**8.95**	11.18
	(e) Other borrowing cost	**76.42**	87.77
		469.25	571.80
24.	**DEPRECIATION AND AMORTISATION**		
	(a) Depreciation on tangible assets	**271.07**	268.33
	(b) Depreciation on Right of Use Assets	**27.00**	26.52
	(c) Depreciation on intangible assets	**2.01**	3.18
	(d) Depreciation on investment property	**0.32**	0.32
		300.40	298.35

NOTES FORMING PART OF FINANCIAL STATEMENTS

		31-03-2021	31-03-2020
			(Amount in ₹ Lakh)
25.	**OTHER EXPENSES**		
(a)	Stores, Spares consumed	**68.04**	127.85
(b)	Processing Charges	**169.36**	267.90
(c)	Power and Fuel consumed	**81.59**	106.84
(d)	Repairs to Plant and Machinery	**61.09**	74.53
(e)	Repairs to Factory Building	**18.28**	36.57
(f)	Services to Manufacturing	**42.25**	40.49
(g)	Insurance	**28.86**	21.68
(h)	Advertisement, Publicity and Sales Promotion	**60.94**	107.04
(i)	Product Distribution	**242.22**	247.43
(j)	Warranty Expense	**24.42**	29.91
(k)	Packing Material	**100.99**	127.48
(l)	Cash Discount	**88.90**	84.64
(m)	Rent	**3.29**	11.83
(n)	Rates and Taxes (other than taxes on income)	**9.63**	13.51
(o)	Legal, Professional and Consultancy Charges	**73.70**	95.98
(p)	Directors' Sitting Fees	**14.00**	15.50
(q)	Travelling & Conveyance	**130.74**	256.63
(r)	Printing & Stationery	**10.15**	14.83
(s)	Postage & Telephone	**11.33**	12.26
(t)	Auditors remuneration (Refer note no. 29)	**1.68**	1.75
(u)	Bad Debts Written Off	**7.43**	173.50
(v)	Provision for Doubtful Debts	**-**	0.72
(w)	Miscellaneous Balances written off	**-**	0.30
(x)	Miscellaneous Expenses	**53.90**	73.89
(y)	Loss on Sale of Fixed Assets	**0.05**	-
		1,302.84	1,943.06

		31-03-2021	31-03-2020
26.	**INCOME TAX**		
	Statement of Profit and loss		
(a)	**Current income tax:**		
(i)	Current income tax charge	**110.00**	78.20
(ii)	Adjustments in respect of current income tax of previous year	**-**	-
(iii)	Short/(Excess) Provision	**(20.74)**	(28.15)
(b)	**Deferred tax:**		
(i)	MAT Credit Entitlement	**(33.17)**	(29.10)
(ii)	Relating to origination and reversal of temporary differences	**(23.32)**	(35.41)
(c)	**Income tax expense reported in the statement of profit and loss**	**32.77**	(14.46)
	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	**(0.94)**	4.15
	Income tax charged to OCI	**(0.94)**	4.15

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

		31-03-2021	31-03-2020
	Tax Reconciliation		
(a)	Accounting profit before income tax expense	**247.74**	483.20
(b)	Tax @27.82% (Previous year @ 27.82%)	**68.92**	134.43
	Tax effect adjustments in calculating taxable income		
(a)	Other	**-**	(38.38)
(b)	Remeasurement Gain /(Loss) allowed as expense	**0.94**	(4.15)
(c)	Short/(Excess) Provision	**(20.74)**	(28.15)
(d)	Tax benefits under various Income tax Sections	**(12.28)**	(12.10)
(e)	Brought Forward depreciation loss	**-**	(66.11)
(f)	MAT Credit Entitlement not accounted in earlier year	**(33.17)**	-
(g)	MAT Credit Entitlement utilised during the year	**29.10**	-
	Current Tax Expense	**32.77**	(14.46)

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 2014-15	**-**	13.59
	Against which an amount of ₹ 5.46 (Previous Year ₹ 5.46 Lakhs) has been paid under protest.		
	- For the year 2015-16	**-**	30.09
	Against which an amount of ₹ 15.25 (Previous Year ₹ 15.25 Lakhs) has been paid under protest.		
(ii)	**Dispute relating to Telangana Value Added Tax Act 2005 and Central Sales Tax Act 1956** **-For the year 2011-12**	**-**	0.04
	Against which an amount of ₹ 0.04 (Previous Year ₹ 0.04 Lakhs) has been paid under protest		
		-	43.72

28. COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances).	**8.37**	8.37
	8.37	8.37

NOTES FORMING PART OF FINANCIAL STATEMENTS

		(Amount in ₹ Lakh) **31-03-2021**	31-03-2020
29.	**REMUNERATION TO AUDITORS**		
(a)	Statutory Auditors :		
(i)	Audit Fees	**0.75**	0.75
(ii)	Other services (Limited Review and Certification)	**0.93**	0.90
(iii)	Expenses reimbursed	**-**	0.10
		1.68	1.75

		31-03-2021	31-03-2020
30.	**EARNING PER SHARE (BASIC AND DILUTED)**		
(a)	**Basic**		
(i)	Profit for the year before tax	**247.75**	483.20
	Attributable Tax thereto	**(32.77)**	14.46
	Profit after Tax	**214.98**	497.66
(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 ₹)	**6.32**	14.64
(b)	**Diluted**		
(i)	Profit for the year before tax	**247.75**	483.20
	Attributable Tax thereto	**(32.77)**	(14.46)
	Profit after Tax	**214.98**	497.66
(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 ₹)	**6.32**	14.64

NOTES FORMING PART OF FINANCIAL STATEMENTS

31. EMPLOYEE BENEFITS

a) Defined Contribution Plans:

Amount of ₹ 43.51 Lakhs (Previous Year ₹ 48.40 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)

		31-03-2021 Gratuity Plan (Funded)	31-03-2020 Gratuity Plan (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	**226.84**	223.54
	Less: Fair Value of Plan Assets	**78.50**	73.50
	Amount to be recognized as liability or (asset)	**148.34**	150.04
(b)	**Amounts reflected in the Balance Sheet**		
	Liabilities	**148.34**	150.04
	Assets	**-**	-
	Net Liability/(Assets)	**148.34**	150.04
ii)	**The amounts recognized in the Statement of Profit and Loss :**		
(a)	Current Service Cost	**10.93**	9.78
(b)	Acquisition (gain)/ loss	**-**	-
(c)	Past Service Cost	**-**	(45.83)
(d)	Net Interest (income)/expenses	**9.68**	13.05
(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)	**20.61**	(23.00)
iii)	**The amounts recognized in the statement of other comprehensive income (OCI)**		
(a)	Opening amount recognized in OCI outside P&L account	**-**	-
(b)	Remeasurements for the year - Obligation (Gain)/ Loss	**(2.77)**	14.74
(c)	Remeasurement for the year - Plan assets (Gain)/ Loss	**(0.62)**	0.17
(d)	Total Remeasurements Cost /(Credit) for the year recognized in OCI	**(3.39)**	14.92
(e)	Less: Accumulated balances transferred to retained earnings	**-**	-
	Closing balances (remeasurement (gain)/loss recognized OCI.	**(3.39)**	14.92

NOTES FORMING PART OF FINANCIAL STATEMENTS

		31-03-2021 Gratuity Plan (Funded)	31-03-2020 Gratuity Plan (Funded)
		(Amount in ₹ Lakh)	
iv)	**The changes in the present value of defined benefit obligation (PVO) representing reconciliation of opening and closing balances thereof are as follows:**		
(a)	Balance of the PVO as at beginning of the period	**223.54**	250.14
(b)	Acquisition adjustment	**-**	-
(c)	Transfer in/ (out)	**-**	-
(d)	Interest expenses	**14.75**	18.35
(e)	Past Service Cost	**-**	(45.83)
(f)	Current Service Cost	**10.93**	9.78
(g)	Curtailment Cost / (credit)	**-**	-
(h)	Settlement Cost/ (credit)	**-**	-
(i)	Benefits paid	**(19.61)**	(23.64)
(j)	Remeasurements on obligation - (Gain) / Loss	**(2.77)**	14.74
	Present value of obligation as at the end of the period	**226.84**	223.54
v)	**Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:**		
(a)	Fair value of the plan assets as at beginning of the period	**73.50**	68.46
(b)	Acquisition adjustment	**-**	-
(c)	Transfer in/(out)	**-**	-
(d)	Interest income	**5.07**	5.30
(e)	Contributions	**-**	0.66
(f)	Mortality Charges and taxes	**(0.69)**	(0.76)
(g)	Benefits paid	**-**	-
(h)	Amount paid on settlement	**-**	-
(i)	Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	**0.62**	(0.17)
	Fair value of plan assets as at the end of the period	**78.50**	73.50
vi)	**Major Categories of plan assets (as percentage to total plan assets)**		
(a)	Government of India Securities	**-**	-
(b)	High Quality Corporate Bonds	**-**	-
(c)	Special Deposit Schemes	**-**	-
(d)	Funds Managed by Insurer	**100%**	100%
		100%	100%

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

		31-03-2021 Gratuity Plan (Funded)	31-03-2020 Gratuity Plan (Funded)
vii)	**Net interest (Income) /expenses**		
1	Interest (Income) / Expense – Obligation	**14.75**	18.35
2	Interest (Income) / Expense – Plan assets	**(5.07)**	(5.30)
3	Net Interest (Income) / Expense for the year	**9.68**	13.05

(viii) Principal actuarial assumptions at the balance sheet date :

(a) Discount rate as at 31-03-2021- 6.80% (Previous year - 6.90%)

(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.

(ix) The amounts pertaining to defined benefit plans are as follows:

		31-03-2021	31-03-2020
(a)	Defined Benefit Obligation	**226.84**	223.54
(b)	Plan Assets	**78.50**	73.50
(c)	Surplus/(Deficit)	**(148.34)**	(150.04)

(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)

Change in assumption	31-03-2021	31-03-2020
	Effect on gratuity obligation	
(a) Discount rate		
(i) Decrease by 1%	**239.43**	236.46
(ii) Increase by 1%	**215.59**	212.03
(b) Salary increase rate		
(i) Decrease by 1%	**216.71**	213.07
(ii) Increase by 1%	**237.96**	235.06
(c) Withdrawal rate		
(i) Decrease by 1%	**223.91**	220.34
(ii) Increase by 1%	**229.54**	226.48

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

	31-03-2021 Gratuity Plan (Funded)	31-03-2020 Gratuity Plan (Funded)
(a) Service Cost	**10.82**	10.93
(b) Past Service Cost	**-**	(45.83)
(c) Net Interest Cost	**10.09**	10.35
(d) Expense Charged to P&L	**20.91**	(24.55)

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

(Amount in ₹ Lakh)

Nature of transaction / relationship of parties	KMP		Relatives of KMP		Enterprise over which significant influence exists	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(i) Purchase of goods & services					**143.20**	241.80
Trimurti Engineering Tools Private Limited					143.20	241.80
(ii) Sale of goods/contract revenue & services					**14.26**	14.62
Trimurti Engineering Tools Private Limited					14.26	14.62
(iii) Rendering Services					**3.60**	3.60
Trimurti Engineering Tools Private Limited - Rent received					3.60	3.60
(iv) Remuneration Paid	**131.94**	115.55				
Key Management Personnel						
Mr. Prakash A. Kulkarni	90.17	86.83				
Mr. Dilip B. Kulkarni	41.77	28.72				
(v) Directors Sitting fees			**2.00**	3.00		
Mrs. P. P. Kulkarni			2.00	3.00		

(e) Amount due to / from related parties

Nature of transaction / relationship of parties	KMP 2020-21	KMP 2019-20	Relatives of KMP 2020-21	Relatives of KMP 2019-20	Enterprise 2020-21	Enterprise 2019-20
(i) Amount Due to :						
Key Management Personnel	**5.29**	6.75				
Mr. Prakash A. Kulkarni	3.90	5.00				
Mr. Dilip B. Kulkarni	1.39	1.75				
Enterprise over which above persons have significant influence					**2.12**	82.20
Trimurti Engineering Tools Private Limited					**2.12**	82.20
	5.29	6.75			**2.12**	82.20

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)	
	2020-21	2019-20
Short-term employee benefits	**128.94**	112.55
Post employment benefits	**3.00**	3.00
Other long-term employment benefits	**-**	-
Termination benefits	**-**	-
	131.94	115.55

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
Carrying amount as at 1st April, 2019	22.20
Add: Provision during the year 2019-20	34.12
Add: Unwinding of discounts	-
Less: Amount utilised during the year 2019-20	32.55
Less: Amount reversed during the year 2019-20	4.21
Carrying amount as at 31st March, 2020	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
Carrying amount as at 31st March, 2021	**18.32**

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	
	31-03-2021	31-03-2020
Financial Assets		
a) Carried at amortised cost		
Non-Current Loans - Security Deposit	**70.98**	49.84
Non-Current - Other Financial Assets	**-**	-
Non-Current-Trade receivable	**-**	-
Current-Trade receivable	**2255.89**	2657.71
Current - Other Financial Assets	**1.05**	5.37
Cash and cash equivalent	**36.37**	117.30
Other Bank Balances	**227.90**	179.32
	2592.19	3009.54
b) Carried at FVTOCI		
Investments - Non-current	**41.30**	42.05
	41.30	42.05

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

	Fair value	
	31-03-2021	31-03-2020
Financial Liabilities		
a) Carried at amortised cost		
Non-current borrowings	**1018.51**	1047.38
Non-Current-Other financial liabilities	**114.43**	142.26
Current borrowings	**1130.71**	2423.31
Trade payable	**668.78**	991.15
Current-Other financial liabilities	**1141.70**	875.25
	4074.12	5479.35

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 of Significant Accounting Policies.

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

	Level 1	Level 2	Level 3
Non-current investments -Carried at FVTOCI			
31st March, 2021	**-**	**-**	**41.30**
31st March, 2020	-	-	42.05

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 120 days credit term. The Company has low concentration of risk as customer base in 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	
31st March, 2021	**1272.45**	**744.62**	**100.27**	**168.65**	**2285.99**
31st March, 2020	1,028.49	1,274.87	162.71	223.59	2689.66

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

Particulars	Amount
Loss Allowance as at 1st April 2019	31.23
Provided during the year	7.86
Amounts written off	-
Amount written back	7.14
Loss Allowance as at 31st March 2020	31.95
Provided during the year	6.47
Amounts written off	-
Amount written back	8.32
Loss Allowance as at 31st March 2021	**30.10**

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
a) Trade and Other Payables				
31st March, 2021	**25.11**	**643.67**	**-**	**668.78**
31st March, 2020	182.14	809.01	-	991.15
b) Borrowings				
i. Interest Bearing				
31st March, 2021	**1,130.71**	**577.82**	**983.52**	**2,692.05**
31st March, 2020	2,423.31	225.47	981.32	3,630.10
ii. Non-Interest Bearing				
31st March, 2021	**-**	**39.63**	**34.99**	**74.62**
31st March, 2020	-	52.13	66.06	118.19
c) Other Financial Liabilities				
31st March, 2021	**4.92**	**511.18**	**114.43**	**630.53**
31st March, 2020	14.58	575.54	142.26	732.38

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
31st March, 2021	**10.75%**	**-**
31st March, 2020	**11.75%**	-

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.

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

<table>
<tr><th rowspan="2">Internal rating</th><th rowspan="2">Category</th><th rowspan="2">Description of category</th><th colspan="2">Basis of recording expected credit loss</th></tr>
<tr><th>Loans and deposits</th><th>Trade receivables</th></tr>
<tr><td>A</td><td>High quality asset, negligible credit risk</td><td>Assets where the counter party has strong capacity to meet obligations and where risk is negligible or nil.</td><td rowspan="2">12 months expected credit losses</td><td rowspan="3">Life- time expected credit losses - simplified approach</td></tr>
<tr><td>B</td><td>Standard asset, moderate credit risk</td><td>Assets where there is moderate risk of default and where there has been low frequency of defaults in past.</td></tr>
<tr><td>C</td><td>Low quality asset, High credit risk</td><td>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.</td><td>Life- time expected credit losses</td></tr>
<tr><td>D</td><td>Doubtful asset- credit impaired</td><td>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.</td><td colspan="2">Asset is written off</td></tr>
</table>

NOTES FORMING PART OF FINANCIAL STATEMENTS

As at 31st March, 2021:

1) Expected credit loss for loans and 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	70.98	0%	-	70.98
		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	1272.45	744.62	100.27	168.65	2,285.99
Expected loss rate (in %)	0.07%	0.22%	0.22%	16.23%	-
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

As at 31st March, 2020:

1) Expected credit loss for loans and 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	49.84	0%	-	49.84
		Other Financial Assets	A	5.37	0%	-	5.37
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	1,028.49	1,274.87	162.71	223.59	2,689.66
Expected loss rate (in %)	0.03%	0.19%	0.43%	12.78%	-
Expected credit losses (Loss allowance provision)	0.26	2.41	0.70	28.58	31.95
Carrying amount of trade receivable (Net of impairment)	1,028.23	1,272.46	162.01	195.01	2,657.71

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	31-03-2021	31-03-2020
Loans and borrowings	**2,766.67**	3,748.30
Less: Cash and cash equivalents	**36.37**	117.30
Net debt	**2,730.30**	3,631.00
Equity	**3,112.95**	2,895.52
Gearing ratio	**0.88**	1.25

36. LEASES

(a) Change in Accounting Policy

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statements. The Company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below:

The Company had applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application was recognized in retained earnings at 1st April, 2019 amounting to ₹ 13.29 Lakhs (net of tax).

Particulars	Amount
Lease Commitment as at 31st March, 2019	121.20
Add: Contracts reassessed as lease contracts	-
Add: Adjustments on account of termination/modification	-
Lease Liabilities as on 1st April, 2019	121.20
Current lease liability	22.51
Non-Current lease liability	98.69

Right of use assets of ₹102.79 Lakhs and lease liabilities of ₹ 121.20 Lakhs have been recognised as on 1st April, 2019.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The impact of change in accounting policy on account on adoption of Ind AS 116 as at 1st April, 2019, is as follows :

(Amount in ₹ Lakh)

Particulars	Amount
Decrease in Property, Plant and Equipment by	-
Increase in lease liability by	121.20
Increase in right of use by	106.29
Decrease in deferred tax liability by	(5.12)
Increase in finance cost by	11.18
Increase in depreciation by	26.01
Decrease in other equity by	18.41
Increase in interest income by	0.68

Company as lessee

The Company has entered into agreement in the nature of lease agreement 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	**31-03-2021**	31-03-2020
Depreciation charge for 'Right-to-Use Asset'	**27.00**	26.01
Interest Expense on Lease Liability	**8.95**	11.18
Carrying amount of 'Right-to-Use Asset' at the end of the reporting period	**55.36**	80.28
Total Cash outflow for leases	**38.11**	33.69
Expense relating to short term leases and leases of low value assets	**3.29**	11.83

The details of the maturities of lease liabilities as at 31st March, 2021 are as follows:

Particulars	**31-03-2021**	31-03-2020
Within one year	**32.12**	29.22
After one year but not more than 5 years	**37.85**	69.47
More than five years	**-**	-
	69.97	98.69

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, 2021 are as follows:

Particulars	**31-03-2021**	31-03-2020
Within one year	**-**	3.60
After one year but not more than 5 years	**-**	-
More than five years		
	-	3.60

NOTES FORMING PART OF FINANCIAL STATEMENTS

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, 2021 are as under:

(Amount in ₹ Lakh)

Particulars	31-03-2021	31-03-2020
Principal amount due and remaining unpaid	**38.09**	90.16
Interest due on above and unpaid interest	**10.55**	1.11
Interest paid	**10.55**	-
Payment made beyond appointment day	**228.27**	220.03
Interest due and payable for the period of delay	**1.44**	9.43
Interest accrued and remaining unpaid	**1.44**	10.55
Amount of further interest remaining due and payable in succeeding years	**1.44**	10.55

38. SEGMENT REPORTING

Company operates in three segments such as Portable Power Tools, Blowers and Windmills. 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	31-03-2021	31-03-2020
Sales		
Portable Power Tools	**7321.40**	7474.06
Blowers	**2196.73**	2193.32
Windmills	**51.29**	85.27
All other segments includes E-vehicle	**522.38**	772.97
	10091.80	10525.62
Segment Results (Gross)		
Portable Power Tools	**613.47**	928.01
Blowers	**360.24**	146.43
Windmills	**(27.45)**	2.66
All other segments includes E-vehicle	**133.55**	266.07
	1079.81	1343.17
Unallocated Corporate Expenses	**396.52**	418.06
Operating Profit	**683.29**	925.11
Interest Expense	**469.25**	571.80
Other Income	**33.71**	129.89
Profit / (Loss) before exceptional item	**247.75**	483.20
Extraordinary Item	**-**	-
Profit Before Tax	**247.75**	483.20
Segment Assets		
Portable Power Tools	**4597.26**	4595.18
Blowers	**1557.38**	1827.88
Windmills	**326.46**	403.14
All other segments includes E-vehicle	**442.41**	1226.58
	6923.51	8052.78

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Lakh)

Particulars	31-03-2021	31-03-2020
Add: Unallocated Corporate Assets	**693.24**	781.34
	7616.75	8834.12
Segment Liabilities		
Portable Power Tools	**941.80**	965.96
Blowers	**343.84**	669.54
Windmills	**-**	-
All other segments includes E-vehicle	**6.64**	62.56
	1292.28	1698.06
Add: Unallocated Corporate Liabilities	**386.93**	441.78
	1679.21	2139.84
Capital Expenditure		
Portable Power Tools	**152.45**	198.92
Blowers	**5.58**	71.73
Windmills	**-**	-
All other segments includes E-vehicle	**10.62**	106.33
	168.65	376.98
Depreciation		
Portable Power Tools	**179.41**	179.85
Blowers	**43.12**	41.66
Windmills	**45.73**	45.73
All other segments includes E-vehicle	**32.14**	31.12
	300.40	298.36
Non-cash expenses other than depreciation		
Portable Power Tools	**1.85**	21.61
Blowers	**(0.62)**	(1.15)
Windmills	**-**	-
All other segments includes E-vehicle	**0.03**	(0.18)
	1.26	20.28

II. Secondary Segment Information (Geographical Segment)

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

Net Sales	31-03-2021	31-03-2020
India	**9109.43**	9779.56
Outside India	**982.37**	746.06
	10091.80	10525.62

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

39. IMPACT OF COVID-19 ON BUSINESS:

Global economy and the business was hugely impacted due to Covid pandemic. The whole country came to a standstill due to the lockdown announced by the Government from end of March 2020. The Company started its operations partially after the relaxations announced from mid May, 2020. Many orders were delayed or postponed which left the Company with dent in its top line, also with the new streak of COVID 2nd wave in India, Maharashtra government has again declared a lock down post balance sheet date.

The Company has evaluated the impact of Covid-19 on the operations of the Company, order booking and revenue, cash flow, assets and liabilities and factored in the impact of it up to the date of approval of these financial results on the carrying value of its assets and liabilities.

Even though, it is very difficult to predict the duration of the further disruption and severity of its impact, on the basis of evaluation of overall economic environment,order book, liquidity position, recoverability of receivables, the Company expects to recover the carrying amount of these assets and currently does not anticipate any further impairment of it.

40. Previous Year's 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	**D.B.Kulkarni**	**P.A.Kulkarni**
Chartered Accountant	**Managing Director**	**Executive Chairman**
M.No: 219438	DIN:00184727	DIN:00052342
UDIN : 21219438AAAAAR3675		
	Ms.A.S.Toraskar	
Place : **Belagavi**	**Company Secretary**	Place : **Shirol**
Date : **30th June, 2021**	M.No.A54931	Date : **30th June, 2021**

NOTES

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.** (Formerly known as **Kulkarni Power Tools 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^{st} March, 2021 and the Board's & Auditor's Reports, thereon.			
2.	To declare dividend for the financial year ended on 31^{st} March, 2021.			
3.	To appoint a Director in place of Mr.Prakash Kulkarni, Director (DIN: 00052342), who retires by rotation and, being eligible, seeks re-appointment.			
4.	To appoint a Director in place of Dr.Ketan Pai, Director (DIN: 06980628), who retires by rotation and, being eligible, seeks re-appointment.			
5.	To consider reappointment of Mr.Prakash Kulkarni, as Executive Chairman (DIN No.00052342), for a period of 5 years, w.e.f. 1^{st} April, 2021 to 31^{st} March, 2026, as per Sections 196 and 197 with the same current remuneration for a period of 3 years from 1^{st} April, 2021 to 31^{st} March, 2024, as per Section II of Part II of Schedule V of the Companies Act, 2013.			

Place :

Date : **(Signature of Shareholder)**

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