



## KRANTI INDUSTRIES LIMITED

Date: August 16, 2023

To,  
The Manager,  
BSE Limited.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001

Script Code: 542459  
Script Symbol: KRANTI

**Subject: Submission of 28<sup>th</sup> Annual Report of the Company for the Financial Year 2022-23.**

Dear Sir/Madam,

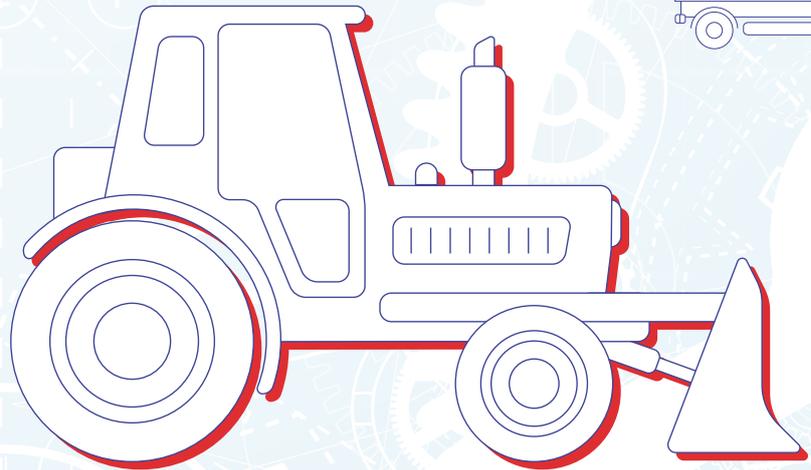
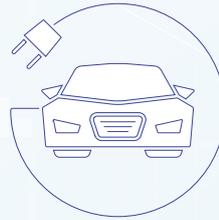
We wish to inform that pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended time to time, we are hereby submitting the 28<sup>th</sup> Annual Report of the Company of the financial year 2022-23.

This is for your information and records.

Thank You.

For and on behalf of  
**KRANTI INDUSTRIES LIMITED**

**BHAVESH SELARKA**  
(Company Secretary & Compliance Officer)  
Membership No: - A42734



**UNLEASHING  
LEGACY** *and*  
**ENDURING  
SUSTAINABILITY**

OUR  
**FOUNDER**

“ Work hard with Honesty & Commitment,  
Growth will follow...” ”



**Late Shri. Subhash Kundanmal Vora**  
(1955-2011)

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# OUR LEGACY

A Company with more than 4 decades of experience in manufacturing, led by second generation

Driven by the legacy of the visionary leadership of Founder Late **Shri Subhash K. Vora**, the company has reached epitome of success by embracing tech-enabled advancements and consistent upgradation.



### **DECADES OF EXPERIENCE:**

With over 40 years in manufacturing, KRANTI possesses extensive industry knowledge and experience.

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### **SUCCESSFUL GENERATIONAL TRANSITION:**

Led by the second generation, the company demonstrates stable and continuous management, combining inherited vision and expertise with fresh perspectives and innovations.

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### **EXPERIENCED AND TRUSTWORTHY:**

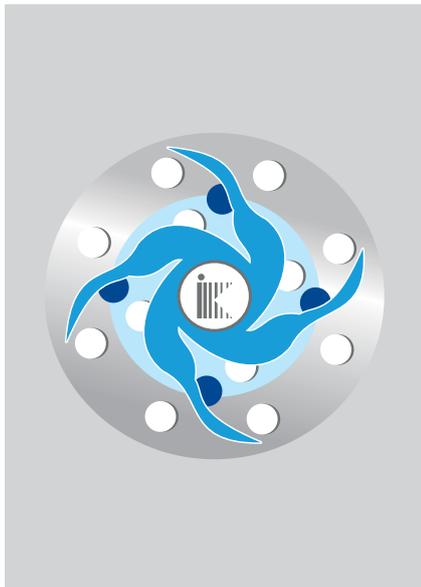
KRANTI' long-standing presence and second-generation leadership establish it as a reliable and trusted player in the manufacturing industry.

## ABOUT THE REPORT

Year after year, KRANTI has worked to develop its reporting processes in order to produce more detailed and consistent results. This report has been published with a view of providing all our investors and stakeholders with a balanced and transparent disclosure of all our goals, targets and material issues.

*This report has been prepared with the view of illustrating our commitments and focus areas. This edition of our Annual Report continues to provide a quantitative and qualitative disclosure, in a clear and concise manner, stating how our leadership and business strategy are aligned towards monitoring and mitigating our potential risks to create sustainable growth. This report also includes information on our governance, financial, and non-financial performance.*

*We continuously strive to disclose relevant information to our valued stakeholders. We welcome you to share your views / suggestions / feedback on the report at: [investor@krantiindustries.com](mailto:investor@krantiindustries.com)*



### FORWARD LOOKING STATEMENTS:

Certain statements in this AR regarding our business operations may constitute forward-looking statements that pertain to risks and uncertainties. When used in this context, the words “anticipate”, “believe”, “estimate”, “intend”, “will”, and “expected” and other similar expressions as they relate to the Company or its businesses are intended to identify such forward-looking statements, whether as a result of new information, future events, or otherwise. The actual results, performances or achievements, and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The important factors that might make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets, raw material prices, changes in governmental regulations, labour negotiations, tax laws, and other statutes, economic development within India and the countries within which the Company conducts its businesses and other incidental factors such as the repercussions of a global pandemic that the world witnessed throughout a major portion of FY 2022-23. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information, or events.



### SCOPE AND BOUNDARY:

This Annual report covers the period from 01st April 2022 to 31st March 2023. The report details the information of our manufacturing facilities, employee and customer data.



### ASSURANCE FOR FY 2022-23:

The assurance for Financial Statements in this report are been provided by independent auditors M/s ADV & Associates, Mumbai and the Nonfinancial statements are prepared by the company itself. In accordance with the Companies Act, 2013 (including the rules made thereunder), the Board of Directors of KRANTI Industries approved the appointment of Mr. Harsheet J Patel, representing M/s H J Patel & Co., Practicing Company Secretary, Pune as the Secretarial Auditor

# FINANCIAL HIGHLIGHTS (Consolidated Basis)

₹13.5 Crore EBITDA

₹9.37 Crore EBIT

₹97.34 Crore Revenue

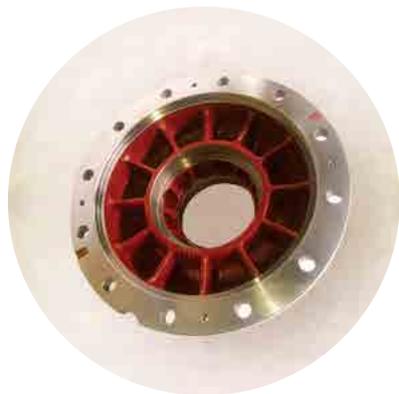
₹6.87 Crore PBT

₹5.22 Crore PAT

FINANCIAL HIGHLIGHTS 2022-23

## COMPANY **PROFILE**

*KRANTI is a renowned company globally recognized for its exceptional precision machining capabilities. As an original equipment manufacturer (OEM) supplier, the company specialises in providing solutions for critical machined components to leading Automobile giants. What sets Kranti apart is its remarkable flexibility and adaptability to meet diverse customer requirements, enabling them to cater to various market segments and product range.*



KRANTI have a diversified product portfolio, driven by technologically advanced infrastructure. The company boasts a state-of-the-art infrastructure and is an end-to-end solutions provider, specialising in precision machined castings for various automotive components such as transmissions, axles, chassis, engines, and other parts for automotive and engineering industry.

## **DISTINCT MACHINED COMPONENTS SUPPLIER**      **PRECISION COMPONENTS**      **EXPANDING OPERATIONS AND INFRASTRUCTURE**

Over time, KRANTI' focused efforts have established its reputation as a distinct precision machined components supplier. The company offers solutions to Tractor, Construction Equipment, automotive as well as Electric Vehicles. It has invested in world-renowned machining centres, including multi-axis machining centres, CNC turning, vertical turret lathes, horizontal machining centres, and vertical machining centres.

With over 40 years of experience in precision machining, KRANTI has expanded its operations to three units across Pune and a joint venture in Rajkot. Starting as a small machining unit, the company now occupies around 10,000 square meters of state-of-the-art infrastructure. It takes pride in being a single-source supplier to many world-renowned original equipment manufacturers (OEMs) in its respective industries.



# KEY HIGHLIGHTS

## DECADES OF EXPERIENCE IN MANUFACTURING:

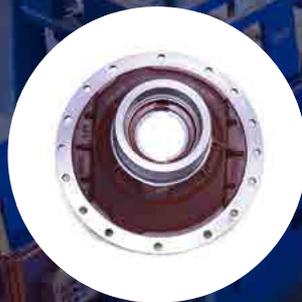
*The company has a rich history of over 40 years in the manufacturing industry, indicating a strong foundation and expertise in its field.*

## PRODUCTION PLANTS IN INDIA:

*KRANTI operates multiple production plants across India, including its group companies. This widespread presence enables efficient production and delivery of its products.*

## HI-TECH PRODUCTION MACHINES:

*The company utilises a substantial number of advanced production machines, showcasing its commitment to modern manufacturing techniques and technologies.*



## EMPLOYEES:

*The company has a workforce of over 300 employees, highlighting its scale of operations and its ability to handle various aspects of manufacturing and business activities.*

## NEW PRODUCTS DEVELOPED IN FY 2023

*15 new products developed in FY 2023*

## REAL-TIME DATA MONITORING SYSTEM:

*KRANTI has implemented a real-time data monitoring system, indicating its emphasis on data-driven decision-making and efficient monitoring of production processes.*

# JOURNEY towards **EXCELLENCE**

Started  
Operation with  
1 Center Lathe  
Machine by Late  
Mr. Subhash Vora

1981

Expanded Operations  
to 2500 sq.ft. in  
Pirangut, Pune

1993

Certified with  
QS 9000  
Certification

2000

Expanded Operations  
to 40,000 sq.ft. in  
Pirangut, Pune

2003

Expanded  
operations to  
500 sq.ft. area  
in Pune

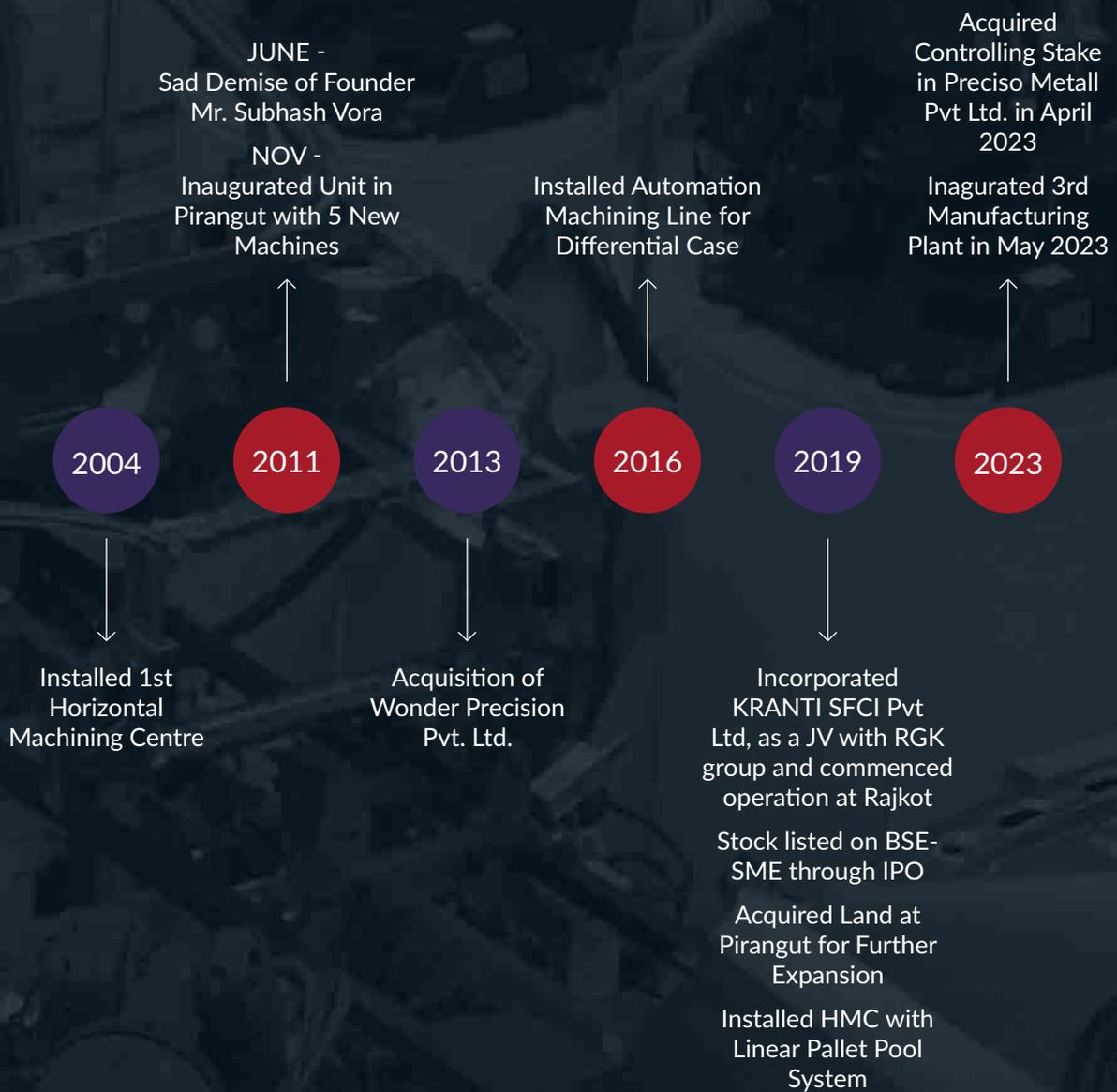
1989

Installed 1st CNC  
Turning Lathe

1999

Installed 1st VMC &  
5-Axis Machine

2001



# HALL OF FAME



**IATF 16949:2016**



**BEST COMPANY OF THE YEAR**  
by Begin up Excellence award-2018



**LISTED ON**  
BSE-2019



**THE MOST R...**  
by Lead...



**PERFORMANCE APPRECIATION AWARD**  
by Oerlikon-2018



**LEADING SME'S INDIA**  
2018



**THE MOST ADMIRABLE BUSINESS**  
by Insights Success-2019



a **revolution** in accuracy...  
driven by **perfection**!!



**RENOUNDED BRANDS**  
by *Leaders Globe-2020*



**BEST EMPLOYER**  
by *World HRD Congress-2021*



**MANUFACTURING EXCELLANCE AWARD**  
by *Global Edition of Asia Business Leadership Awards-2022*



**EXCELLENCE IN QUALITY**  
by *The Machinist Super Shopfloor Awards-2021*



**BEST IN CLASS QUALITY & DELIVERY PERFORMANCE**  
by *John Deere-2022*



**EXCELLENCE IN DIGITAL MANUFACTURING**  
by *The Machinist Super Shopfloor Awards-2022*

Competitive Advantage

# BUSINESS STRATEGY

## Brand Image

### Association with Quality Customers:

KRANTI aims to maintain its brand image through partnerships with reputable customers, emphasizing its commitment to delivering high-quality products and services.

### Customer Satisfaction:

Customer satisfaction is a Top priority and is one of the key factor behind the steady progress and sustained business of the company. This dedication to meeting expectations and building strong relationships underscores its focus on customer-centricity.

### Brand Building:

KRANTI is acutely aware of the significance of brand image and actively engages in brand building efforts. By providing excellent services that exceed customer expectations, the company reinforces its brand reputation and credibility.

## Strengthening relationship with customers

### Relationship Building:

KRANTI values strong customer relationships to enhance loyalty and satisfaction. The company commits to providing excellent products and services consistently, fostering long-term partnerships.

### Customer Base Expansion:

KRANTI actively seeks new business opportunities, diversifying its revenue streams. By expanding its customer base, the company reduces dependency on a limited number of clients.

### Market Reach:

Through targeted marketing, networking, and leveraging industry reputation, KRANTI taps into new market segments, widening its customer base and market presence.

### Competitive Advantage:

Exceptional products and services strengthen customer relationships, giving KRANTI a competitive edge. The company positions itself as a preferred choice for existing and potential customers.

## Effective Utilization of Funds and Resources

The company understand that incorporating operational excellence coupled with judicious allocation of financial resources is fundamental in creating value for the stakeholders in the long run. The company have appropriate tools for critical assessment of financial resources.

### Efficient Financial Management:

KRANTI prioritises prudent and efficient financial resource management, aiming to maximise returns and optimise performance.

### Resource Optimization:

KRANTI strives to effectively utilise physical assets, human capital, and operational capabilities, minimising waste and maximising productivity.

### Cost Control:

The company focuses on managing expenses, reducing costs, and optimizing efficiencies to improve profitability and financial position.

### Strategic Planning:

KRANTI engages in strategic planning, aligning financial and resource decisions with overall goals for enhanced competitiveness and sustainable growth.



Continue to expand and increase production capacity

KRANTI proactively expands by developing new products and services in existing business lines. Diversifying the portfolio attracts a larger customer base and enters new market segments, increasing market presence and brand recognition. Investing in production capacity improves efficiency to meet demand and gain a competitive advantage. These strategies reflect the company's commitment to growth, seizing opportunities, and strengthening industry position.

**bb** KRANTI aims to maintain its brand image through partnerships with reputable customers, emphasizing its commitment to delivering high-quality products and services. **qq**

Improving operational efficiencies and cost competitiveness

**Operational Efficiencies:**

KRANTI focuses on enhancing operational efficiencies to optimize resource utilization, improve productivity, and deliver products effectively.

**Cost Competitiveness:**

The company maintains cost competitiveness while delivering high-quality products, attracting customers, and achieving better profit margins.

**Continuous Improvement:**

KRANTI continuously improves processes, identifies enhancements, and adapts to market dynamics for sustained competitiveness.

**Market Advantage:**

Improved efficiencies and cost competitiveness give KRANTI a competitive edge, attracting and retaining customers with competitive pricing.

**Long-Term Sustainability:**

Emphasizing efficiencies and cost competitiveness ensures KRANTI' long-term sustainability and resilience in the market.

Focus on consistently meeting quality standards

**Customer Satisfaction:**

KRANTI prioritizes quality to ensure customer satisfaction, building trust and loyalty.

**Competitive Advantage:**

Meeting quality standards positions the company as reliable and attracts new customers, increasing market share.

**Operational Excellence:**

Robust quality control processes lead to operational excellence, improving efficiency, reducing waste, and increasing profitability.

**Compliance with Regulations:**

KRANTI' commitment to quality standards ensures compliance with industry regulations, enhancing its reputation.

**Continuous Improvement:**

The company embraces continuous improvement to stay ahead, adapt to customer needs, and remain competitive.

KRANTI' strategy of focusing on quality standards demonstrates its commitment to customer satisfaction, competitive advantage, operational excellence, regulatory compliance, and continuous improvement for long-term success.

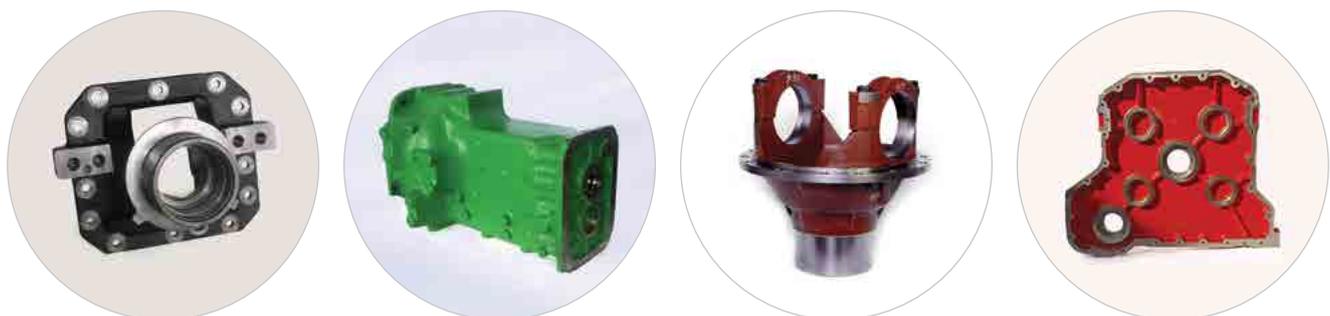
**bb** KRANTI' strategy of focusing on quality standards demonstrates its commitment to customer satisfaction, competitive advantage, operational excellence, regulatory compliance, and continuous improvement for long-term success. **qq**



Competitive Advantages  
**MARQUEE**  
**CLIENTELE**

The Company enjoys long-term relationships with several major customers across domestic and global OEMs and tier-1 suppliers. Moreover, it has nurtured relations positively, which has allowed it to increase wallet share with key customers. As a result, its revenue from top-5 clients has increased over a period of time. This is despite adding new customers, who are at various stages of scale-up and execution.

The company's strong customer relationships stem from consistent performance, meeting customer needs, and access to advanced technology. This reflects their reliability and ability to cater to machining requirements of reputable organizations in their target industries.



## Competitive Advantages

# WIDE PRODUCT SEGMENT

Overall, the company's analysis highlights their wide component range, focus on customization, and ability to serve diverse industries and customer segments. This reflects flexibility, adaptability, and commitment to meeting unique customer needs.

### Product Range:

The company produces components ranging from 100 MM to 1200 MM, showing their diverse capability and catering to various specifications.

### Customized Products:

The company specializes in manufacturing customized products for reputed OEMs across multiple industries, meeting specific needs and preferences.

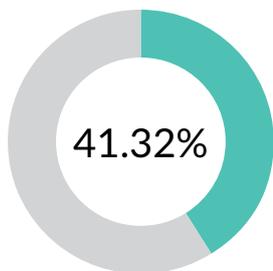
### Diverse Industries:

The company serves OEMs from industries like passenger cars, two-wheelers, tractors, construction machineries, electric cars, railways, light vehicles, off-highway vehicles, and heavy trucks, showcasing adaptability.

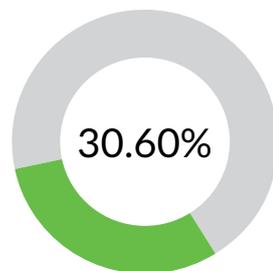
### Customer Segments:

With a diverse portfolio, the company addresses specific requirements and preferences of various customer groups, providing tailored solutions.

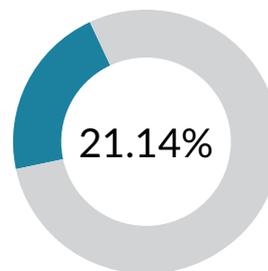
## PRODUCT SALES



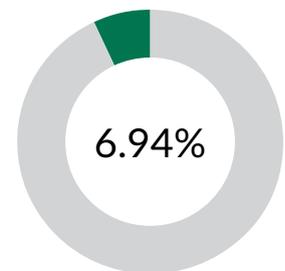
Axle Parts



Differential Housing Parts



Transmission Hold



Other Categories



Competitive Advantages

WELL-ESTABLISHED

# MANUFACTURING FACILITY

KRANTI proactively expands by developing new products and services in existing business lines. Diversifying the portfolio attracts a larger customer base and enters new market segments, increasing market presence and brand recognition. Investing in production capacity improves efficiency to meet demand and gain a competitive advantage. These strategies reflect the company's commitment to growth, seizing opportunities, and strengthening industry position.

### Strategic Location:

KRANTI strategically locates its manufacturing plants in Pune, a renowned engineering hub in India, offering multiple advantages.

Pune offers strong industrial infrastructure, skilled labour, and a concentration of engineering and automotive companies. This enables KRANTI to access a talented pool of engineers and technicians.

Being situated in an engineering hub facilitates proximity to suppliers, vendors, and industry partners, leading to efficient supply chain management, reduced transportation costs, and faster response times.

Pune's reputation enhances KRANTI's credibility and visibility within the industry, fostering networking, collaboration, and staying updated with technological advancements and market trends.

KRANTI benefits from Pune's skilled labour, robust infrastructure, and growth opportunities within the engineering sector.

### Machinery and Infrastructure:

Equipped with the necessary machinery and infrastructure, the facility supports efficient manufacturing processes.

### Advanced 5-Axis Turn Mill Machining Centers:

These versatile centers perform turning and milling operations on five axis, enabling precise manufacturing of complex parts.

### CNC Turning Center:

A programmable machine that rotates the workpiece while cutting tools shape it, ensuring high precision and efficiency in turning operations.

### CNC Turning with Auto-Loader:

A CNC turning center with an automated loading and unloading system, improving productivity and reducing manual labor.

### Vertical Machining Centers:

Milling machines with a vertically oriented spindle for drilling, cutting, and shaping workpieces.

### Vertical 5-Axis Turnmill Centers:

Advanced centres performing turning and milling on five axes, with a vertical spindle, offering flexibility and precision in complex tasks.

**Horizontal Machining Centers:** Milling machines with a horizontally oriented spindle, providing advantages like better chip evacuation and stability.

### Vertical Turret Lathes:

Large, vertically oriented machines for heavy-duty turning, featuring a turret holding multiple cutting tools for efficient processes.

### Co-Ordinate Measuring Machines:

Used for dimensional measurement and inspection, these machines capture precise measurements of workpieces, ensuring adherence to specifications.

### 5-Axis Horizontal Machining Centers:

Similar to 5-axis turn mill centers, these centers have a horizontal spindle orientation, offering enhanced capabilities for multi-sided machining.

### HMC with Linear Pallet Pool System:

A horizontal machining center with a linear pallet pool system for automated loading and unloading, maximizing productivity.

KRANTI utilizes a diverse range of advanced machines and centers for turning, milling, and measurement processes. These equipment enable the manufacturing of high-quality, precise components for various industries.

### Flexibility and Timeliness:

The manufacturing process is flexible, enabling quick production of any part and meeting customer demands promptly.

### Dual Units:

Two units in close proximity enhance operational flexibility, streamline processes, and reduce transportation and logistics costs.

# GREEN ENERGY

## ROOFTOP SOLAR PLANT:

The company is committed in reducing its carbon emission and have invested in renewable energy by installing roof top solar power plant in all three buildings.

## COST SAVINGS AND ENVIRONMENTAL BENEFITS:

Utilizing green energy from the rooftop solar plant enables cost savings and aligns with the company's commitment to cost-effectiveness and sustainability. It also supports the government's initiatives to promote renewable energy and reduce carbon footprints.

The company's proactive adoption of green energy solutions, cost-saving focus, and alignment with government sustainability goals demonstrate its commitment to financial efficiency and environmental impact reduction.



Competitive Advantages

# QUALITY

## Quality Assurance:



Quality plays a crucial role in the success of KRANTI. The company recognizes the importance of delivering high-quality products to meet customer expectations and achieve business goals.

## Continuous Improvement:



The organization is dedicated to continuously improving its manufacturing processes throughout the production chain thus indicating their commitment to enhancing efficiency, productivity, and the overall quality of their products.

## Quality Certifications:



Having specifically acquired ISO 9001:2015 certification and IATF 16949:2016 certification, these certifications validate that the organization adheres to internationally recognized quality management standards.

## Global Standard Products:



By ensuring compliance with global quality standards, the company aims to attract both domestic and global customers thus building trust and credibility among customers worldwide.



# CORPORATE STATEMENTS



## Our Vision



To be a preferred solution provider for our customers



To create values and excellence in operations



To be socially responsible towards people and environment



To continuously improve process & technology



## Our Mission



To become industry benchmark in supply chain for our Quality, Technology and Service



To engage people in creativity and innovation through continuous improvement



To encourage to do things first time right and every time



To build relationships on trust and integrity with our employees, customers, suppliers, shareholders and community



## Quality Policy



We are committed to systematic functioning of all business processes to achieve highest Quality of our products.



We firmly believe that our growth is in achieving the Best Quality standards in our industry.



Customers satisfaction is our main goal and we work ceaselessly to achieve this objective.



We will work for continuous improvement and development of our people, processes and technology to meet the competition and achieve growth.

# EXPANDING CAPABILITIES



22

The company is also expanding its manufacturing capabilities with a new plant spanning 3,800 square meters. This new facility represents a significant investment in the future of the company. With cutting-edge technology, modern infrastructure, and a talented team, the company is well-positioned to meet the evolving needs of customers and deliver exceptional value to all stakeholders. This state-of-the-art facility exemplifies the company's commitment to sustainability, safety, and innovation. This Plant has been designed on the concept of digital manufacturing using IoT & Industry 4.0, thereby making fewer paper factories. Most of the operational and administrative aspects have been digitised with specially developed software.



## BUILDING CAPABILITY **INORGANICALLY**

*At Kranti, to accelerate our diversity agenda, we leveraged the inorganic route. We acquired a controlling stake in Preciso Metall Pvt Ltd – Kolhapur, This acquisition is a perfect fit for us as it adds to our capabilities and customers and opens new exciting vistas in our foundry business.*



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# KEY INVESTMENT HIGHLIGHTS

## Investing “Ahead of Time”

Day-to day’s technological advancements have dramatically reshaped the world that we live in. The manufacturing industry has witnessed a major shift towards technology adoption driven by automation, process innovation and Internet of Things (IoT).

### Proactive Investments:

KRANTI invests in cutting-edge technology, staying ahead in the industry and embracing innovation. These ahead of time investments have paved the pathway for KRANTI to unlock newer opportunities and surpass every challenge with utmost excellence.

### Enhanced Manufacturing:

The company prioritises advanced machinery to improve manufacturing capabilities and operational efficiency.

### Continuous Improvement:

Investments focus on upgrading capabilities, delivering superior products, increasing efficiency, and maintaining competitiveness.

KRANTI’ strategic investments highlight its commitment to technology adoption, competitiveness, and forward-thinking approach.

### Diversified Product Range:

KRANTI offers products across multiple industries, reducing reliance on a single market and mitigating risks.

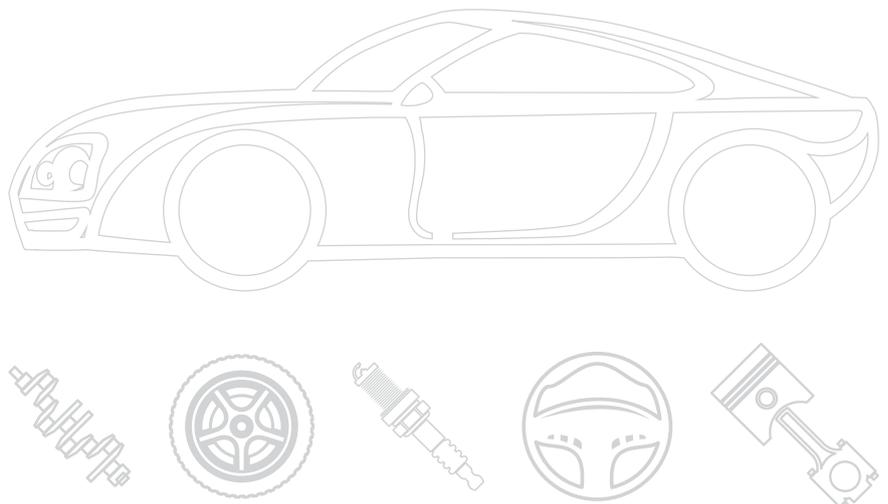
### Prestigious Clients:

The company serves prominent and well-known customers, showcasing its reputation and trustworthiness in the industry.

**Long -Term association with the major auto OEM’s to ensure smooth and cohesive business operations**

### Strategic OEM Partnerships:

KRANTI collaborates with major automotive OEMs to ensure smooth business operations. This alignment enhances production, supply chain, and product development, fostering strong, reliable, and efficient relationships.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS & KMP

<b>Indubala Subhash Vora</b>	Promoter and Non-executive Woman Director
<b>Sachin Subhash Vora</b>	Promoter, Chairman & Managing Director
<b>Sumit Subhash Vora</b>	Promoter and Whole Time Director
<b>Prakash Vasant Kamat</b>	Non -executive and Independent Director
<b>CA Satchidanand Arun Ranade</b>	Non -executive and Independent Director
<b>Pramod Vinayak Apshankar</b>	Non -executive and Independent Director
<b>Sheela Kailash Dhawale</b>	Chief Financial Officer
<b>Bhavesh Subhash Selarka</b>	Company Secretary & Compliance Officer

## REGISTERED OFFICE & WORKS

KRANTI INDUSTRIES LIMITED  
Gat No 267/B/1, At Post Pirangut,  
Taluka- Mulshi,  
District- Pune -412 115  
CIN: L29299PN1995PLC095016  
SCRIPT: 542459  
ISIN: INE911T01010  
OFFICE NO.: 020- 66755676  
EMAIL ID:  
investor@krantiindustries.com

### SUBSIDIARY & ASSOCIATE COMPANIES

WONDER PRECISION PRIVATE  
LIMITED  
(WHOLLY OWNED SUBSIDIARY  
COMPANY)  
Registered Office at - CTS 39/4 Santosh  
Heights Flat No. 602,  
Building No I, Shankar Seth Road  
Gultekadi, Market Yard Pune-411037  
CIN: U27109PN1986PTC039913

### PRECISO METALL PRIVATE LIMITED (SUBSIDIARY COMPANY)

Registered Office at - D 301,  
Survey No. 59 Bloom Field, Ambegaon  
Budruk Pune - 411046  
CIN: U74999PN2017PTC170422

### KRANTI SFCI PRIVATE LIMITED (ASSOCIATE COMPANY)

At Plot No. 104A, GIDC, BAMANBORE,  
Surendranagar, Gujarat, India, 360003  
CIN: U29113GJ2018PTC105630

### ASSOCIATES

M/S A.D.V. & ASSOCIATES  
STATUTORY AUDITOR

**M/S H. J. PATEL & CO.**  
SECRETARIAL AUDITOR

**Mr. DILIP DESHPANDE**  
INTERNAL AUDITOR

**CA SIDDHARTH BOGAWAT**  
FINANCIAL CONSULTANT

### REGISTRAR AND TRANSFER AGENT

M/S LINKINTIME INDIA PRIVATE  
LIMITED Mumbai

### BANKERS

HDFC BANK LIMITED  
HSBC

## BOARD OF **DIRECTORS**



### **Mr. Sachin Subhash Vora**

*Promoter, Chairman & Managing Director*

He has 20+ years of experience in the automobile components industry. He has completed his B.E. (Industrial Electronics) from University of Pune in the year 2002. He is responsible for the development and execution of the company's business strategies in order to attain the goals of the board and shareholders. He leads and implements comprehensive business plans to facilitate achievement by planning cost-effective operations and market development activities. His leadership abilities have been instrumental in the growth and development of the company.



### **Mr. Sumit Subhash Vora**

*Promoter and Whole Time Director*

He has 20+ years of experience in the automobile components industry. He completed his Diploma in Mechanical Engineering from Maharashtra State Board of Technical Education in the year 2002. He has been awarded by NIIT for Web Centric Computing in the year 2002. He is specialized in leading teams for continuous improvement in each function/department leading to the increase in profitability of the business. He is also prudently involved in planning, budgets, reviewing expenses, cutting manufacturing costs, monitoring inventory, human resources. He is also researching and implementing new directives for business growth and prosperity.



### **Smt. Indubala Subhash Vora**

*Promoter and Non-executive Woman Director*

She has been on the Board from the inception of the Company. Currently, she holds the position of Non- Executive Director of the Company and has more than two decades of experience in business. She acts as support for smooth functioning of the Organization. Her varied experience helps the organization to work unitedly towards the Vision & Mission of the Organization.





**Mr. Prakash Vasantryao Kamat**

*Non -executive and Independent Director*

He has a diversified experience of 42 years in the field of engineering, technology & supply chain operations. He completed his Bachelors in Engineering (Mechanical) from Bombay University in 1973 and a Diploma in Operation Management from Bombay University in 1985. He presently provides consultancy services to SME companies for strategic sourcing, supply chain management and development of parts and improvements in the manufacturing operations. He also gives Guest Lectures in Management and Engineering Institutes in Operations Management & Supply - Chain Management.



**Mr. Pramod Vinayak Apshankar**

*Non -executive and Independent Director*

He has 42 years of experience in the manufacturing sector. He completed his Bachelors in Engineering (Mechanical) from Nagpur University in the year of 1975. In the past, he was associated with Kirloskar Oil Engines. Currently, he is the Managing Director of Stud Craft (India) Pvt. Ltd. which deals in manufacturing weld studs and other engineering items.



**CA. Satchidanand Arun Ranade**

*Non -executive and Independent Director*

He is a qualified Chartered Accountant by profession and a Commerce graduate from Pune University. He has a diversified experience of more than 29 years in the field of finance, accounting, taxation etc. He has also obtained various other certifications like Arbitration, Concurrent Audit of Banks CSR & Anti-Money Laundering Laws. He also held the position of 'Independent Director' with Pune Stock Exchange Ltd. for 3 years. Presently, he is serving as Panel Arbitrator on NSE Pune Bench.



## STATEMENT FROM THE **CHAIRMAN'S DESK**

**“** Kranti is on the point of growth acceleration. I hold the positive outlook that as our key business drivers established a stronger foundation, the excellence in our operations will advance, translating into better financial outcomes and enhance value for Stakeholders. **”**



## Dear Stakeholder,

I hope this letter finds you in good health and high spirits. As we reflect upon the recent developments in the global economy and the Indian automobile industry, I wanted to take a moment to express my deepest gratitude to you for your invaluable support and contribution as a stakeholder of Kranti Industries Limited. The past year has been marked by unprecedented inflationary pressures, geopolitical uncertainties due to ongoing war and supply chain constraints. As stated in the IMF World Economic Outlook, the global economy has faced substantial headwinds, with adverse shocks impacting various nations. Despite these circumstances, your unwavering commitment and collaboration have been instrumental in navigating through these trying times.

## OUTLOOK

In the face of economic uncertainties, the Indian economy has displayed remarkable resilience. As highlighted by the Asian Development Bank, India's economic growth rate has outpaced many peer economies, thanks to robust domestic consumption and lesser dependence on global demand. The Government of India's initiatives, such as the Gati Shakti project and increased capital expenditure, have further propelled industrial competitiveness and spurred growth in various sectors, including the automobile industry. Kranti, under your esteemed guidance, has emerged as a leading manufacturer of advanced auto components, dedicated to innovation and cutting-edge technology. Your trust in our capabilities and your continued support have been the driving force

behind our success. We take great pride in our state-of-the-art facilities, which boast the latest machinery and a team of skilled professionals.

Our commitment to quality and precision is unwavering. We have continuously invested in enhancing our capabilities and expanding our production capacity. With a range of advanced machining centers and inspection facilities, we ensure that every component meets the highest quality standards. This dedication to excellence has not only earned us the trust of renowned original equipment manufacturers but also positioned us as a reliable partner in the domestic and international markets.

The Indian automobile industry, including the commercial vehicle and electric vehicle segments, has witnessed significant growth. The demand for automobiles has been fuelled by factors such as increasing disposable income, improved accessibility to vehicle financing, and infrastructure development. Kranti Industries has been at the forefront of this growth, supplying precision machined components that contribute to the performance and safety of vehicles.

Moreover, our focus on import substitution and higher outsourcing by OEMs in India has played a pivotal role in strengthening the domestic auto component industry. As the demand for Indian automobiles and auto components continues to rise, we see immense opportunities for exports and increasing self-reliance in this sector.

## INDIA – POISED TO BE A GLOBAL MANUFACTURING HUB

The world is looking at India as a manufacturing destination. The word India is reverberating in most Board Rooms of global conglomerates. This is happening owing to two important factors.

- 1) growing geopolitical stresses have mandated global players to diversify their sourcing bases, and
- 2) the aging population in China and increasing costs will dent their competitive advantage over the next 5-7 years.

India, on the other hand, continues to allure with a promising talent pool, strong domestic economy, resilient supply chains and the spirit of Make in India and an Atmanirbhar Bharat while spreading its wings to achieve the global dream of being an ideal manufacturing destination.

Many first movers have already established their manufacturing footprint in India. This trend has gained considerable momentum in the recent past. For me, this, in essence, is the China-plus policy playing out on the ground.

Currently, India's Achilles heel is the scale of operation which is minuscule compared to China. And is mirrored in India's share of the global manufacturing GDP at only about 5%. The Government along with the private sector is working hard to correct this anomaly with considerable success. India's contribution to global manufacturing is on the rise, a trend which should sustain over the

medium term. Kranti is poised to gain from this change.

The future is exhilarating. In India, I see a burning desire in the nation to finally reclaim its position as a pivotal force in the global manufacturing space. This will open incredible opportunities for the manufacturing companies like ours.

## OUR EMPLOYEES - OUR STRENGTH

At our organization, we remain steadfast in our commitment to invest in our people and improve our people processes, as we recognize the crucial role our human capital plays in driving our organization's success. Attracting, developing, and retaining the right talent continues to be a strategic imperative for us. To address this, we have dedicated significant efforts to recruitment, successfully bringing on board new professionals at various levels within our organization. Currently, we have a dedicated workforce of over 275 employees working directly and indirectly for our company.

Our management is wholeheartedly devoted to creating a work environment that is conducive and supportive, allowing our employees to excel in their roles. We strongly believe in equipping our workforce with the necessary tools, technology, and techniques to unlock their full potential and enhance both individual and group performance. In pursuit of this, the HR department regularly organizes training and development programs that aim to sharpen skills, update concepts, and expand knowledge. Additionally, our critical functional heads have undergone external technical training to ensure their readiness for upcoming projects.

The safety and well-being of our employees are of paramount importance to us. We prioritize occupational safety in all areas of work, including our manufacturing zones. By fostering a culture of continuous learning, we actively promote personal and professional

growth among our employees. We emphasize the significance of de-stressing techniques and maintaining a growth mindset, firmly believing that content and fulfilled individuals perform exceptionally well.

## THE YEAR THAT WAS.

To say the world was in uncharted waters would be an understatement.

The adverse impact of a mix of the lingering indirect effect of the pandemic and other health-related issues, armed conflict and climate change has exposed the fragility of the global system that we had primarily considered as having competently learned how to manage itself. This capacity to rebound became harder to model or predict as the crises drivers became harder to anticipate and increasingly intermingled. But the overarching takeaway is that despite global instability, India fared better than almost any other major nation. We take great pride in having made a meaningful contribution to India's economic progress by continuing to scale our performance a few notches higher.

I am pleased to share with you our financial performance for the year ended March 31, 2023. Despite the challenging business environment, our consolidated revenue from operations stood at INR 9,323.73 Lacs, which is a marginal decrease of 0.51% compared to the previous year.

Despite the slight decrease, our basic and diluted earnings per share of INR 1.95 demonstrate our ability to generate consistent returns for our investors. Throughout the fiscal year 2023, we strategically focused on optimizing costs and efficiently allocating resources to mitigate the impact of rising material costs, resulting in a modest 0.95% increase in expenses for the category of Cost of Material, Operation, and Incidental Cost. Additionally, we achieved a notable 9.28% reduction in other expenses, reflecting our ongoing efforts to enhance

operational efficiency. Our profit before exceptional items and tax experienced a positive growth of 13.96%, showcasing our resilience and ability to navigate challenges while maintaining profitability. However, the tax expense increased by 13.88%, primarily driven by current tax obligations, while our deferred tax decreased by 47.54%. We remain committed to adhering to tax regulations while actively seeking opportunities for tax optimization. Overall, these financial indicators underscore our dedication to financial stability and sustainable growth in an ever-evolving market landscape.

## OUR PLAN FOR FY 24

Diversity. This single word encapsulates our business strategy in all our business segments.

As committed, we have inaugurated our new state of the art manufacturing facility (Plant -3) in Pirangut, on 15th May 2023, which happens to be the Birth Anniversary of our Founder Late Shri Subhash K. Vora.

This plant was Inaugurated by the hands of Dr. Balaji Gopalan (Managing Director - Carraro India Limited) in the presence of top management of our valued customers and Industry leaders. This new facility represents a significant investment in the future of our company. With cutting-edge technology, modern infrastructure, and a talented team, we are well-positioned to meet the evolving needs of our customers and deliver exceptional value to all stakeholders. We are proud to have established a state-of-the-art facility that exemplifies our commitment to sustainability, safety, and innovation. Our team has worked tirelessly to ensure that this plant not only meets the highest standards of quality but also reflects our values as a responsible corporate citizen.

In addition to this facility Kranti has acquired a controlling stake in M/s Preciso Metall Pvt Ltd. in April 2023. Its state-of-the-art facility in the Shell

moulding casting foundry with the latest equipment and complementing technologies is a perfect fit for Kranti. It will strengthen the Company's presence in the non-automotive other engineering segment. We will focus on leveraging the synergies from our recent acquisition, which will appreciably strengthen our presence in the foundry business which is primarily dovetailed to the non-automotive segment. I am confident that this strategic inorganic organic initiative will emerge as a strong growth lever over the coming years.

## OUR PLEDGE

Today we stand at the edge of massive change, with the world around us rapidly evolving to embrace the next normal. Paradigmatic shifts have redefined every layer of our existence, and the manufacturing industry is no stranger to these changing tides.

Respect for the Earth is not an add-on for us now. It is embedded in the way we think, in our value system and culture. Yes, the focus is now sharper and more integrated, with consumers and other stakeholders beginning to value their association with organisations and brands that are responsible.

As the global market aligns with changing consumer preferences and demands, we continue to thrive with our visionary approach and agile technologies. Our investments in new facilities will house green technologies that will significantly reduce our carbon footprint and enable us to help our customers meet their sustainability commitments.

## OUR KEY TAKEAWAY

The central message I wish to send to shareholders is that Kranti is firmly poised to accelerate its growth. It indicates a sense of preparedness. It indicates the proactive aggregation of competencies required to address future markets. I am optimistic that as our business drivers take deeper root within, the quality of

our business will evolve, translating into even better financial outcomes and stakeholder value.

As we move forward, we remain committed to pushing the boundaries of innovation and craftsmanship, ensuring that our customers receive the highest standards of quality, precision, and reliability. With your support and partnership, we are confident in our ability to shape the future of the auto component industry, both in India and on a global scale.

Before signing off, I sincerely thank all our stakeholders for their trust and support. I am confident that we will script an exciting growth journey ahead.

Once again, I extend my heartfelt gratitude to you.

Sincerely,

### Sachin Subhash Vora

Chairman & Managing Director  
Kranti Industries Limited



*In addition to this facility Kranti has acquired a controlling stake in M/s Preciso Metall Pvt Ltd. in April 2023. Its state-of-the-art facility in the Shell moulding casting foundry with the latest equipment and complementing technologies is a perfect fit for Kranti.*



MESSAGE FROM THE  
**EXECUTIVE DIRECTOR**



**“We are on the Journey of Excellence in Operations. Our focus on digitalization and enhancing organizational capabilities has intensified. With substantial investments in future-ready technologies, revamped operating model from a “Reactive” to a “Proactive” approach and strengthening our partnerships.**

**We are strategically positioned for a sustainable future...**”

**Dear Shareowners,**

I hope this letter finds you safe and in good health.

As I reflect on the past year and set our sights on the future, I would like to provide you with a comprehensive overview of Kranti’s journey in FY23 and our vision for the future.

In FY23, we witnessed a dynamic macroeconomic landscape, characterised by both challenges and opportunities. Despite global uncertainties, Kranti remained steadfast and adapted to the evolving market conditions. Our performance highlights our commitment to excellence and customer-centricity across the sectors of our presence.

FY 2022-23 was a record year for the Indian passenger vehicle (PV) industry as it posts all time high sales of nearly 3.9 million units. Catalysed by post COVID pent up demand, easing of the semiconductor shortage, and launch of several new vehicles, the PV demand grew 27% over FY 2021-22.

FY 2022-23 was a year of progression for the Indian commercial vehicle (CV) industry as it fully emerged from the shadows of two successive years of low volumes in FY 2019-20 and FY 2020-21. Led by the Government’s thrust on infrastructure building and increased activity in e-commerce, construction,

and mining, the industry witnessed a robust demand for heavy trucks and passenger carriers throughout the year to deliver a significant growth over FY 2021-22.

Similarly, domestic tractor sales in for FY 2022-23 have surpassed their all-time record of selling tractors and have registered a new high of selling 9,44,000 units, which is a increase of 12% compared to the previous financial year. The major reason behind achieving this great sales target is a rise in minimum support prices (MSP), which led to an increase in farm income, as well as another year of above-average monsoon. Plus, technological advancements in high HP tractor ranges are another factor considered in the increase in demand for tractors in the market.

As reported by Morgan Stanley about India’s journey in the next decade, first, the Indian population will touch 1.5 billion by 2030, which means growing demand for food and second that India is estimated to have a surplus of 245 million skilled labour, which indicates that the world will invest in India and become a hub for the world markets. The infrastructure requirement to bring the Indian economy into the top three economies of the world will require large investments and thus, also increase the scope for businesses at Kranti.

At Kranti, we take pride in actively contributing to India’s journey of growth and progress. Our unwavering focus on enhancing our productivity underscores our commitment to improving our operating margins. We are dedicated to forging a safer and technologically advanced future for the manufacturing industry in India by introducing innovative solutions. As a trusted partner of Indian and Global OEM’s, we remain steadfast in catering to the evolving needs of these sectors. We are actively involved in developing products that meet the requirements of our customers and, ensuring our commitment to serving the nation’s emerging needs.

We are resolute in our mission to be a catalyst for positive change, supporting the socio-economic development of India and delivering solutions that make a lasting impact. This is an opportunity for us to offer an exceptional experience to our society, customers, and an exciting path for both our stakeholders and shareholders.

**CAPABILITIES**

The company’s production facilities house more than 78 cutting edge machines, exemplifying their unwavering commitment to leveraging advanced technology. These machines are complemented by exceptional inspection

facilities, ensuring consistent adherence to the highest quality standards throughout the manufacturing process. Moreover, Kranti Industries places great emphasis on real-time data monitoring to optimize operational efficiency and effectiveness.

Situated across three units in Pune, a prominent engineering and IT hub in India, Kranti possesses substantial manufacturing capabilities across an approximate area of 10,000 square meters. This strategic location grants us easy access to skilled manpower and technical resources, making a significant contribution to their ongoing success.

Demonstrating our dedication to continuous improvement, we have recently commissioned and inaugurated a new manufacturing facility spanning 3,000 square meters.

Our thrust on digitalisation and building organisational capabilities increased with greater investment in future ready technologies, strengthening of partnerships, and focused training programmes for our talent at every level and in every function, across the organisation. Our culture journey gained pace with more people absorbing and consistently demonstrating the desired leadership behaviours.

The impressive range of machinery at Kranti Industries includes 5-axis turn mill machining centres, CNC turning centers, CNC turning with autoloader, vertical machining centres, vertical 5-axis turn mill centers, horizontal machining centres, vertical turret lathes, co-ordinate measuring machines, 5-axis horizontal machining centers, and HMC with a linear pallet pool system. These state-of-the-art machines enable the company to handle diverse manufacturing requirements with precision, ensuring the delivery of high-quality components.

## PRODUCT PERFORMANCE

We are also delighted to share the revenue breakup and market segment distribution, indicating our strong presence in the industry. Tractors continue to hold the highest market segment share at 73.57%, followed by significant contributions from electric vehicles (14.04%) and construction equipment (8.63%). Our product range aligns with these market segments, with axle parts encompassing 41.32% of our offerings, followed by differential housing parts (30.60%), transmission parts (21.14%), and other components (6.94%).

Through our diverse product range, market segment coverage, and unwavering commitment to precision and quality, Kranti is firmly established as a leading provider of high-quality automotive components. Our ongoing dedication to innovation and customer satisfaction is at the heart of our success.

In FY 2022-23 we have developed more than 15 new components across the customer segment to fulfil the growing demand of our customers. Also another 20 components are in the pipeline for FY 2023-24 for which we have received the development orders from our domestic as well as global customers. We are dedicated to delivering high-quality products at affordable prices, ensuring accessibility, and creating value for our customers.

I expect FY 2023-24 to be another exciting year for the Auto industry, supported the Government's continued thrust on infrastructure development. We are in an acceleration mode to fulfil our aspirations even as we keep a close watch on the possible headwinds from geopolitical developments, interest rates, and fuel price inflation. We remain optimistic about the overall demand and

reiterate our commitment to delivering value to our customers, shareholders, and other ecosystem stakeholders. I thank you for your continuing interest, commitment and support to Kranti.

Best regards,

**Sumit Subhash Vora**

Executive Director

Kranti Industries Limited

# CORE VALUES



## Integrity

▶ Be honest & honor all interactions



## Teamwork

▶ Embrace unity & collaboration while working



## Innovation

▶ Creative thinking with the latest technology



## Quality

▶ Build robust process & system to exceed customer expectations



## Building Relations

▶ Human & Professional respect while dealing with all stakeholders

As a responsible organization, we have instilled our core values, namely Respect, Trust, Ownership and Integrated Teamwork into each of our employees. This has enabled them to show regards for another person, inspire confidence in each other, take responsibility for their actions and decisions and work towards the larger group objectives.

# GOVERNANCE

A Strong Corporate Governance Structure is a hallmark of a sustainable organization. Our ability to handle risks responsibly is further shown by a clear focus on good governance. We attribute our success to the foundation of our collaborative and ethical leadership. We strongly believe that corporate governance is one of the key enablers in the creation and enhancement of long-term sustainable value for our stakeholders, comprising of our employees, investors, customers, suppliers, vendors and the society at large.

Our Board of Directors and management team are dedicated to maintaining high governance standards while serving the Company's and shareholders' interests. Our Board of Directors ensures that our company operates in a fair, transparent, and ethical manner. We are led by a Board that comprises of 6 individuals. It comprises of qualified members from the industry, with diverse experience and credentials, selected for their acumen and ability to challenge, and add value to the organization. Our Board members exemplify good governance by following the corporate governance guidelines, codes of conduct and financial ethics. They bring forward the required skills, competence, depth of experience that allows the Board to take effective decisions and guide the management to achieve the Company's objectives and enhance stakeholders' value. The Board meets regularly to review all aspects related to strategic, operational, and financial matters. The Board of Directors is at the core of our corporate governance practice and oversees that the management serves and protects the long-term interests of all our stakeholders. If required and appropriate, they delegate their authority to Directors who head various committees. The Board also fosters a great culture in which it evolves and follows not just the stated corporate governance guidelines, but also the global best practices. The high standards of transparent disclosures, individual accountability and ethical behavior are ingrained in all our business dealings and shared by our Board of Directors, key management and employees.



## KEY CODES AND POLICIES

As part of our continued evolution towards becoming a sustainable and responsible organization, we have come out with the KRANTI Policies & Code of Conduct that presents principles governing and guiding KRANTI as a business group. Our Code of Conduct is supported by an underlying framework of policies and procedures which provide specific guidance to employees on their behavior required to uphold our organization's values. These policies and the Code of Conduct are important to our progress. They are the foundations upon which we as a company are built. The Code of Conduct outlines the desired behavior required of KRANTI and its employees in all business dealings.

Some of the Key Policies implemented across Kranti are:



Code of Conduct for Independent Directors



Risk Management Policy



Nomination and Remuneration Policy



Related Party Transaction policy



Whistle Blower Policy & Vigil Mechanism



Policy On Determination of Materiality



Insider Trading Policy



Code for Fair Disclosure of Undisclosed Price Sensitive Information



Prevention of Sexual Harassment at Workplace



Familiarisation Programme for Independent Directors



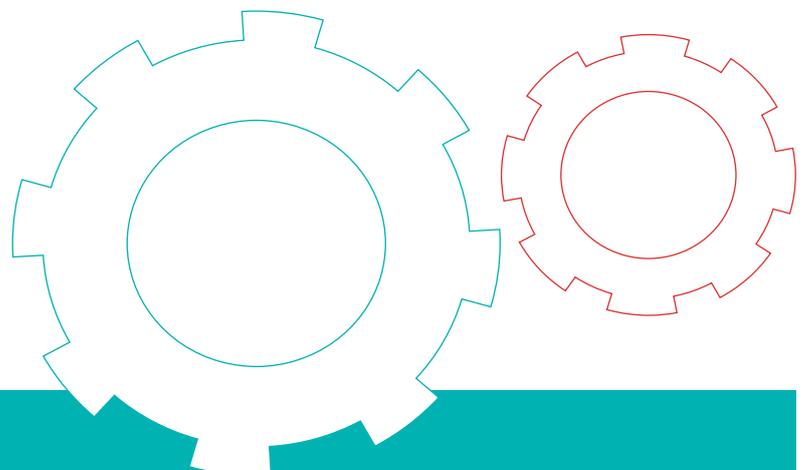
Policy On Orderly Succession



Policy On Preservation of Documents



Criteria for making payment to Non- Executive Directors



## SUSTAINABILITY GOVERNANCE

At KRANTI, sustainability is a top priority that has been completely integrated into our operations in order to generate long-term value. Our goal is to achieve market excellence while fostering community and industry harmony. We uphold a strong sustainability governance structure with cross-functional representation, wherein, the senior leadership oversees at the broad level, facilitating the embodiment of sustainability vision into all facets of our business.

Competitive Advantages

## EXPERIENCED & PROFESSIONAL MANAGEMENT TEAM



**Mr. Sachin Subhash Vora**  
Chairman cum Managing Director

KRANTI emphasizes the value of its experienced and professional management team, which is seen as a key competitive advantage for the company. The Promoters, Mr. Sachin Subhash Vora and Mr. Sumit Subhash Vora, bring over a rich experience in the machining industry, providing a solid foundation for the company's operations. Supported by a diverse and skilled management team with expertise in various areas such as finance, marketing, sales, and product development,

The company's HR policy is focused on people development and hiring talent to create a pipeline of leadership to take care of future business growth. The company's endeavours is to build the employees of tomorrow with capabilities to take on challenging roles. The company have one of the highest estimated retention rates in the industry.



**Mr. Sumit Subhash Vora**  
Director

The company benefits from a comprehensive skill set that enables effective decision-making across different aspects of the business. The management team's focused abilities in product conceptualization contribute to the company's strategic approach, ensuring that their offerings align with market demands. With their knowledge, global outlook, and strong management abilities, the management team is expected to continue driving the company's growth in the future. They are playing a vital role in the company's effective functioning, competitive positioning, and future success.

## LEADERSHIP TEAM



**Sheela Dhawale**  
*Chief Financial Officer*



**Bhavesh Selarka**  
*Company Secretary &  
Compliance Officer*



**Ramdas Gunjal**  
*Operations*



**Prasad Kulkarni**  
*Quality*



**Manoj Pawar**  
*Development*



**Mahesh Sarnaik**  
*Human Resource & Administration*



**Ramchandra Yewale**  
*Production*



**Aman Jain**  
*Procurement*

# HUMAN CAPITAL

We employ the best talent and consider it our privilege to work with them. Our people are the greatest contributors in our continued success, and we are committed to their overall well-being. We believe that an inclusive work environment inspires employees to perform better, thus driving business growth.

At KRANTI, we constantly work on keeping our people connected to the Company's core values and purpose, and also on keeping them motivated to perform their best. We have inculcated the right values that guide us towards realizing our purpose of continuous value creation. Our constant objective is to transform the employees of today into the business drivers of tomorrow.

We have a firm belief that a high-quality and motivated workforce can be the key to achieve our strategic objectives. We offer innovative people practices in a manufacturing set-up with opportunities for employees across all levels. We specifically focus on talent management, employee management, employee communication and learning & development. We also provide the right platform for our employees to hone their skills, competence levels and experience to help enrich our strength as an organization. The on-the-job learning modules also help our employees to deliver higher performance and make them ready as leaders of tomorrow.



## BUILDING THE RIGHT CULTURE AND CAPABILITY

We continue to sustain a high-performing culture oriented towards innovation. Skill building through training and employee motivation through engagement and feedback are indispensable for our growth path. Our HR policy is focused on people development and hiring talent to create a pipeline of leadership to take care of our future business growth. Our endeavor is to build the employees of tomorrow with capabilities to take on challenging roles; thanks to this, we have one of the highest estimated retention rates in the industry.

We are developing domain experts in the areas of interpersonal relationships, understanding organizational dynamics, and other functional perspectives and needs. This becomes part of the broader business strategies through structured cross-functional projects, solving business challenges, and direct coaching by senior leadership. Tremendous value is being generated from the learning experience of employees as they look at things from different perspectives and learn to consciously change their mindset.

## Talent Attraction and Performance Management

We at KRANTI, have a streamlined process of talent acquisition and performance management. We have bolstered our efforts towards fostering an inclusive and diversified work culture. We strive to attract, engage, develop and retain talented employees who would be our most valuable assets in the future. Our talent attraction methodology focuses on assessing an individual based on their caliber and their potential to perform and grow within the organization.



We routinely monitor the performance of our employees at all levels and provide incentives, rewards and recognition based on their deserving performances and contributions. We have also set targets for a single-digit attrition rate, increased female representation and escalated employment opportunities for all.



Competitive Advantage

# MANAGING RISK, **MAXIMIZING RETURNS**

Risk Management is an Integral part of the company’s plan and operations. We have time and again, proven our ability to take on challenges. However, through a prudent and organized risk management frame work, we have also been able to exert ample caution in mitigating those risks.

The risk management procedure is applied in a well-defined, integrated framework, which promotes awareness of risks and an understanding of the Company’s risk tolerances. We regularly engage with our strategic stakeholders and domain experts to identify and understand global risk trends and their impacts. Consequently, we also update our business models, execution strategies and risk profiles in a periodic manner. The Board is also responsible for determining the Company’s risk appetite, overseeing the development, implementing the Risk Management Framework and maintaining an adequate monitoring and reporting mechanism.



## Type of Risks

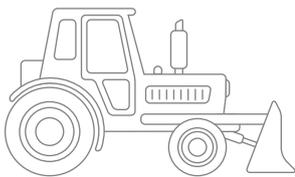
## Mitigation Strategy

1	<b>Raw Material availability &amp; Volatility</b>	<ul style="list-style-type: none"> <li>• Focus on efficient use of raw material</li> <li>• Due Diligence &amp; effective management for optimized settlements with raw material suppliers</li> </ul>
2	<b>Financial Cost &amp; disciplined Capital cost Allocation</b>	<ul style="list-style-type: none"> <li>• Targeted deployment of financial funds, meticulous allocation of capital, and making future ready investments</li> <li>• Efficient capital management thereby deriving the maximum output for each unit of capital disbursed</li> </ul>
3	<b>Governance, Compliance &amp; Regulatory Changes</b>	<ul style="list-style-type: none"> <li>• Dedicated Compliance department directly under the Managing Director with a compliance management framework in place to ensure the highest standards</li> <li>• Keeping track of changes in the regulatory landscape, coupled with systems and processes to ensure compliance with applicable laws with and other legal standards</li> </ul>
4	<b>Ethical Business Practices</b>	<ul style="list-style-type: none"> <li>• Ensuring that all employees, including long-term contractors, are trained on the Company's Code of Conduct.</li> <li>• Mechanism of reporting and Investigation of the breaches of the Code of Conduct in place</li> </ul>
5	<b>Cyber Security</b>	<ul style="list-style-type: none"> <li>• Systems are upgraded regularly with the latest security standards. For critical applications, security policies and procedures are updated on a periodic basis.</li> <li>• Periodic security compliance check, firewalls up-gradation and regular patch updates</li> </ul>
6	<b>New Product &amp; Process Enhancement</b>	<ul style="list-style-type: none"> <li>• Focus on developing new, innovative, customer-centric and differentiated products catering to stakeholder expectations.</li> <li>• Building brands and increasing customer reach</li> </ul>
7	<b>Digitization / Automation</b>	<ul style="list-style-type: none"> <li>• Strategic focus on technology to make processes simpler for all stakeholders.</li> <li>• Uptake of new-age technology to increase operational efficiency, improve processes and provide enhanced customer engagement.</li> </ul>
8	<b>Customer Services</b>	<ul style="list-style-type: none"> <li>• Empowering the staff, the employees, the customer-facing people to make customer success the company culture.</li> <li>• Collaborating with the customers to understand their needs and help them achieve the desired outcome</li> </ul>

## REVIEW OF **SALES**

Kranti Industries excels in multiple market segments, with tractors leading at 73.57% share. The company has a significant presence in the construction equipment market (8.63%) and a substantial market share in electric vehicles (14.04%). Automotive, including commercial vehicles, represents 1.07% of their market. Other categories collectively account for 2.69%. This diverse market coverage solidifies Kranti Industries' position as a successful and versatile player in the industry.

### REVENUE FROM SEGMENTS



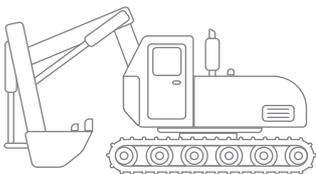
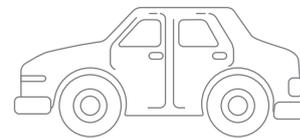
Tractors

**73.57%**

44

Electric vehicles

**14.04%**

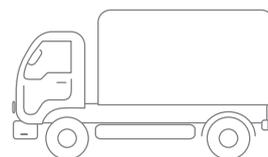


Construction equipment

**8.63%**

Automotive

**1.07%**

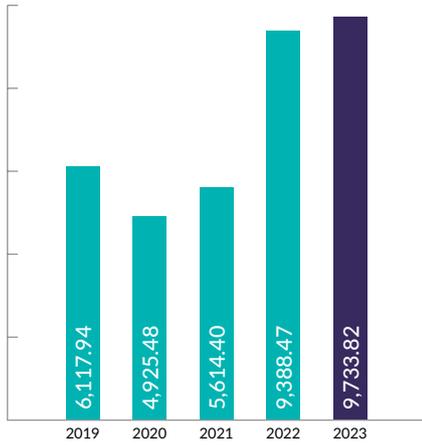


Other Categories

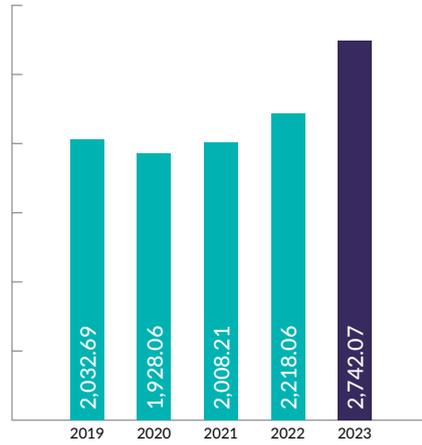
**2.69%**

# FINANCIAL DATA & RATIOS (Amount in INR Lakhs)

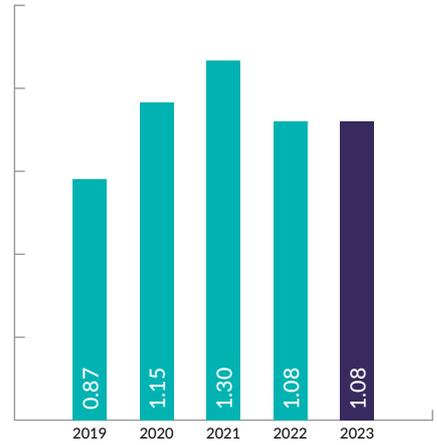
Total Revenue (Net)



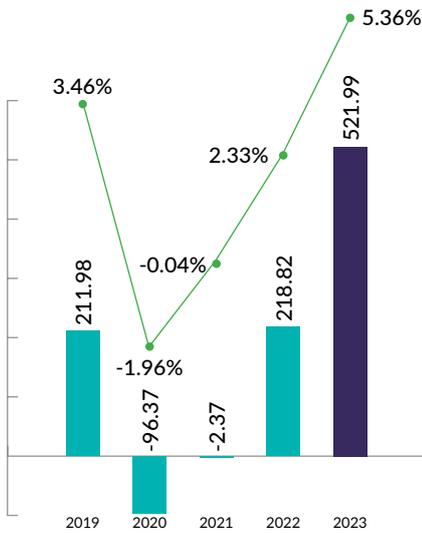
Net Worth



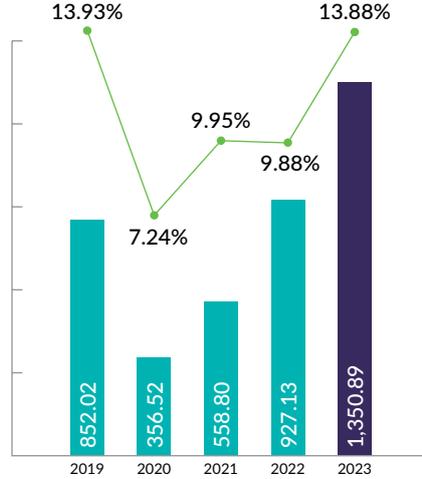
Debt Equity Ratio



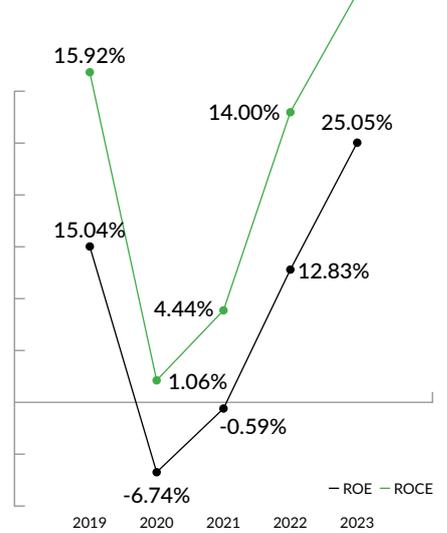
PAT & PAT Margins



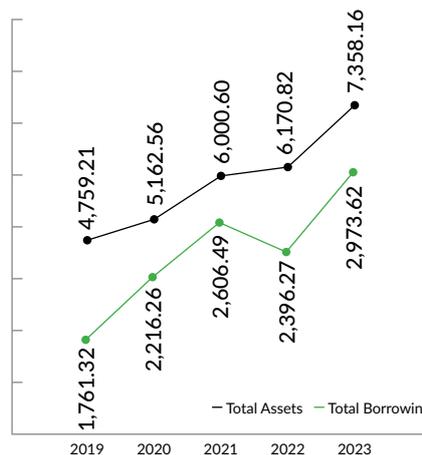
EBIDTA & EBIDTA Margin



ROE & ROCE



Assets vs Borrowings



\*Note:- Financials based on Consolidated figures

# MANAGEMENT DISCUSSION & ANALYSIS

## INDUSTRY STRUCTURE AND DEVELOPMENT

### GLOBAL ECONOMY

According to IMF World economic Outlook (Apr-2023), The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multi decade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored. A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery. As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades. The baseline forecast is for global output growth, estimated at 3.4 percent in 2022, to fall to 2.8 percent in 2023, before rising to 3.0 percent in 2024. This forecast for the coming years is well below what was expected before the onset of the adverse shocks since early 2022. Compared with the January 2022 WEO Update forecast, global growth in 2023 is 1.0 percentage point. Monetary policy projections are consistent with achieving the Reserve Bank of India's inflation target over the medium term, despite a recent uptick in inflation that exceeded the upper target band.

### INDIAN ECONOMY

According to ADB (Asian Development Bank), despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth. Improving labor market conditions and consumer confidence will drive growth in private consumption. The central government's commitment to significantly increase capital expenditure in FY2023, despite targeting a lower fiscal deficit of 5.9% of GDP, will also spur demand. Helped by recovery in tourism and other contact services, the services sector

will grow strongly in FY2023 and FY2024 as the impact of COVID-19 wanes. However, manufacturing growth in FY2023 is expected to be tamped down by a weak global demand, but it will likely improve in FY 2024.

### AUTOMOBILE INDUSTRY IN INDIA

The automotive industry is a highly competitive market which is witnessing growth owing to factors such as increasing disposable income, the availability of the financing options, rising urban population, close substitutes for each segment which are equipped with best technological advancements such as active and passive safety systems, comfort features, and high performing powertrains. The market also enjoys growth due to the dynamic Indian public transportation network and the growing logistic landscape. According to Society of Indian Automobile Manufacturers (SIAM), The industry produced a total of 2,59,31,867 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2022 to March 2023, as against 2,30,40,066 units in April 2021 to March 2022. The overall Commercial Vehicles domestic sales increased from 7,16,566 to 9,62,468 unit in FY-2022-23, compared to the previous year. The overall demand for cars in India has been increasing due to factors such as rising disposable incomes, urbanisation, and improved accessibility to vehicle financing.

**Passenger Car Market:** The Indian passenger car market has experienced substantial growth, with a market value of US\$ 32.70 billion in 2021. It is projected to reach US\$ 54.84 billion by 2027, growing at a CAGR of over 9% from 2022 to 2027. This indicates the increasing demand for passenger cars in India.

#### Commercial Vehicles:

**Economic Growth and Infrastructure Development:** The demand for commercial vehicles is closely tied to economic growth and infrastructure development. As industries expand, logistics and transportation requirements increase, driving the demand for commercial vehicles and the components they require.

#### Tractors:

**Agricultural Sector Performance:** The performance of the agricultural sector plays a significant role in the demand for tractors and their components. Factors such as government policies, monsoon patterns, and agricultural productivity influence the demand for tractors, subsequently impacting the demand for components supplied by Kranti Industries.

#### Construction Equipment:

**Infrastructure Investments:** Infrastructure development, including road construction, urban development projects, and industrial projects, drives the demand for construction

equipment. Kranti Industries benefits from this demand as their components are used in the manufacturing of construction equipment.

The commercial vehicle (CV) industry in India is projected to maintain its growth momentum, with an estimated 20-22% growth in FY23. Medium and heavy commercial vehicles (MHCV) are expected to grow at a rate of 22-24%, while light commercial vehicles (LCV) are likely to grow by 18-19%. The industry recorded a strong volume growth of 60.2% y-o-y in H1FY23, indicating a positive trend. Factors driving this growth include an overall improvement in economic activities, infrastructure development, higher fleet utilization, the thriving e-commerce sector, and a rebound in replacement demand. However, challenges such as increasing interest costs, a slowdown in exports, and inflation pressures could potentially dampen the growth momentum. Industry players need to address these challenges effectively to sustain growth in the CV sector.

#### Electric Vehicle Manufacturers:

**Shift Towards Electric Mobility:** The global and domestic push for electric mobility has increased the demand for electric vehicles (EVs) in India. As EV manufacturers ramp up their production, there is a growing demand for specialized components for EVs, including those supplied by Kranti Industries.

The Government of India is also pushing for the development of electric vehicle ecosystem by providing incentives such as FAME schemes (Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India). Manufacturers are also investing heavily and announcing partnerships to create EV infrastructure across the country.

**Electric Vehicle (EV) Market:** India has been focusing on electric vehicles to reduce emissions. The EV market in India is estimated to reach Rs. 50,000 crore (US\$ 7.09 billion) by 2025. Sales of EVs have been on the rise, with a significant increase of 168% YoY growth in 2021, reaching 329,190 units sold. The EV market is expected to grow at a CAGR of 36% until 2026.

#### New Vehicles Registrations in FY23 ( Vaahan Data)

	FY23	FY22
FOUR WHEELER (INVALID CARRIAGE)	2,840	2,713
HEAVY GOODS VEHICLE	2,80,181	2,61,589
HEAVY MOTOR VEHICLE	5,837	5,819
HEAVY PASSENGER VEHICLE	15,116	13,133

	FY23	FY22
LIGHT GOODS VEHICLE	6,11,744	5,98,497
LIGHT MOTOR VEHICLE	42,55,835	41,18,890
LIGHT PASSENGER VEHICLE	1,90,295	1,64,852
MEDIUM GOODS VEHICLE	37,002	38,582
MEDIUM MOTOR VEHICLE	13,274	13,926
MEDIUM PASSENGER VEHICLE	19,053	15,847
OTHER THAN MENTIONED ABOVE	56,062	50,847
THREE WHEELER(NT)	34,180	31,963
THREE WHEELER(T)	7,41,827	6,44,740

#### FADA Data

Category	Units Sold (FY 23)	Units Sold (FY 22)	Growth (in %)
Two-wheeler	1,59,95,968	1,34,94,214	19
Three-wheeler	7,67,071	4,17,108	84
Passenger Vehicles	36,20,039	29,42,273	23
Commercial Vehicles	9,39,741	7,07,186	33
Tractor	8,27,403	7,66,545	8

#### IMPORT SUBSTITUTION AND HIGHER OUTSOURCING BY OEMS IN INDIA:

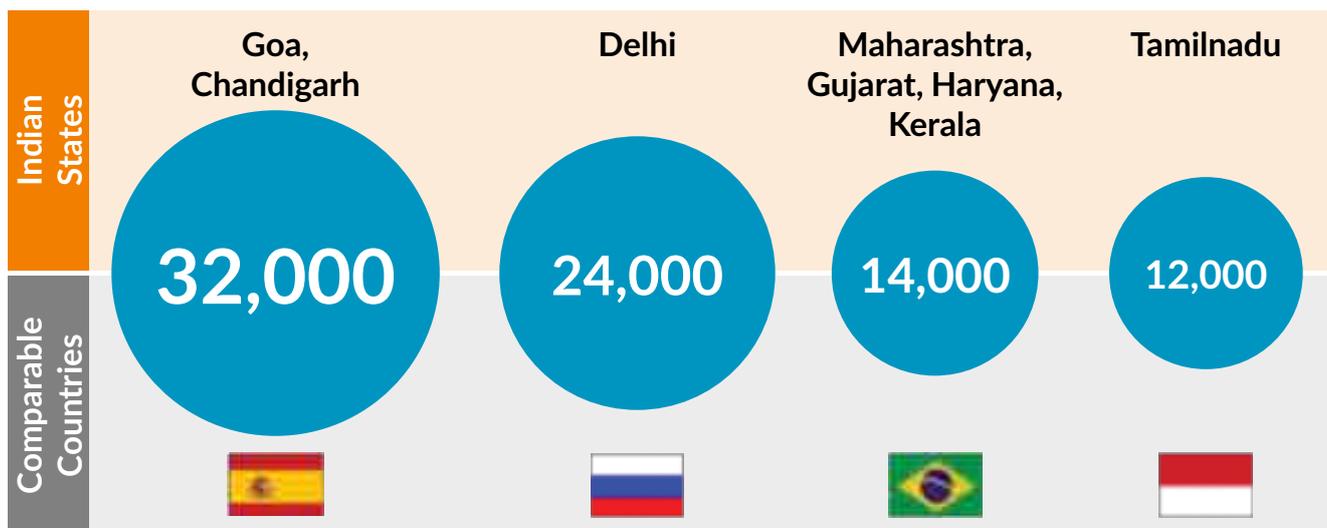
Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry. Hence, there is a huge scope for automobile component exports and also increasing substitution of imports in India. India's auto component industry is broadly classified into organised and unorganised sectors. While the unorganised sector consists of low-valued items and mostly serves the aftermarket category, the organised sector serves OEMs and includes high-value precision instruments. As per the Automobile Component Manufacturers Association (ACMA) forecast, auto component exports from India is expected to reach US\$ 30 billion by 2026. The auto component industry is projected to record US\$ 200 billion in revenue by 2026(US\$ 56.60 billion in FY22). Strong international demand and resurgence in the local original equipment and aftermarket segments are predicted to help the auto component industry grow 20-23%.



### Growing GDP will support higher living standards

#### Estimated GDP per capita (PPP) in 2026<sup>(1)</sup> vs comparable country in 2014<sup>(2)</sup>

USD, 2012 base year



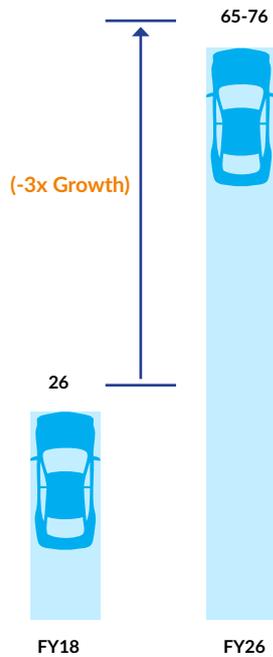
1. Average GDP per capita of group of states  
 2. 2014 GDP per capita taken for comparable countries

Source: India's economic geography in 2025: States, clusters and cities, a McKinsey Global Institute report, 2014:World Bank

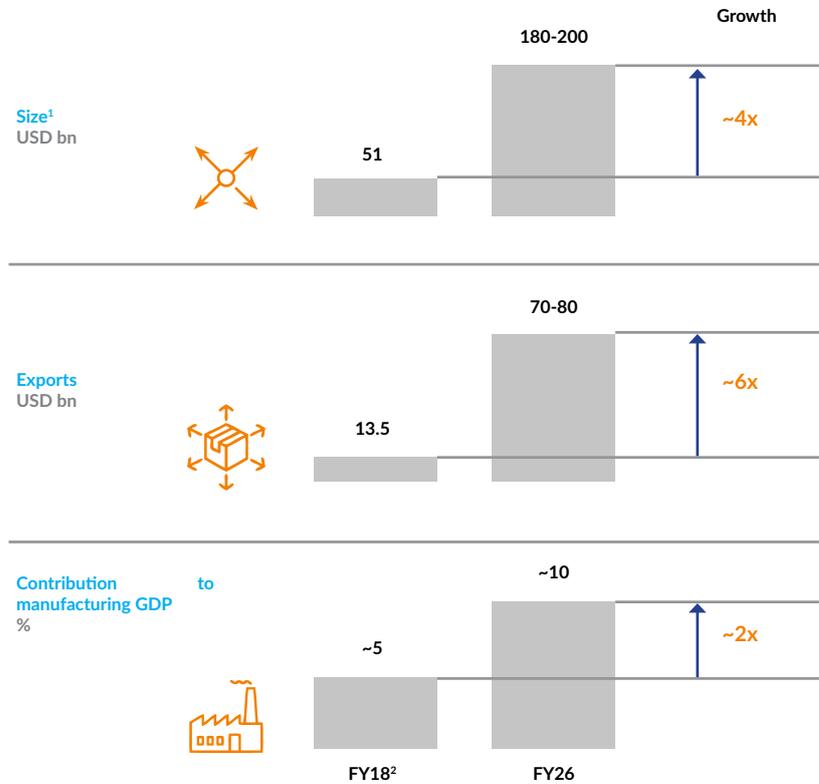
### Huge aspirations ahead for automotive OEMs and component manufacturers

#### Auto OEMs' sales aspiration

(Million units)



#### Auto component manufacturers' aspiration



1. Includes OEM sales ,aftermarket and exports  
2. For contribution to manufacturing GDP, year used is 2017

SOURCE : OEM aspiration numbers drawn from Automotive Mission Plan 2026 and expert inputs to estimate three wheeler sales, which were extrapolated at 7percent (base case) and 10 percent ( optimistic case).Society of Indian Automobile Manufacturers, HIS Markt

### About Us

Kranti Industries is a leading manufacturer of advanced auto components, dedicated to innovation and cutting-edge technology. Our expertise lies in precision machined castings for various applications in the automotive industry, including transmissions, axles, chassis, engines, and other critical parts. With our state-of-the-art machine shop and end-to-end solutions, we deliver exceptional quality and reliability to our customers.

Over the years, our relentless pursuit of excellence has positioned us as a trusted supplier of precision machined components for industries such as oil engines, tractors, construction, electric vehicles, and more. Our commitment to staying at the forefront of technological advancements has enabled us to incorporate world-renowned machining centres into our operations. From multi-axis machining centres to CNC turning, vertical turret lathes, horizontal machining centers, and vertical machining centres, we possess the latest machinery to meet the diverse needs of our clients.

With a rich experience of over four decades in precision machining, Kranti has established three well-equipped units across Pune and a joint venture in Rajkot. What started as a small machining unit has now evolved into a sprawling facility spanning around 7,000 square meters, equipped with state-of-the-art infrastructure. Today, we proudly serve as a single-source supplier to renowned OEMs in various industries, solidifying our position as a trusted partner for their component requirements.

At Kranti Industries, we continue to push the boundaries of innovation and craftsmanship, ensuring that our customers receive the highest standards of quality, precision, and reliability. With a dedicated focus on customer satisfaction and a commitment to delivering excellence, we are poised to shape the future of the auto component industry.

## Multiple trends impact the auto component industry and create specific growth opportunities

Constantly shifting market dynamics	Changing OEM needs	Technological improvements & discontinuities	Evolving regulatory & trade environment
Make in India, for India and the world	Changing pockets of growth	ACES gathering momentum	Emissions - BS-VI, EV, methanol, CNG, fuel cells
	The rise of the East	Platform consolidation	
Traceability and zero defects	Shorter product lifecycle	Advanced materials	Safety – Braking, cabin, roll over protection
	Volatility and forecastability	Rise of electronics	
Auto component manufacturers integrating up the value chain	Tier1 rationalization	Mobility as a service	Scrappage - Lead use, reverse value chain
	Consolidation in the global industry		
			Dynamic global trade policies

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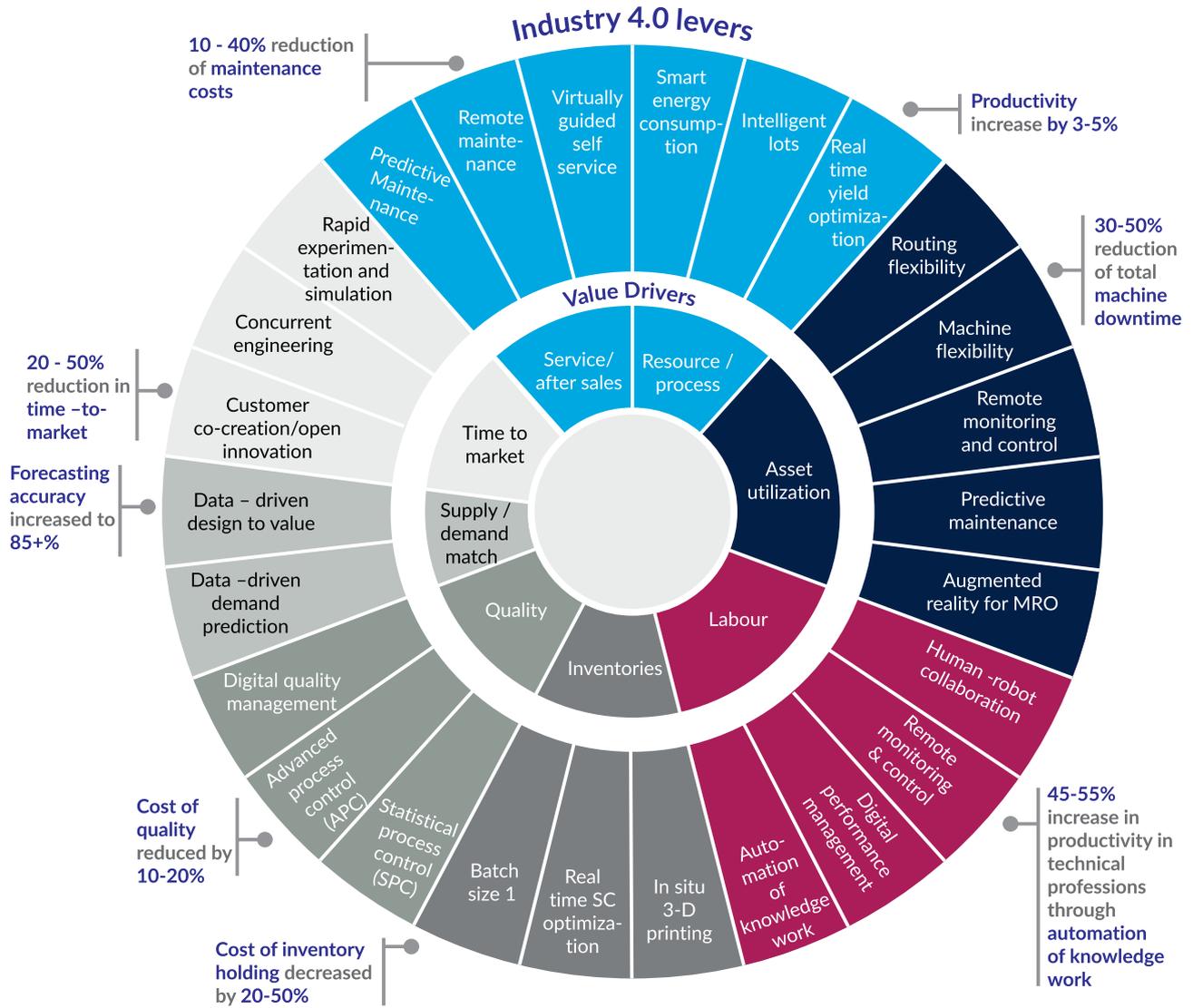
### High Tier 1 localization levels across vehicle segments

Vehicle category	Average localization in top selling models <sup>1</sup>	Details
Hatchbacks, compact sedans/SUVs 	90-95%	<ul style="list-style-type: none"> <li>Segment leaders have achieved <b>95% localization</b></li> <li>Foreign OEM launches also securing as high as <b>98% localization</b></li> </ul>
Premium sedans 	85-90%	<ul style="list-style-type: none"> <li>Even smaller players have increased localization levels from ~70% to &gt; 80% in the past ~5 years and intend to increase to ~90% in the next ~5 years</li> </ul>
Commercial vehicles 	>90%	<ul style="list-style-type: none"> <li>Home grown leaders have localization well above 90%</li> <li>Premium offerings have also <b>increased their localization from ~80% to &gt;90%</b> in 2015</li> </ul>
2-wheelers 	>90%	<ul style="list-style-type: none"> <li>Market leaders have started developing bikes which are <b>100% indigenous</b></li> <li>Mass foreign players have also <b>surpassed 90% localization</b></li> </ul>
Tractors 	>95%	<ul style="list-style-type: none"> <li>Cost-sensitive segment dominated by Indian players who have localization levels close to 100%</li> </ul>

<sup>1</sup> Represent more than 80 percent of sales in their respective categories (e.g., premium sedans, two-wheelers, tractors, etc.)

SOURCE: IHS Markit; Press search; Expert interviews

## Changes possible across the value chain with Industry 4.0



Source : McKinsey Industry 4.0 Knowledge Investment project



## Products & Performance in FY23

Kranti Industries offers a diverse range of high-quality automotive components. The first product, Differential Housing, showcases their expertise in manufacturing precision-engineered housings for differentials, ensuring efficient power transmission and smooth operation in vehicles. Axle Components, another key product, highlights Kranti's specialisation in producing components that contribute to the stability and manoeuvrability of vehicles' axle systems. Transmission Components, the third product, exemplify Kranti's proficiency in manufacturing critical parts for transmission systems, ensuring optimal performance and seamless gear shifting. Lastly, Kranti Industries provides a wide range of Other Components, which encompasses various automotive parts designed to meet the specific needs of different vehicle models and applications. Through their commitment to technological advancements and stringent quality standards, Kranti Industries delivers reliable and innovative solutions across these product categories to meet the demands of the automotive industry.

## Products - Revenue Breakup

### Market Segment

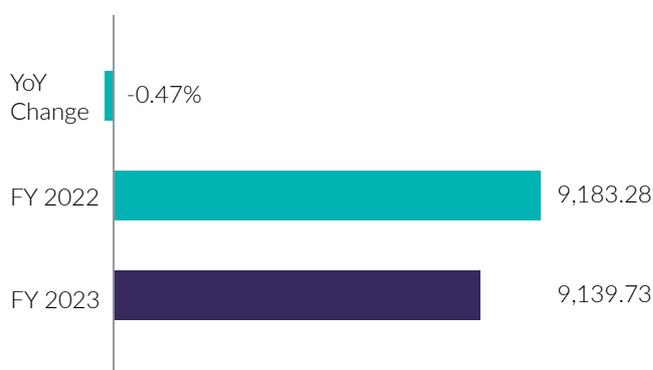
- Tractors have the highest market segment share, accounting for 73.57%.
- Construction equipment holds a significant portion of the market at 8.63%.
- Electric vehicles have a substantial market segment share of 14.04%.
- Automotive including Commercial Vehicles make up 1.07% of the market.
- Other categories collectively represent 2.69% of the market segment.

### Product Range based on the Market Segment

- Axle parts account for 41.32% of the product range.
- Differential Housing parts represent 30.60% of the product range.
- Transmission holds a 21.14% share in the product range.
- Other categories collectively make up 6.94% of the product range.

## Review of Financial Performance

### Revenue from Operations: (Standalone) ₹ in Lacs



### Expenses:

#### a) Cost of Material, Operation, and Incidental Cost:

Year Ended March 31, 2023: INR 6,130.23 Lacs

Year Ended March 31, 2022: INR 6,072.45 Lacs

YoY Change: 0.95% increase

#### b) Changes in Inventories of Finished Goods and Work-in-Progress:

Year Ended March 31, 2023: INR (32.33) Lacs

Year Ended March 31, 2022: INR 23.68 Lacs

YoY Change: N/A

#### c) Employee Benefits Expenses:

Year Ended March 31, 2023: INR 991.34 Lacs

Year Ended March 31, 2022: INR 991.65 Lacs

YoY Change: -0.03% decrease

#### e) Finance Costs:

Year Ended March 31, 2023: INR 225.95 Lacs

Year Ended March 31, 2022: INR 199.48 Lacs

YoY Change: 13.29% increase

#### f) Depreciation and Amortisation Expenses:

Year Ended March 31, 2023: INR 392.47 Lacs

Year Ended March 31, 2022: INR 389.97 Lacs

YoY Change: 0.64% increase

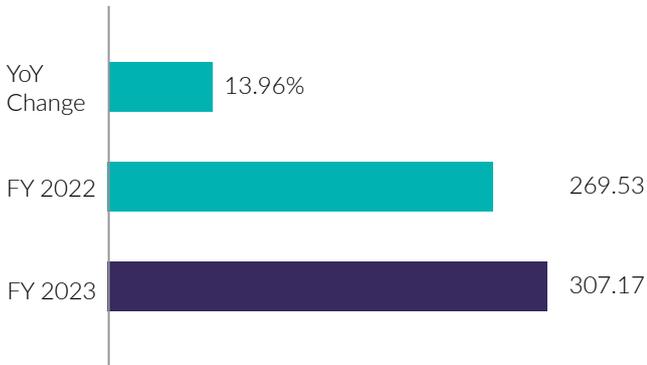
#### g) Other Expenses:

Year Ended March 31, 2023: INR 1,137.69 Lacs

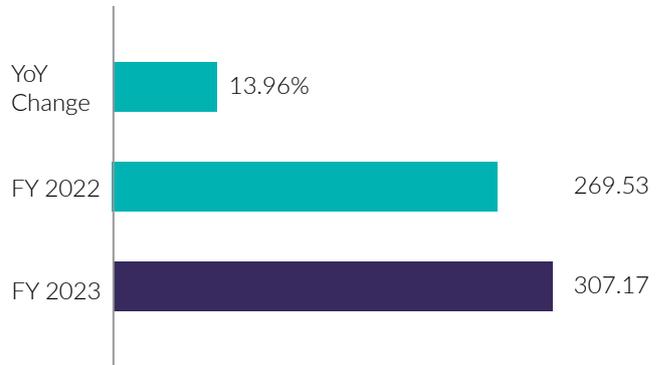
Year Ended March 31, 2022: INR 1,253.97 Lacs

YoY Change: -9.28% decrease

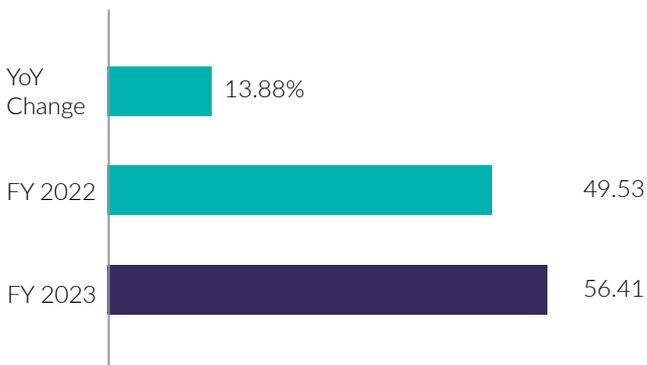
**Profit/(Loss) before Exceptional Items and Tax** ₹ in Lacs



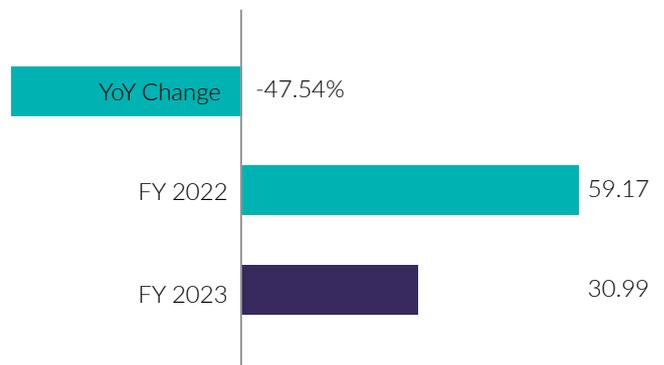
**Profit before Tax** ₹ in Lacs



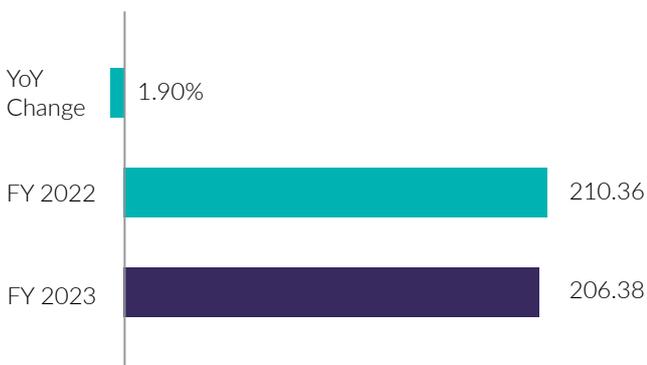
**Current Tax** ₹ in Lacs



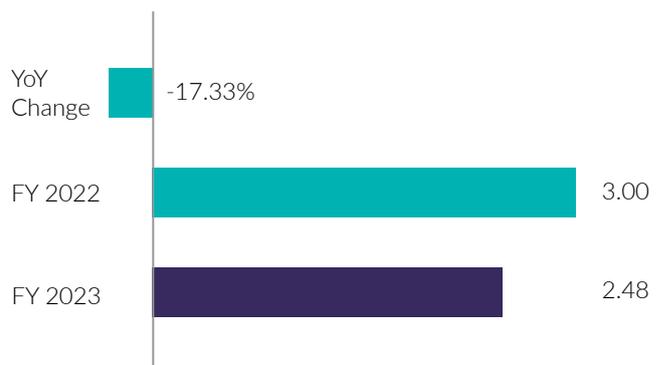
**Deferred Tax** ₹ in Lacs



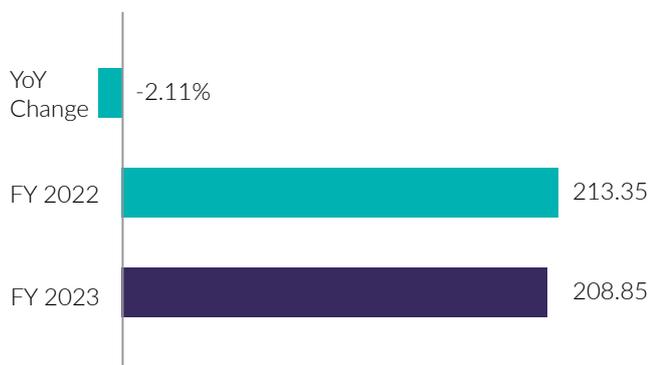
**Profit for the Year** ₹ in Lacs



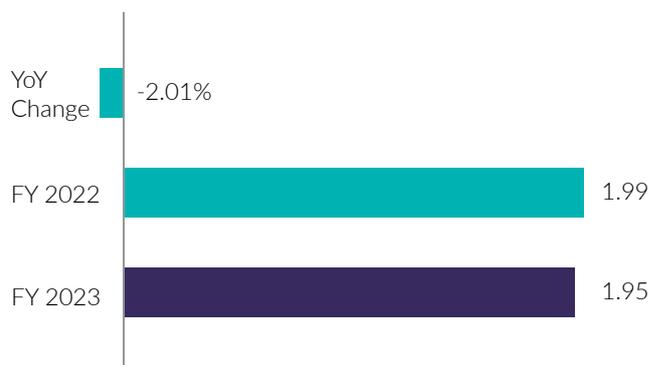
**Other Comprehensive Income/(Loss) for the Year** ₹ in Lacs



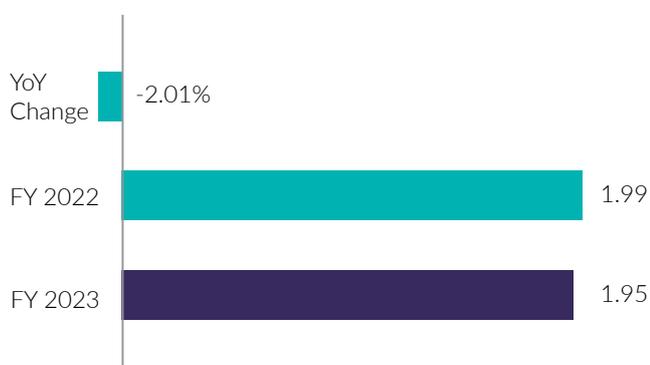
### Total Comprehensive Income for the Year ₹ in Lacs



### Earnings per Equity Share (Face Value of ₹ 10 each)



### Diluted Earnings per Share



## OPPORTUNITIES AND THREATS

### OPPORTUNITIES

- Increasing outsourcing opportunities due to realignment of global supply chains.
- Growing use of precision components, driven by EVs and stringent emission norms.
- Initiatives by Government for promotion of automobile industry – Automotive Mission Plan 2026, Vehicle scrappage policy, CAFÉ norms, BS-VI norms, etc.

### THREATS

- Faster adoption of EVs in CV/tractors can impact the overall business growth in the powertrain segment.
- Economic uncertainty: Based on the current and future market environment estimates, the base cost of material is expected to be volatile.

### OUTLOOK

A relentless focus on cost management, fiscal prudence, value engineering and customer partnering has enabled the Company to record a creditable performance demonstrating its 'Engineering Advantage'. The Company is confident that it can utilise future opportunities and face future challenges with agility in order to meet the shareholders' expectation of

sustainable growth and profitability.

The key focus areas are:

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

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

In the opinion of the Management, the Company has adequate internal audit and control systems to ensure that all transactions are authorized, recorded and reported correctly.

An independent internal audit function is an important element of the Company's internal control systems. This is supplemented through an extensive internal audit programme and periodic review by the management and the Audit Committee. The internal control systems comprise extensive internal and statutory audits. The Corporate Governance practices instituted by the Company are mentioned in detail in the chapter on Corporate Governance which forms part of the Annual Report.

### Review of Human Resources

Human Resources development continues to be a top focused area which will ensure intentions are converted to realities. The emphasis was on reskilling and upskilling to enable the teams in navigating change and remaining compliant with evolving processes. Industrial Relations with employees remained cordial throughout the year under review.

Our ongoing objective is to invest in our people and enhance our people processes, aiming to improve the organisation's human capital and deliver superior service to stakeholders. We recognise that human capital is a critical component of a successful organisation, and therefore, attracting, developing, and retaining the right talent remains a strategic imperative. We continue to devote our full attention to this aspect. In line with the growth and execution of new projects, recruitment has been a key focus, and we have successfully attracted professionals to join our team. This year, we have on boarded new talent across various levels within the organisation to address gaps. Currently, we have over 275 employees working directly and indirectly for the company. Our management is committed to creating a conducive and supportive work environment that enables employees to excel through various engagement programs. We provide better tools, technology, and techniques at the workplace to harness the latent potential of our workforce and improve individual and group performance. The Human Resources department organises regular training and development programs to sharpen skills, update concepts, and expand knowledge. Critical functional heads have also received external technical training to prepare them for upcoming projects. We prioritise occupational safety and health measures in all work areas, including manufacturing zones. At our Company, we strive to foster a culture of continuous learning, where every interaction leads to personal and professional growth. We emphasise the importance of de-stressing techniques and maintaining a growth mindset, as learning thrives through sharing and supporting others. We firmly believe that a happy individual performs exceptionally well. Throughout the year, we have maintained cordial industrial relations, further reinforcing our commitment to a harmonious work environment.

### Risk & Risk Mitigation

The Risk Committee maintains an active oversight of the risk and the effectiveness of the risk mitigation strategies and plans put in place by the Company. Identified key risks of the Company includes Strategic Risk, Operational Risk, Environment, Safety and Governance (ESG) Risk and Information & Cyber Security

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

**Supply Chain Risk:** Kranti Industries has established strong relationships with reliable suppliers and implemented a robust supply chain management system. The company has identified alternative suppliers, maintains buffer stocks, and continuously monitors and evaluates supplier performance to mitigate the risk of disruptions or delays in the supply of raw materials and components.

**Technological Risk:** Kranti Industries has invested in research and development (R&D) to stay updated with the latest advancements in auto component manufacturing. The company continuously upgrades its machinery and equipment, adopts new technologies, and provides employee training to enhance technical expertise and mitigate technological risks.

**Quality Assurance Risk:** Kranti Industries has implemented stringent quality control measures at every stage of the manufacturing process. Regular inspections, quality checks, and testing are conducted to ensure that components meet or exceed industry standards. The company has implemented a robust quality management system and obtained necessary certifications to enhance credibility and mitigate quality-related risks.

**Market Risk:** Kranti Industries closely monitors market trends, customer demands, and competitor activities. The company proactively identifies and responds to changes in the market by diversifying its customer base and exploring new markets or industries, reducing dependency on a single market segment and mitigating the risk of fluctuations in demand.

**Financial Risk:** Kranti Industries maintains a strong financial position through effective financial risk management. The company manages working capital efficiently, optimises inventory levels, and maintains a healthy cash flow. Regular financial performance reviews, risk assessments, and appropriate measures are implemented to mitigate financial risks such as liquidity risks, currency exchange risks, and interest rate risks.

**Talent Acquisition and Retention:** Kranti Industries focuses on attracting and retaining skilled and talented employees. The company offers competitive remuneration packages, provides opportunities for professional growth and development, and fosters a positive work culture. By investing in its workforce, Kranti Industries mitigates the risk of talent shortages and ensures continuity in operations.

**Regulatory and Compliance Risks:** Kranti Industries stays updated with relevant regulations and compliance requirements in the automotive industry. The company adheres to legal and regulatory standards, obtains necessary certifications, and maintains transparency in business practices to mitigate regulatory and compliance risks.

### India - Economic Outlook

The economic outlook for India in FY24 appears promising, with positive growth indicators. The GDP expansion in

Q4FY23, reaching 6.1%, has been applauded by economists and experts. The overall growth of the economy in FY23 was also impressive, standing at 7.2%. Economists project real GDP growth for FY2024 at 6.0%, with a potential downside risk if certain weather conditions affect the monsoon rains. However, there are factors that could provide an upside to GDP estimates, such as increased capital expenditure by the government and states, as well as swift execution of infrastructure projects. It is anticipated that inflation will moderate in FY2024 compared to the previous fiscal year, which is positive for household budgets and consumption. Nevertheless, challenges remain, including the impact of rising home loan EMIs on urban households' budgets and consumption, the contraction in exports affecting employment, and the potential effects of certain weather conditions on crops, food prices, and farm incomes. Overall, the economic outlook for India in FY24 holds promise, but it is essential to monitor these factors closely.

#### **Auto Components Industry Outlook**

With respect to auto components, the auto components industry is also expected to witness 5% to 8% growth in revenue in FY24, primarily due to strong demand from the domestic market. (ICRA)

#### **Cautionary Statement**

This Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions about the Company's present and future business strategies and the operating environment. However, it is important to note that actual results and information may differ materially from these statements due to risks and uncertainties. Factors that can contribute to such differences include economic and political conditions in India and abroad, volatility in interest rates and the securities market, and the impact of new government regulations and policies on the Company's businesses and its ability to execute its strategies. The information presented in this report is current as of the referenced date, and the Company is under no obligation to update it. While the Company has obtained information from sources believed to be reliable, the accuracy or completeness of such data cannot be guaranteed.

# BOARD REPORT

To the Members,

Your directors take pleasure in presenting the 28th Annual Accounts on the business and operations of your Company, along with the summary of standalone and consolidated financial statements of the Company for the year ended March 31, 2023.

## 1. FINANCIAL HIGHLIGHTS:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22
Revenue from Operations	9,139.73	9,183.28	9,323.74	9,371.51
Other Income	12.79	17.44	410.08	16.96
<b>Total Revenue</b>	<b>9,152.51</b>	<b>9,200.72</b>	<b>9,733.82</b>	<b>9,388.47</b>
Cost of Material Consumed	6130.23	6,072.45	6,150.90	6,088.07
Changes in inventories of finished goods and WIP	-32.33	23.68	(32.33)	23.68
Employee Benefits expenses	991.34	991.65	1,100.08	1112.22
Other Expenses	1137.69	1253.97	1,164.28	1,237.37
Finance Cost	225.95	199.48	249.69	224.84
Depreciation and amortization expenses	392.47	389.97	414.24	417.63
<b>Total Expenditure</b>	<b>8845.34</b>	<b>8,931.19</b>	<b>9,046.86</b>	<b>9,103.81</b>
Profit/(loss) before Exceptional Items, and Tax	-	-	686.96	284.66
Profit/(Loss) Before Tax	307.17	269.53	686.96	284.66
Less: Provision for Taxes				
(a) Current Tax	56.41	49.53	108.57	49.53
(b) Deferred Tax	30.99	59.17	43.01	65.84
(c) Current tax expenses relating to prior years	13.39	(49.53)	13.39	(49.53)
Other Comprehensive income / (Loss) for the year	2.48	3.00	2.48	3.00
Total comprehensive income / (loss) for the period Before Minority Interest	208.85	213.35	524.47	225.66
Minority Interest and Share of Profits (Loss) of Associates	-	-	-	0.19
<b>Total Comprehensive income / (Loss) of the year</b>	<b>208.85</b>	<b>213.35</b>	<b>524.47</b>	<b>225.46</b>

## 2. PERFORMANCE OF THE COMPANY:

### Standalone Basis:

During the period under review, your company has registered a total revenue, on a standalone basis, of ₹91.52 Crores (approx.) as compared to total revenue of ₹92.00 Crores (approx.) made in the previous financial year; whereas EBITDA, on standalone basis, was ₹ 9.25 Cr (approx.) as compared to EBITDA of ₹ 8.59Cr made in the previous financial year and net Profit before Tax (PBT) was Rs.3.07 Cr. as compared to Rs.2.70 Cr in previous year on Standalone basis.

### Consolidated Basis:

During the period under review, the total revenue of the Company, on a consolidated basis, is ₹ 97.33 Crores (approx.), as compared to total revenue of ₹ 93.88 Crores (approx.) in the previous year; whereas EBITDA, on Consolidated basis, was ₹ 13.51Cr (approx.) as compared to EBITDA of ₹ 9.27Cr made in the previous financial year and Profit before Tax (PBT) was Rs. 6.87 Cr. as compared to Rs.2.85 Cr in previous year on Consolidated basis.

## 3. DIVIDEND:

With a view to conserve capital the Board of Directors does not recommend any dividend for the current financial year ended on March 31, 2023.

#### 4. SHARE CAPITAL OF THE COMPANY:

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

The Authorized Share Capital of the Company was stood at ₹ 15,00,00,000/- (Rupees fifteen Crores only)

The paid up share capital of the company as on the March 31, 2023 is Rs 10,56,24,000 divided into 1,05,62,400 equity shares of ₹ 10/- each.

#### 5. DEPOSITS:

During the year, the Company has not accepted any deposits from its members as prescribed under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014

There was an unsecured loan amount of ₹ 4, 67, 00,000 borrowed from the Directors of the Company.

On the other hand, during the year, the company repaid ₹ 2, 80, 000/- to its respective directors and post adjustment of interest amount, the closing balance of unsecured loan amount is stood to ₹ 1, 44, 80,000/- at the end of the year on March 31, 2023.

#### 6. TRANSFER TO RESERVES:

The company has not proposed any amount to be transferred to General Reserve for the FY ended on March 31, 2023.

#### 7. LISTING:

As on date, there are no arrears on account of payment of Listing Fees to the Stock Exchange.

#### 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

##### Board of Directors:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sumit Subhash Vora (DIN: 02002416), Whole Time Director of the Company retires by rotation at the ensuing AGM, and being eligible offers himself for re-appointment.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards on General Meeting ('SS-2') are given in the Notice of this AGM, forming part of the Annual Report.

The Board of the Company consists of 06 (Six) Members, including 03 (Three) Independent Directors; 01 (One) Non-Executive Woman Director, and 02 (Two) Executive Directors (including 1 Chairman & Managing Director as well as 1 Whole- Time Director), and the same are detailed below:

Sr No	Name of the Directors	DIN No.	Designation
1	Indubala Subhash Vora	02018226	Non-Executive Director
2	Sachin Subhash Vora	02002468	Chairman & Managing Director
3	Sumit Subhash Vora	02002416	Whole Time Director
4	Prakash Vasant Kamat	07350643	Independent Director
5	Pramod Vinayak Apshankar	00019869	Independent Director
6	Satchidanand Arun Ranade	03525423	Independent Director

##### Key Managerial Personnel:

In terms of Section 203 of the Companies Act 2013, the Key Managerial Personnels (KMP) of the Company:

Sr. No	Name of the KMP	Designation
1	Mr. Sachin Subhash Vora	Chairman & Managing Director
2	Mr. Sumit Subhash Vora	Whole Time Director
3	Mrs. Sheela Kailas Dhawale	Chief Financial Officer
4	Mr. Bhavesh Subhash Selarka	Company Secretary and Compliance Officer

##### During the year under review

Ms. Shanu Bhandari has tendered her resignation from the office of Company Secretary and Compliance Officer of the Company with effect from 23rd September 2022, due to some personal reasons. The Board places on record its deepest gratitude and appreciation towards her valuable contribution during her tenure.

The Board has, on recommendation of Nomination and Remuneration Committee, has appointed Mr. Bhavesh Subhash Selarka as a Company Secretary and Compliance Officer of the Company with effect from September 24, 2022.

#### **9. INDEPENDENT DIRECTORS:**

In terms of Section 149 of the Companies Act, 2013 and SEBI Listing Regulations, Mr. Prakash Vasant Kamat (DIN: 07350643), Mr. Pramod Vinayak Apshankar (DIN: 00019869) and Mr. Satchidanand Arun Ranade (DIN: 03525423) are the Independent Directors of the Company as on date of this report.

All the Independent Directors of the Company have given requisite declarations as prescribed under section 149 (7) of the Companies Act, that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act 2013 along with related rules framed thereunder.

Regulation 16(1)(b) of SEBI Listing Regulations and complied with the Code of Conduct of the Company as applicable to the Board of directors and Senior Managers. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the Independent Directors of their registration on the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

During the period under review, Independent Directors met on February 13, 2023 without the presence of non-independent Directors, and all the Independent Directors have attended the said meeting.

#### **10. BOARD PERFORMANCE EVALUATION:**

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Companies Act 2013 and the SEBI Listing Regulations.

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual directors, after taking feedback from the directors and committee members. The performance of the independent directors was evaluated by the entire Board except the person being evaluated. The performance evaluation of the Board and its constituents was conducted on the basis of functions, responsibilities, competencies, strategy, tone at the top, risk identification and its control, diversity, and nature of business.

A detailed discussion was held between the members of the Board covering various aspects of the Board's functioning, Board culture, execution and performance of specific duties, professional obligations, and governance. The discussion was to judge knowledge of directors, their independence while taking business decisions; their participation in formulation of business plans; their constructive engagement with colleagues and understanding the risk profile of the company etc. In addition to the above, the Chairman of the Board and / or committee is evaluated on the basis of his leadership, coordination and steering skills.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

In a separate meeting of independent directors, performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into account the views of Executive and Non-Executive Directors in the aforesaid meeting. The Board also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent directors was done by the entire Board, excluding the Independent Director being evaluated.

#### **11. FAMILIARIZATION PROGRAM FOR THE BOARD MEMBERS:**

Refer para on Familiarization Programme in the Report on Corporate Governance for additional details.

#### **12. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

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

- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c. they 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. they have prepared the annual accounts of the Company on a going concern basis;
- e. they have laid down Internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 13. AUDITORS AND AUDITOR'S REPORT:

#### A. STATUTORY AUDITOR'S:

**M/S A D V & Associates, Chartered Accountants, (FRN: 128045W)**, were appointed as Auditors of the Company for a term of 5 (Five) consecutive years, at the AGM held on August 23, 2019. The Auditors have confirmed that they are not disqualified from continuing Auditors of the Company.

**M/S A D V & Associates, Chartered Accountants, (FRN: 128045W)** has audited the books of accounts of the Company for the financial year ended March 31, 2023 and has issued the Auditors' Report thereto. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do call for any further comments.

The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers, which would be required to be dealt with in the Boards' Report.

#### B. SECRETARIAL AUDITOR:

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. Harsheet Jayesh Patel, Sole Proprietor of H. J. Patel and Co., a Company Secretary in Practice to conduct the Secretarial Audit of the Company for the Financial Year 2022-23. The Report of the Secretarial Audit is annexed herewith as **Annexure 'I'**. The said Secretarial Audit Report contains no qualification, reservation or adverse remark or disclaimer.

#### C. COST AUDITOR:

During the period under review, the provisions relating to the Cost Auditor appointment was not applicable to the Company.

#### D. INTERNAL AUDITOR:

During the period under review, Mr Dilip Deshpande, appointed as an Internal Auditors have carried out internal audit for the FY 2022-23. Their reports were reviewed by the Audit Committee.

### 14. INTERNAL FINANCIAL CONTROL:

Internal Financial Controls are an integral part of the management framework and processes that address financial and financial reporting risks. The key internal financial control has been documented, automated wherever possible and embedded in the respective business processes.

The management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Management reviews and control self-assessments.
- Safeguarding assets and their usage.
- Continuous control monitoring by the concern expert officials at team.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations. Key elements of the Internal Control Systems are as follows:
- Existence of Authority Manuals and periodical updating of the same for all Functions.
- Existence of clearly defined organizational structure and authority.

- Existence of corporate policies for Financial Reporting and Accounting.
- Existence of Management information system updated from time to time as may be required.
- Existence of Annual Budgets and Long-Term Business Plans.
- Existence of Audit System.
- Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate.

The management is regularly reviewing the internal progress reports of the Company for performance review which carried out in all the key areas of the operations. Additionally, the management approves all the future plans and reports for significant issues raised by the Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors.

Periodical reports are regularly circulated for perusal of Board of Directors of the Company for the appropriate action as required.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are carried out periodically.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Compliance Report along with Declaration by the Management is annexed as **Annexure 'II'** and **Annexure 'III'** to this report.

## 15. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The report on Corporate Governance as stipulated under the Listing Regulations form part of the Annual Report as Annexure IV. Certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## 16. MEETINGS OF THE BOARD & COMMITTEES:

During the FY 2022-23, the Board of Directors of your Company met 6 (six) times to review strategic, operational and financial performance of the company. All the directors were actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time. The details of the meetings of the board and the Committees along with Attendance are given in the corporate Governance Report **Annexure "IV"**

The gap intervening between two meetings was within the time prescribed under the provisions of The Companies Act, 2013 and other applicable laws.

## 17. COMMITTEES OF THE BOARD:

As on March 31, 2023, the Board had 03 (Three) Committees namely:

1. The Audit Committee,
2. The Nomination and Remuneration Committee
3. The Stakeholders Relationship committee.

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance as **Annexure "IV"**, which forms a part of this Annual Report. Further, during the year under review, all recommendations made by the various committees have been accepted by the Board.

## 18. BOARD POLICIES:

In addition to above, the Board has also adopted below mentioned policies:

- (a) Code of Conduct for Independent Directors
- (b) Risk Management Policy
- (c) Nomination and Remuneration Policy
- (d) Related Party Transaction policy

- (e) Whistle Blower Policy & Vigil Mechanism
- (f) Policy On Determination of Materiality
- (g) Insider Trading Policy
- (h) Code for Fair Disclosure of Undisclosed Price Sensitive Information
- (i) Prevention of Sexual Harassment at Workplace
- (j) Familiarization Programme for Independent Directors
- (k) Policy On Orderly Succession
- (l) Policy On Preservation of Documents
- (m) Criteria for making payment to Non- Executive Directors

All above named policies and codes are available on our website ([www.krantiindustries.com](http://www.krantiindustries.com))

## 19. ANNUAL RETURN:

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

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

The management of your Company would like to share the highlights of its performance review on the conservation of energy, technology absorption, foreign exchange earnings and outgo, as below:

### A. CONSERVATION OF ENERGY/ RESOURCES:

The Company has continuously strived towards improving the energy conservation measures in all areas. Company ensures strict compliance with all the statutory requirements and has taken several sustainable steps voluntarily to contribute towards better environment.

#### Steps taken or impact on conservation of energy:

The Company has considered and implemented various processes for conservation of energy like,

1. Only energy efficient LED lights are being purchased for new installation and replacements at all units.
2. Reducing compressed air losses by arresting leakages e.t.c.
3. Installation of high efficiency compressed air dryers.
4. Installation of Capacitor Panel with Harmonic Filters at load side to improve power factor and reduce losses.

#### Steps taken by the Company for utilizing alternate sources of energy:

The Company has installed a roof top Solar system of around 125 KW capacity, under BOOT model wherein we have signed a Power Purchase Agreement with the developer company for our captive consumption. Further, installing the rooftop solar energy for electricity generation have been more beneficial as the Units charges is economical as compared to state electricity board. During the year, 151 MWh power was generated from roof top solar plant.

Further, in the new plant of the Company (Plant-3), is adding of 80Kwp of Rooftop Solar which will further add 110 MWh power (approx.)

#### Capital investment on energy conservation equipment's:

The Company makes every possible effort to save the energy thus it used secondary sources to reduce daily consumption of electricity like genset, the plot of the company is such that it receives abundant of sunlight and natural air circulation. The usage of electricity is for machining purposes which also under severe observation to avoid unnecessary wastage or leakage of supplied power.

#### Water Management:

The Company with persistent efforts to conserve rainwater, wherein we have a system in which we collect the rainwater from the roof of our company and get stored in an underground water tank having capacity of around 30000 ltrs.

#### Waste Management:

The Company has strived to ensure reuse, recycling and responsible disposal of waste by adopting a suitable method.

### Health, safety and environment:

The Company has committed to providing a safe and healthy working environment to our employees, contractors and achieving high standards of environmental protection.

During the year under review the company has ZERO accidents or Fatalities in the premises of company.

### B. TECHNOLOGY ABSORPTION:

Company is committed towards technology driven innovation and lays strong emphasis in inculcating driven culture within the organization.

The Company has best of operating machines and highly precisions equipment for production and quality management also the Company has hired the optimal of quality team who dedicates their full enthusiasm and work tirelessly for delivering best quality and services. The team along with state-of-the-art quality equipment's as necessary for the Machine Shop.

### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Exchange Earnings during the year under review Foreign Exchange Earning of ₹ 62.55 Lakh. Foreign Exchange Outgo during the year is given below

(In ₹ Lakh)

Particulars	As on March 31, 2023	As on March 31, 2022
Spares for Repairs	0.00	2.19
Travelling Expense	0.00	0.00
Advance for Capital Goods & Material	26.32	30.02
Packaging Material	0.00	0.00
Consumables	0.04	0.00

Value of Imports calculated on CIF Basis:

Particulars	As on March 31, 2023	As on March 31, 2022
Capital Goods	199.73	0.00
Raw Material	4.89	0.00

### 21. PARTICULARS OF REMUNERATION OF DIRECTORS AND CERTAIN SPECIFIED EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees), Rules 1975, the ratio of remuneration of each Director to the median of the employees' remuneration, a statement containing the names of employees in terms of remuneration drawn is furnished in **Annexure 'V'**.

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 there are no employees drawing remuneration in excess of the limits set out in the said rules.

### 22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:

The details of Inter Corporate Loans, Guarantees and Investments made by the Company as prescribed under Section 186 of the Companies Act, 2013 forms part of the notes to the audited financial statements of the Company.

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

No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the FY 2022-23.

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

There were no significant / material orders passed by the regulators or courts or tribunals during the FY 2022-23, impacting the going concern status and Company's operations in future.

### 25. PROHIBITION OF INSIDER TRADING:

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted the revised "Code of Conduct to Regulate, Monitor and Report Trading by

Insiders" ("the Code"). The Code is applicable to all Directors, Designated persons and connected Persons and their immediate relatives, who have access to unpublished price sensitive information relating to the Company. The Company has also formulated a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations.

The aforesaid Codes are posted on the Company's website and can be accessed by using web link at <https://www.krantiindustries.com/policies.html>

## **26. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:**

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report is not applicable to your Company.

## **27. CHANGE IN NATURE OF BUSINESS:**

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

## **28. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The Board of the Company consists of 06 (Six) Members, including 03 (Three) Independent Directors; 01 (One) Non-Executive Woman Director, and 02 (Two) Executive Directors (including 1 Chairman & Managing Director as well as 1 Whole-Time Director).

The Board of Directors of the Company has formulated the **Nomination & Remuneration Policy** which is available on the Website of the Company and can be accessed by using web link at <https://www.krantiindustries.com/policies.html>

## **29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

All contracts/ arrangements/ transactions entered by the Company during FY 2022-23 with related parties were on an arm's length basis and in the ordinary course of business. There were no material Related Party Transactions (RPTs) undertaken by the Company during the year that requires Shareholders' approval under Regulation 23(4) of the SEBI Listing Regulations or Section 188 of the Act. The approval of the Audit Committee was sought for all RPTs. Certain transactions which were repetitive in nature were approved through omnibus route. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which is required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. The details of Related Party Transactions (RPT) are provided in the financial statements of the Company.

During FY 2022-23, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, as applicable except Smt Indubala Subhash Vora who has given unsecured loan to the company as mentioned in the Financial Statement under Loan from Directors.

## **30. RISK MANAGEMENT SYSTEM:**

The Company has a robust risk management framework comprising risk governance structure and defined risk management processes. The risk governance structure of the Company is a formal organization structure with defined roles and responsibilities for risk management.

The processes and practices of risk management of the Company encompass risk identification, classification, and evaluation. The Company identifies all strategic, operational, and financial risks that the Company faces, by assessing and analyzing the latest trends in risk information available internally and externally and using the same to plan for risk activities.

Pursuant to Section 134 (3) (n) of the Companies Act, 2013, a Risk Management Policy has been framed by the Board in terms of the requirement of the Act, the Board has developed and implemented the Risk Management Policy and the Board reviews the same periodically.

Our senior management teams review the risks faced by the Company and monitor the development and deployment of risk mitigation action plans and the status is updated to the members of the Audit Committee and the Board of Directors on regular basis.

This Policy seeks to minimize the adverse impact of these risks, thus enabling the Company to control market opportunities effectively and enhance its long-term competitive advantage. Several risks can impact the achievement of a particular business objective. Similarly, a single risk can also impact the achievement of several business objectives.

The focus of risk management is to assess risks and deploy mitigation measures. This is done through periodic review of the risk and strategy of the Board.

During the last financial year, the Company's risk management practices were primarily focuses on the effectiveness of strategic programs in improving our competitive position which provides unique place to the Company in today's competitive business world, our good team of employees and professionals always prepared to address any incidents that may cause business disruptions to our physical and technological model, strengthening internal control to detect fraudulent activity, leadership development and monitoring possible impact of changes in our regulatory environment.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including Cyber Security and related risks as well as those risks which in the opinion of the Board may threaten the existence of the Company. The Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. The Company has made a comprehensive approach to risk management, fully integrating risk management with strategic, financial and customer management so that goals and responsibilities are aligned across the Company.

The Board manages risk systematically across the entire enterprise as well as at the business and transaction level. This comprehensive approach is designed to ensure that risk-based decision-making is appropriate at all levels of the organization.

### **31. STATE OF COMPANY'S AFFAIRS:**

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis (MDA). MDA for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report. In this we have attempted to include discussion on all the specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's own competitive position.

### **32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to Regulation 34(2)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **The Management Discussion and Analysis** Report are presented as a part of Annual Report.

### **33. VIGIL MECHANISM:**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. Under the policy, the Directors and Employees are free to report any violation of the applicable laws and regulations and the code of conduct of the Company. The reportable matters are to be disclosed to the Audit Committee.

During the year under review, the Company has not received any complaints under the said mechanism.

### **34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal ) Act, 2013 ("POSH Act") and Rules made thereunder, a policy for prevention of sexual harassment had been made and Internal Complaints Committee had been set up. This policy allows employees to report sexual harassment at the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. To build awareness in this regard, the Company has been conducting various programs on a continuous basis.

During the year under review, there were no such cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **35. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY:**

During the period under review material changes and commitments which may affect the financial position of the Company between the end of the financial year and the date of the report are listed as below:

1. The Company has acquired controlling stake of 55% in M/s Preciso Metall Private Limited, Thus, the making it a Subsidiary of your Company. Preciso Metall Private Limited is a shell moulding casting foundry located in Kolhapur. The foundry having annual capacity of 2500MT . It is specialized to produced grades like CI, SG, Simo and other special grades. It can cater product range from 180 grams to 32kg with the wall thickness as low as 3mm. The Board believes this addition will further enhanced our footprint in various segments. Further, Mr Sachin Vora and Mr Sumit Vora has been appointed as an Additional Director on the Board of Preciso Metall Private Limited with effect from April 11, 2023.

2. The Company has inaugurated its state of the Art manufacturing facility (Plant-3) on May 15, 2023 at the hands of Dr. Balaji Gopalan (MD- Carraro India Private Limited) This new facility is designed on the concept of digital manufacturing using IoT and industry 4.0 Most of the operational and administrative aspects have been digitalized with specially developed softwares. The Board believes that with this facility the Company is well-position to meet the evolving needs of our customers and deliver exceptional value to all stakeholders.
3. The Board of Directors in its meeting held on May 27, 2023 approved the scheme of merger by absorption of Wonder Precision Private Limited (WPPL) a wholly owned subsidiary with Kranti Industries Limited. Subsequently, the application of the Merger by absorption has been initiated with National Company Law Tribunal (NCLT).
4. The shareholders of the Company through postal ballot dated June 30, 2023 approved the for giving authorization to board of directors to advance any loan, give any guarantee or to provide any security in connection with loan availed by any of the company's subsidiary (ies)/associates/joint venture or any other person specified under section 185 of the companies act, 2013 upto an aggregate limit of ₹ 20,00,00,000/- (rupees twenty crores only)

### 36. DETAILS OF SUBSIDIARIES & ASSOCIATE:

During the period under review, the Company was having 1 Subsidiary and 1 Associate Company whose details are given below:

Name of the Entity	Nature	Date on becoming a subsidiary	Date of cessation of subsidiary
WONDER PRECISION PRIVATE LIMITED	Subsidiary	March 31, 2013	-
KRANTI SFCI PRIVATE LIMITED	Associate	December 17, 2018	-
PRECISO METALL PRIVATE LIMITED*	Subsidiary	April 11, 2023	-

\* Note:- Preciso Metall Private Limited has become a subsidiary of the Company in the current financial year 2023-24, hence the consolidated financial statement does not include financial impact of Preciso Metall Private Limited

Details of Subsidiary and Associate Company in **FORM AOC-1** is annexed as **Annexure 'VI'** to Board's Report

### 37. SECRETARIAL STANDARDS:

The Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### 38. GREEN INITIATIVE:

In compliance with the Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Annual Report 2022-23, the Notice of the 28th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to contact their respective DP and register their email addresses with their respective depository participants, as per the process advised by their respective DP.

### 39. GENERAL DISCLOSURES:

Your directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries except sitting fees as Director of Wonder Precision Private Limited.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.
- The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets and third parties.

#### 40. E-VOTING/BALLOT VOTING

In terms of requirements of the Companies Act, 2013 and the relevant rules made there under, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through National Securities Depository Limited for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 28th Annual General Meeting (AGM) of the Company.

#### GENERAL SHAREHOLDERS INFORMATION:

<b>Annual General Meeting</b>	28 <sup>th</sup> AGM of Kranti Industries Limited
<b>Date</b>	Friday September 08, 2023
<b>Time</b>	03.30 PM onwards
<b>Mode</b>	Physical
<b>Venue</b>	At the Registered Office of the Company at Gat No. 267/B/1, Post Pirangut, Taluka Mulshi, District- Pune- 412115
<b>Financial Year Reported</b>	April 1, 2022 to March 31, 2023
<b>Cut-Off date for Notice</b>	Friday, August 11, 2023
<b>Cut-Off date for E voting</b>	Friday September 01, 2023
<b>Date of Book Closure</b>	September 02, 2023 to September 08, 2023
<b>E-voting Period</b>	September 05, 2023 09.00 AM to September 07, 2023 05.00 PM
<b>Stock Code</b>	542459
<b>ISIN</b>	911T01010
<b>CIN</b>	L29299PN1995PLC095016

The Company sends quarterly, half-yearly, and yearly financial results to the Shareholders electronically. Key financial data is published in highly circulated newspaper in English and the regional language the financial results are posted on the Company's website at [https:// www.krantiindustries.com](https://www.krantiindustries.com)

All disclosures as required under the SEBI Listing Regulations are made to respective Stock Exchanges where the securities of the Company are listed. The same are also available on the Company's website at <https://www.krantiindustries.com>

#### 41. CAUTIONARY STATEMENT:

Statements in this "Management Discussion & Analysis" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the company's markets, changes in the government regulations, tax regimes, economic developments within India and countries with which the company conducts business besides other factors, such as litigation and other labour negotiations.

#### 42. ACKNOWLEDGEMENT:

The directors express their gratitude to customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the commitment and contribution made by the employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, cooperation and support.

We thank the Government of India, the State Governments and statutory authorities and other government agencies for their support and look forward to their continued support in the future.

For and on Behalf of Board of Directors

**KRANTI INDUSTRIES LIMITED**

Sd/-

**SACHIN SUBHASH VORA**

DIN: 02002468

CHAIRMAN & MANAGING DIRECTOR

Date: AUGUST 14, 2023

PLACE: PUNE

Sd/

**SUMIT SUBHASH VORA**

DIN: 02002416

EXECUTIVE DIRECTOR

# SECRETARIAL AUDIT REPORT

## Annexure I

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**KRANTI INDUSTRIES LIMITED**  
Gat No. 267/B/1, At Post Pirangut  
Tal. Mulshi, Pune – 412115  
Maharashtra, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kranti Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2023 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) The 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 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Review Period)**
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Review Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;  
**(Not Applicable to the Company during the Audit Period)** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (I) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (II) Listing Agreements entered into by the Company with BSE Limited.

**I further report that,** there are no such specific laws applicable to the Company.

**I 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 meetings of the Board and Committees of the Board. Except where consent of the directors was received for scheduling meeting at a shorter notice, 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

**For H. J. Patel & Co.**

Company Secretaries

**Harsheet J. Patel**

Proprietor

Company Secretary

FCS No. 7948, CP No. 8433

Place: Pune

Date: May 26, 2023

UDIN: F007948E000394180

Peer Review Certificate No.: 1784/2022

Note: This Report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

## Annexure to the **Secretarial Audit Report**

To,  
The Members,  
**KRANTI INDUSTRIES LIMITED**  
Gat No. 267/B/1, At Post Pirangut  
Tal. Mulshi, Pune – 412115  
Maharashtra, India

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- (4) Wherever required, I 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. My examination was limited to the verification of procedure on test-check 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.

**For H. J. Patel & Co.**  
Company Secretaries

**Harsheet J. Patel**  
Proprietor  
Company Secretary  
FCS No. 7948, CP No. 8433

Place: Pune  
Date: May 26, 2023

UDIN: F007948E000394180  
Peer Review Certificate No.: 1784/2022

# COMPLIANCE REPORT

## Annexure II

### COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members,

**Kranti Industries Limited**

Gat No. 267/B/1, at Post- Pirangut, Taluka- Mulshi, District- Pune- 412115.

Sub : Compliance Certificate under Regulation 17(8) read with Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that for the financial year ended March 31, 2023:

1. We have reviewed Financial Statement and the Cash Flow Statement for the year as aforesaid to the best of our knowledge and belief.
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the and steps we have taken or propose take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee that:
  - a. There have been no significant changes in internal control over financial reporting during the year.
  - b. There had been no changes in accounting polices during the year and
  - c. There have been no instances of significant fraud of which we have become aware and the involvement there in if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

#### For Kranti Industries Limited

Sd/-

**Sachin Vora**

Chairman & Managing Director

Date: July 20, 2023

Sd/-

**Sheela Dhawale**

Chief Financial Officer

# DECLARATION BY MD

## Annexure III

### DECLARATION BY MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The Members,

**Kranti Industries Limited**

Gat No. 267/B/1, at Post- Pirangut, Taluka- Mulshi, District- Pune- 412115.

Sub : Declaration regarding compliance with the Company's Code of Conduct for Directors and Employees.

I, Sachin Subhash Vora, DIN: 02002468, Chairman cum Managing Director of Kranti Industries Limited hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for Directors and Employees of the Company.

For and on Behalf of Board of Directors

**KRANTI INDUSTRIES LIMITED**

Sd/-

**Sachin Vora**

DIN: 02002468

(Chairman & Managing Director)

Date : July 20, 2023

# CORPORATE GOVERNANCE REPORT

## Annexure IV

### Company's Corporate Governance Philosophy

Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practices. Effective corporate governance practice constitutes the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from its culture and ethos. At KRANTI, it is imperative that our Company's affairs are managed in a fair and transparent manner. We ensure that we evolve and follow corporate governance guidelines. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. In accordance with our Vision, Kranti Industries Limited ('KIL') aspires to be the preferred Solution Provider for our Customers, to create values and excellence in operations, to be socially responsible towards people and environment, to continuously improve the process and technology. KIL expects to realise its vision by taking such actions as may be necessary, to achieve its goals of value creation, safety, environment, and people. The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses(b) to (i) of Regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with regard to corporate governance. To further strengthen Company's corporate governance philosophy, the Company has also adopted the Code of Conduct.

### Code of Conduct

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted the Code of Conduct ('CoC/Code') for its Board of Directors, which is available on the website of the Company at <https://www.krantiindustries.com/>. The Company has received confirmations from the Senior Management Personnel regarding compliance of the Code during the year under review. The Company has also adopted the Code of Conduct of Independent Directors ('IDs') which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ('Act'). The same is also available on the website of the Company at <https://www.krantiindustries.com/>. The Company has received confirmation from the Non-Executive Directors (NED) and IDs regarding compliance of the Code, for the year under review.

Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ('SEBI Insider Trading Regulations'), as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code'). The Company Secretary & Compliance Officer is the 'Compliance Officer' in terms of this Insider Trading Code.

### Board of Directors

#### Size and Composition of the Board

The Board of Directors ('Board') is at the core of Our Corporate Governance practice and oversees and ensures that the management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

Our policy is to have a mix of EDs, NEDs, and IDs to maintain the Board's independence and separate its functions of governance and management. As on year ended on March 31, 2023, the Board Comprised of 06 (Six) Members, including 03 (Three) Independent Directors; 01 (One) Non-Executive Woman Director (Promoter), and 02 (Two) Executive Directors (Promoters) (including 1 Chairman & Managing Director as well as 1 Whole-Time Director). The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website at <https://www.krantiindustries.com/board-of-directors.html>

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Act. During the year under review and as on date of this report, none of our Directors have served as Director or as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed Company. Further, none of our IDs have served as Non-Independent Director of any Company on the board of which any of our Non-Independent Director is an ID.

All the Independent Directors of the Company have given requisite declarations as prescribed under section 149 (7) of the Act, that they meet the criteria of Independence as laid down under Section 149(6) of the Act along with related rules framed thereunder.

Regulation 16(1) (b) of SEBI Listing Regulations and have complied with the Code of Conduct of the Company as applicable to the Board of directors and Senior Managers. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the Independent Directors of their registration on the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management. The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at <https://www.krantiindustries.com/investor/Appointment%20Letter&%20Tand%20C.pdf>

During FY 2022-23, none of our directors acted as a Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations. Further, there are no inter-se relationships between our Board Members.

#### Composition and category of directors:

SI No	Name of Director	Category of Directors
1	Sachin Subhash Vora	Promoter - Executive Director
2	Indubala Subhash Vora	Promoter - Non-Executive Director
3	Sumit Subhash Vora	Promoter - Executive Director
4	Prakash Vasant Kamat	Non – Executive Independent Director
5	Pramod Vinayak Apshankar	Non – Executive Independent Director
6	Satchidanand Arun Ranade	Non – Executive Independent Director

#### Directors' Attendance Record and Directorships:

##### Attendance of Directors

SI No	Name of Director	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of Attendance	Whether attended AGM held on September 13, 2022
1	Sachin Subhash Vora	6	6	100%	Yes
2	Indubala Subhash Vora	6	6	100%	Yes
3	Sumit Subhash Vora	6	6	100%	Yes
4	Prakash Vasant Kamat	6	5	83.33%	Yes
5	Pramod Vinayak Apshankar	6	6	100%	Yes
6	Satchidanand Arun Ranade	6	6	100%	Yes

##### Number of Board of Directorship in Other Companies

SI. No.	Name of Director	No. of Membership other than this entity	Category of Directorship	Name of Company
1	Sachin Subhash Vora	4	1. Director 2. Director 3. Director 4. Additional Director	1. Wonder Precision Private Limited 2. Kranti SFCI Private Limited 3. Lekhapal Fintech Private Limited 4. Preciso Metall Private Limited (Appointed on April 11,2023)
2	Indubala Subhash Vora	1	1. Director	1. Wonder Precision Private Limited

Sl. No.	Name of Director	No. of Membership other than this entity	Category of Directorship	Name of Company
3	Sumit Subhash Vora	3	1. Director 2. Director 3. Additional Director	1. Wonder Precision Private Limited 2. Kranti SFCI Private Limited 3. Preciso Metall Private Limited (Appointed on April 11,2023)
4	Prakash Vasant Kamat	0	NIL	NIL
5	Pramod Vinayak Apshankar	1	1. Managing Director	1. Stud Craft (India) Private Limited
6	Satchidanand Arun Ranade	0	NIL	NIL

None of Directors are holding membership in another companies Committee.

#### MEETINGS OF THE BOARD:

The Board of Directors of your Company met 6 (Six) times to review strategic, operational and financial performance of the company. All the directors actively participate in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time. The requisite quorum was present in all the meetings and the maximum interval between any two meetings did not exceed 120 days, as prescribed by The Companies Act, 2013.

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
1	May 13, 2022	6	6
2	June 06, 2022	6	6
3	August 12, 2022	6	6
4	September 23, 2022	6	6
5	November 11, 2022	6	5
6	February 13, 2023	6	6

The particulars of the meeting held and attended by directors are detailed below:

#### Relationships between directors inter-se

Sl. No.	Name of Directors	Relationship with Other Directors
1	Indubala Subhash Vora	Mother of Mr. Sachin Subhash Vora & Mr. Sumit Subhash Vora
2	Sachin Subhash Vora	Son of Mrs. Indubala Subhash Vora & elder brother of Mr. Sumit Subhash Vora
3	Sumit Subhash Vora	Son of Mrs. Indubala Subhash Vora & younger brother of Mr. Sachin Subhash Vora
4	Satchidanand Arun Ranade	NIL
5	Pramod Vinayak Apshankar	NIL
6	Prakash Vasant Kamat	NIL

#### Number of Shares held by Non-Executive Directors:

Sl. No.	Name of Director	Designation	No. of Equity Shares Held as on 31 <sup>st</sup> March,2023
1	Indubala Subash Vora	Non-Executive Director	23,05,253
2	Satchidanand Arun Ranade	Non-Executive Director Independent Director	NIL
3	Pramod Vinayak Apshankar	Non-Executive Director Independent Director	NIL
4	Prakash Vasant Kamat	Non-Executive Director Independent Director	3,600

#### Familiarization Program for Independent Directors:

Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the Company's website <https://krantiindustries.com/investor/DisclosureOfFamiliarizationProgram.pdf> for details of the familiarisation programme for IDs on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

### Key Board Qualifications, Expertise and Attributes

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key skills, expertise, competencies and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board.

#### Director skills, expertise, competencies and attributes desirable in Company's business and sector in which it functions

Areas of Skills/ Expertise/ Competence

	Leadership	Strategy	Operations	Technology	Finance	Governance	Government/ Regulatory Affairs
Indubala Subhash Vora	Yes	Yes	Yes	No	No	Yes	No
Sachin Subhash Vora	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sumit Subhash Vora	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Satchidanand Arun Ranade	Yes	Yes	Yes	No	Yes	Yes	Yes
Pramod Vinayak Apshankar	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Prakash Vasant Kamat	Yes	Yes	Yes	Yes	No	No	Yes

#### Changes to Board during FY 2022-23

During the period under reviewed, there was no change in composition of the Board.

#### Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') formulates and recommends to the Board the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for appointment and removal of Directors and determining Directors' independence is available on our website at <https://www.krantiindustries.com/investor/Nomination%20and%20Remuneration%20Policy.pdf>

#### THE COMMITTEES OF THE BOARD:

As on March 31, 2023, the Board had 03 (Three) Committees namely:

1. Audit Committee,
2. Nomination and Remuneration Committee
3. Stakeholders Relationship committee.

During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided herewith.

#### A. AUDIT COMMITTEE:

During the year FY 2022-23, the Audit Committee was duly constituted, and the details are given below:

Name of the Director	Category	Position in the Committee
Satchidanand Arun Ranade	Independent Director	Chairman
Pramod Vinayak Apshankar	Independent Director	Member
Sachin Subhash Vora	Managing Director	Member

During the year, all the recommendations made by the Audit Committee were accepted by the Board.

During the period under review, Audit Committee members met 4 (Four) times on May 13, 2022, August 12, 2022, November 11, 2022 and February 13, 2023. All the members of the Audit Committee have attended all the meetings.

In addition to above Audit Committee Composition the Company Secretary of the Company was also acting as the Secretary to the Audit Committee.

The present constitution of the Audit Committee meets the requirements of the regulation 18 of the SEBI (Listing Obligation and Disclosures Requirements) 2015 and Section 177 of the Companies Act, 2013.

## B. NOMINATION AND REMUNERATION COMMITTEE:

During the year FY 2022-23 the Nomination and Remuneration Committee was duly constituted, and the details are given below:

Name of the Director	Category	Position in the Committee
Prakash Vasant Kamat	Independent Director	Chairman
Satchidanand Arun Ranade	Independent Director	Member
Pramod Vinayak Apshankar	Independent Director	Member

During the period under review, Nomination and Remuneration Committee members met 3 (Three) times on May 13, 2022, June 06, 2022 and September 23, 2022 and all the members of the Committee were present during the meeting.

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the related rules made there under read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter referred to as "SEBI Regulations"), the Board of Directors of the Company has constituted the Nomination and Remuneration Committee to perform such role as prescribed under the Companies Act, 2013 and SEBI Regulations.

The purpose of this committee is to screen and to review individuals qualified to serve as executive directors, non-executive directors and independent director, consistent with criteria approved by the Board of Directors, and to recommend, for approval by the Board of Directors. It reviews and discusses all matters pertaining to candidates and evaluates the candidates. Such committee may also regularly evaluate the usefulness of such performance parameters and make necessary amendments.

The Nomination and Remuneration Policy are available on our website (<http://www.krantiindustries.com/policies.html>)

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises:

Name of the Director	Category	Position in the Committee
Pramod Vinayak Apshankar	Independent Director	Chairman
Satchidanand Arun Ranade	Independent Director	Member
Prakash Vasant Kamat	Independent Director	Member
Sachin Subhash Vora	Managing Director	Member

During the period under review, Stakeholders Relationship Committee members met on February 13, 2023, and all the members of the Committee have attended the meeting.

Mr. Bhavesh Selarka, Compliance Officer and Company Secretary of the Company is authorized to receive the complaints from Stakeholders of the Company under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may be contacted at:

### KRANTI INDUSTRIES LIMITED

At Gat No. 267/B/1, Post Pirangut, Taluka-Mulshi, District Pune- 412 115

Tel (020) 66755676

Mb no. +91 7028271015

E-mail: [investor@krantiindustries.com](mailto:investor@krantiindustries.com)

No complaints were received during the year under review.

### Remuneration of Directors:

#### Criteria of making payments to Non-Executive Directors

The Company has formulated the criteria of making payments to Non-Executive Directors which is available on website of the Company at <https://krantiindustries.com/investor/CriteriaformakingpaymenttoNonExecutiveDirectors.pdf>.

Remuneration of Directors:

Sr. No	Name of the Director	Designation	Remuneration
1	Sachin Subhash Vora	Chairman & Managing Director	19,79,000
2	Sumit Subhash Vora	Whole Time Director	19,79,000
3	Indubala Subhash Vora	Non-Executive Director	40,000
4	Pramod Vinayak Apshankar	Non-Executive Independent Director	40,000
5	Satchidanand Arun Ranade	Non-Executive Independent Director	40,000
6	Prakash Vasant Kamat	Non-Executive Independent Director	40,000

## General Information for Shareholders

### General Body Meetings

#### Location and time, where last three Annual General Meetings were held:

Financial Year Ended	Date	Time	Venue	Special Resolution Passed
March 31, 2022	September 13, 2022	3:30	Through video conferencing ('VC') / other audio-visual means ('OAVM')	To create the mortgage on the assets of the Company To borrow in excess of Share Capital and Reserves To alter the Memorandum of Association of the Company consequent to addition of few object clauses:
Mach 31, 2021	August 10, 2021	3:30	Through video conferencing ('VC') / other audio-visual means ('OAVM')	Re-appointment of MD Sachin Vora Re-appointment of WTD Sumit Vora Migration to Main Board Resolution for 180 (1)(a) mortgage of property - Threshold limit approval
March 31, 2020	September 18, 2020	3:30	Through video conferencing ('VC') / other audio-visual means ('OAVM')	Approval for granting loans, guarantee or providing security in respect to any loan given to WPPL

#### Details of Extra-ordinary General Meetings held:

During the period under review, your Company has not called an Extra-Ordinary General Meeting.

#### Postal Ballot:

Shareholders has passed a Special Resolution through Postal Ballot on June 30, 2023:

- To consider and approve for giving authorization to Board of Directors to advance any loan, give any guarantee or to provide any security in connection with loan availed by any of the companies subsidiary (ies)/associates/joint venture or any other person specified under section 185 of the companies act, 2013 upto an aggregate limit of ₹ 20,00,00,000/- (rupees twenty crores only) For which Board of Directors appointed Mr. Siddharth Bogawat, Practicing Chartered Accountant as the Scrutinizer of E-voting process. Summary Special Resolution passed through postal ballot as below:

Sr. No.	Particulars	Schedule
1	Cut-off Date for identification of voting rights of the members.	Friday, May 26, 2023
2	Date and Time of commencement of remote e-voting	Wednesday May 31, 2023 & 09.00 A.M.
3	Date and Time of end of remote e-voting	Friday, June 30, 2023 & 05.00 P.M.
4	Submission of report by the scrutinizer	On or before Tuesday, July 04, 2023
5	Date of Declaration of results of voting	On or before Tuesday, July 04, 2023

## MEANS OF COMMUNICATION

The Quarterly and Annual Financial Results during the year were duly furnished to the stock exchange i.e., the BSE Limited (BSE) and the same were published by the Company as under:

Financial Results	Name(s) of Newspapers	Date of Publication
Quarter ended 30 <sup>th</sup> June, 2022	Financial Express & Lok-satta	13 <sup>th</sup> August, 2022
Quarter ended 30 <sup>th</sup> September, 2022	Financial Express & Lok-satta	12 <sup>th</sup> November, 2022
Quarter ended 31 <sup>st</sup> December, 2022	Financial Express & Lok-satta	14 <sup>th</sup> February, 2023
Quarter & year ended on 31 <sup>st</sup> March, 2023	Financial Express & Lok-satta	29 <sup>th</sup> May, 2023

All the Financial Results declared during the year under review are available on website of the Company at <https://krantiindustries.com/financial-information.html>.

Presentations made to institutional investors or to the analysts are available at the Company's website at <https://krantiindustries.com/investor-presentation.html>.

## GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting	28 <sup>th</sup> AGM of Kranti Industries Limited
<b>Date</b>	Friday September 08, 2023
<b>Time</b>	03.30 PM onwards
<b>Mode</b>	Physical
<b>Venue</b>	At the Registered Office of the Company at Gat No. 267/B/1, Post Pirangut, Taluka Mulshi, District- Pune- 412115
<b>Financial Year Reported</b>	April 1, 2022 to March 31, 2023
<b>Cut-Off date for Notice</b>	Friday, August 11, 2023
<b>Cut-Off date for E voting</b>	Friday September 01, 2023
<b>Date of Book Closure</b>	September 02, 2023 to September 08, 2023
<b>E-voting Period</b>	September 05, 2023 09.00 AM to September 07, 2023 05.00 PM
<b>Stock Code</b>	<b>542459</b>
<b>ISIN</b>	911T01010
<b>CIN</b>	L29299PN1995PLC095016

The shares of the Company are currently listed on Main Board of BSE LTD and The Annual Listing Fees for the year 2022-23 has been paid in advance to the aforesaid Stock Exchange.

### Market Price Data:

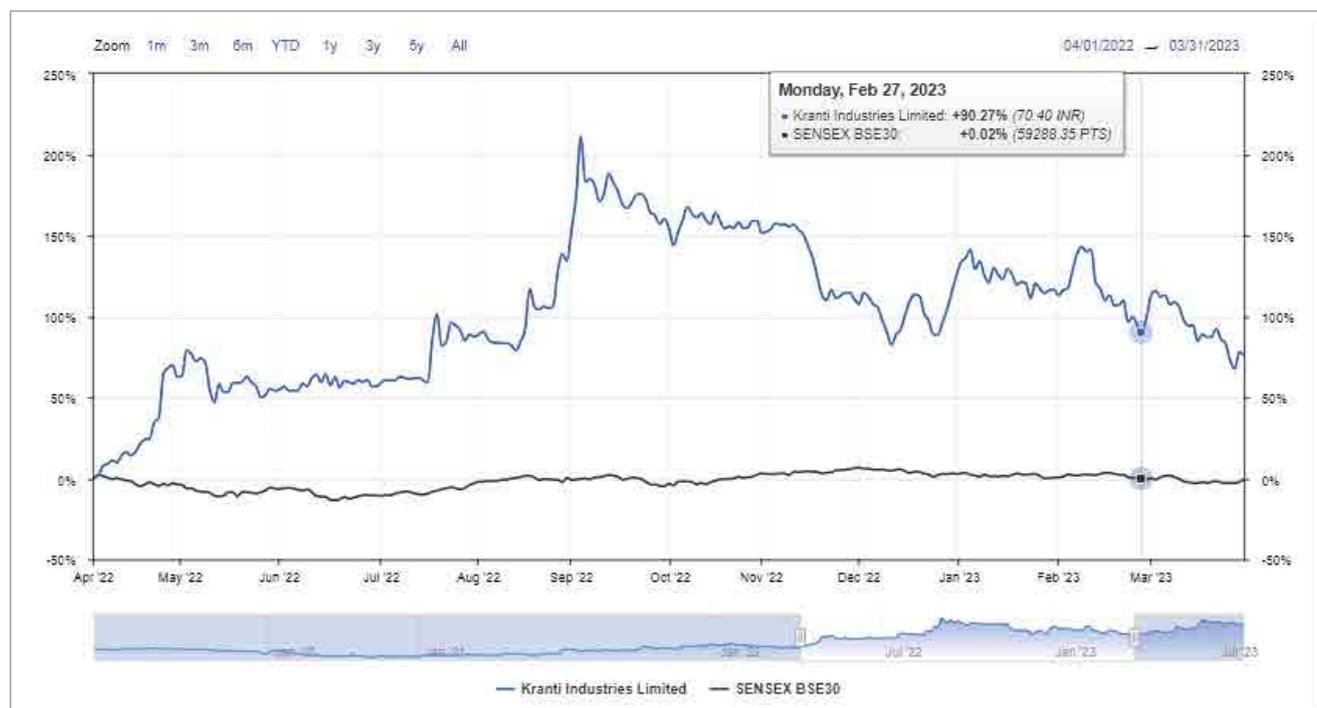
High and Low prices during each month of Financial Year 2022-23 on BSE Limited are as under:

The Closing Price represents the price on the last trading day of each month of Financial Year 2022-23

Month	High (Rs.)	Low (Rs.)
April 2022	66.85	34.15
May 2022	72.9	52
June 2022	62	56.5
July 2022	79	58
August 2022	91.1	66.05
September 2022	123.7	85
October 2022	100	89.5
November 2022	97	74.95
December 2022	83.45	66.05
January 2023	90.45	74.2
February 2023	93.85	67.15
March 2023	82.98	60.2

The graphical presentations of movement of closing share prices of the Company on BSE during the year are as under:

**'Stock price movement of Kranti Industries Limited' versus sensitivity at BSE SENSEX:**



**Registrar and Transfer Agent:**

Link Intime India Private Limited is the Registrar and Transfer agent for handling the share registry work relating to shares held in electronic form, as the company issued 100% shares in Dematerialized mode. The Share Transfers were duly registered and returned in the normal course within stipulated period, if the documents were clear in all respects.

The Shareholders are therefore advised to send all their correspondences directly to the Registrar and Transfer Agent of the Company at the below mentioned address

**Link Intime India Private Limited**

Address: C 101, 247 Park, LBS Marg, Vikhroli West Mumbai- 400 083.

Tel Ph No. +91 22 4918 6000; Fax: +91 22 4918 6060

Email: mumbai@linkintime.co.in; Website: [www.linkintime.co.in](http://www.linkintime.co.in)

However, for the convenience of Shareholders, correspondence relating to Shares received by the Company are forwarded to the Registrar and Transfer Agent for action thereon.

**Share Transfer System:**

The Securities and Exchange Board of India (SEBI) has prohibited the transfer of shares in physical form w.e.f. 01 April, 2019 except in case of transmission or transposition of securities.

The requests for the transfers of Shares under the aforesaid permissible mode(s) are accepted for registration at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfer.

As per the requirements of Regulation 40(9) of the Regulations, the Company has obtained the Yearly Compliance Certificate from a Company Secretary in Practice for due compliance of Share Transfer formalities and the same has been filed with the BSE LTD (BSE) through BSE Listing Centre.

**Dematerialization of shares and liquidity :**

As on 31<sup>st</sup> March, 2023, 100.00% of the Company's Equity Shares have been dematerialized.

### Categorisation of shareholding with Depository & Physical :

Sl. No.	Particulars	Number of Shares	% of Total Issued Capital
1	Issued Capital	1,05,62,400	100.000
2	Listed Capital (Exchange Wise) All (as per Company records)	1,05,62,400	100.000
3	Held in dematerialised form in CDSL	43,43,918	41.126
4	Held in dematerialised form in NSDL	62,18,482	58.874
5	Physical	0.00	0.000
6	Total No. of Shares	1,05,62,400	100.000

### Distribution of Shareholding as on 31 March, 2023:

Category	No of shareholders	Shares held	% of Holding
Promoters and Promoters Group	12	7852365	74.34
Public:			
Body Corporates	16	108613	1.03
Non Resident Indians	63	142091	1.35
individuals holding nominal share capital up to Rs. 2 lakhs	2827	1655727	15.68
individuals holding nominal share capital exceeding Rs. 2 lakhs	10	655020	6.20
others	44	148584	1.41
<b>Total</b>	<b>2972</b>	<b>10562400</b>	<b>100</b>

### Plant locations:

The Company's Plants are located at the below mentioned addresses:

- Plant 1 : Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune 412115, MAHARASHTRA INDIA.
- Plant 2 : Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune 412115, MAHARASHTRA INDIA.
- Plant 3 : Gat No. 1121 to 1123/1126 to 1129/1130/1132/1141 to 1143/ plot no 4, At Post Pirangut, Tal Mulshi District Pune -412115

### Addresses for Correspondence:

For Share transfer/ demat / remat of shares or any other query relating to shares: - Registrar and Transfer Agent  
Link Intime India Private Limited,  
C 101, 247 Park, LBS Marg,  
Vikhroli West Mumbai- 400 083.  
Tel Ph No. +91 22 4918 6000  
Fax: +91 22 4918 6060  
Email: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in) Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### For Investor Assistance: -

#### Mr. Bhavesh Selakra

Company Secretary and Compliance Officer,  
Kranti Industries Limited  
Registered Office: Gat no 267/B/1,  
At Post Pirangut, Tal. Mulshi,  
Pune 412115, MAHARASHTRA INDIA. Phone: 020-66755676,  
Email : [investor@krantiindustries.com](mailto:investor@krantiindustries.com) Web: [www.krantiindustries.com](http://www.krantiindustries.com)

### OTHER DISCLOSURES:

#### Related Party Transactions:

During the year 2022-23, there were no material individual transactions with related parties, which are not in the normal course of business or are not on an Arm's Length basis in terms of Regulation 23 of the Regulations. The statements in summary form of transactions with Related Parties in the ordinary course of business are placed periodically before the Audit Committee for its consideration and approval. All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters. The details of the Related Party Transactions during the year are given in the Notes forming part of the financial statements.

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Regulation 23 of the Regulations and the same is available on the official website of the Company at <https://krantiindustries.com/investor/RELATED%20PARTY%20TRANSACTION%20POLICY1.pdf>

In terms of Regulation 23(9) of the Regulations, the Company has filed the disclosures of related party transactions on a consolidated basis with the BSE Limited (BSE) through BSE Listing Centre on a half yearly basis.

#### Details of non-compliances:

- Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 M/s H J Patel & Co., Practicing Company Secretary has issued the Secretarial Audit Report for FY 2022-23 which does not contains any qualification, reservation or adverse remark or disclaimer.

#### Whistle Blower Policy/Vigil Mechanism:

The Whistle Blower Policy/Vigil Mechanism of the Company has been formulated as per Regulation 22 of the Regulations and Section 177 of the Companies Act, 2013. The policy provides a channel to the employees, Directors and any other person who avails such mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy. The mechanism of policy provides for adequate safeguards against victimization of employees, Directors and any other person who avails such mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The said policy has been communicated to all the personnel and is available on the website of the Company at <https://krantiindustries.com/investor/WHISTLE%20BLOWER%20POLICY%20AND%20VIGIL%20MECHANISM.pdf> Protected disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the Compliance Officer.

During the year under review, no complaint has been received and no unethical behavior has been reported. Further, the Company has not denied any personnel access to the Audit Committee and it will provide protection to Whistle Blower, if any, from adverse personnel action.

#### No Disqualification Certificate:

Certificate from Mr. Harsheet Jayesh Patel, Sole Proprietor of H. J. Patel and Co., a Company Secretary in Practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report. The certificate forms part of Corporate Governance Report and is given in **Annexure A**

#### Consolidated Fees paid to Statutory Auditors

During FY 2022-23, the audit fees paid by the Company and its subsidiaries to the statutory auditors is as below:

Name of Auditor / Firm	Description	Consolidated Fees Paid
M/s ADV & Associates	Statutory Auditor – Kranti Industries limited	₹ 1,00,000 /-

#### Mandatory Requirements:

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations 2015. Details of compliances are given below:

#### I. Disclosure on website in terms of Listing Regulations

Sr No	Item	Compliance status (Yes/No/NA)
1	Details of business	Yes
2	Terms and conditions of appointment of independent directors	Yes
3	Composition of various committees of board of directors	Yes
4	Code of conduct of board of directors and senior management personnel	Yes
5	Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
6	Criteria of making payments to non-executive directors	Yes
7	Policy on dealing with related party transactions	Yes
8	Policy for determining 'material' subsidiaries	Yes
9	Details of familiarization programmes imparted to independent directors	Yes

Sr No	Item	Compliance status (Yes/No/NA)
10	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
11	email address for grievance redressal and other relevant details	Yes
12	Financial results	Yes
13	Shareholding pattern	Yes
14	Details of agreements entered into with the media companies and/or their associates	NA
15	Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	NA
16	New name and the old name of the listed entity	NA
17	Advertisements as per regulation 47 (1)	Yes
18	Credit rating or revision in credit rating obtained	NA
19	Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes
20	Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
21	Materiality Policy as per Regulation 30	Yes
22	Dividend Distribution policy as per Regulation 43A (as applicable)	NA
23	It is certified that these contents on the website of the listed entity are correct	Yes

Sr. No	Particulars	Regulation Number	Compliance status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1), 17(1A) & 17(1B)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes
8	Fees/compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes
14	Maximum number of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Composition of nomination & remuneration committee	19(1) & (2)	Yes
18	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20	Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
21	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
23	Meeting of Risk Management Committee	21(3A)	NA

Sr. No	Particulars	Regulation Number	Compliance status (Yes/No/NA)
24	Vigil Mechanism	22	Yes
25	Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
26	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
27	Approval for material related party transactions	23(4)	NA
28	Disclosure of related party transactions on consolidated basis	23(9)	Yes
29	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
30	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
31	Annual Secretarial Compliance Report	24(A)	Yes
32	Alternate Director to Independent Director	25(1)	Yes
33	Maximum Tenure	25(2)	Yes
34	Meeting of independent directors	25(3) & (4)	Yes
35	Familiarization of independent directors	25(7)	Yes
36	Declaration from Independent Director	25(8) & (9)	Yes
37	D & O Insurance for Independent Directors	25(10)	NA
38	Memberships in Committees	26(1)	Yes
39	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
40	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41	Policy with respect to 33 of directors and senior management	26(2) & 26(5)	Yes

#### Other Disclosures:

- There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given in note number 38 of the standalone financial statements of the Annual Report.
- A Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee.
- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.
- A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- During the year under review, the recommendations made by the different Committees have been accepted by the Board and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year,
  - a) number of complaints filed during the financial year - Nil
  - b) number of complaints disposed of during the financial year - Nil
  - c) number of complaints pending as on end of the financial year - Nil
- Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount: None

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

**ACKNOWLEDGEMENT:**

The directors express their gratitude to customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the commitment and contribution made by the employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, cooperation and support.

We thank the Government of India, the State Governments and statutory authorities and other government agencies for their support and look forward to their continued support in the future.

For and on Behalf of Board of Directors  
**KRANTI INDUSTRIES LIMITED**

Sd/-  
**SACHIN SUBHASH VORA**  
DIN: 02002468  
CHAIRMAN & MANAGING DIRECTOR

Sd/  
**SUMIT SUBHASH VORA**  
DIN: 02002416  
EXECUTIVE DIRECTOR

Date: August 14, 2023  
Place: Pune

## Annexure A

**No Disqualification Certificate from Company Secretary in Practice**  
**(Pursuant to Regulation 34 (3) and Schedule V Para-C Clause (10) (i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members,  
**KRANTI INDUSTRIES LIMITED**  
Gat No. 267/B/1, At Post Pirangut  
Tal. Mulshi, Pune – 412115  
Maharashtra, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KRANTI INDUSTRIES LIMITED** having CIN: L29299PN1995PLC095016 and having registered office at Gat No. 267/B/1, At Post Pirangut Tal. Mulshi, Pune – 412115 Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sachin Subhash Vora	02002468	28/01/2008
2	Sumit Subhash Vora	02002416	28/01/2008
3	Indubala Subhash Vora	02018226	05/12/1995
4	Prakash Vasant Kamat	07350643	13/02/2021
5	Pramod Vinayak Apshankar	00019869	13/02/2021
6	Satchidanand Arun Ranade	03525423	06/04/2021

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

**For H. J. Patel & Co.**  
Company Secretaries

**Harsheet J. Patel**  
Proprietor  
Company Secretary  
FCS No. 7948, CP No. 8433

Place: Pune  
Date: June 27, 2023

UDIN: F007948E000508228  
Peer Review Certificate No.: 1784/2022

## Annexure B

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**KRANTI INDUSTRIES LIMITED**  
Gat No. 267/B/1, At Post Pirangut  
Tal. Mulshi, Pune – 412115  
Maharashtra, India

I have examined the compliance of the conditions of Corporate Governance by **KRANTI INDUSTRIES LIMITED** ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For H. J. Patel & Co.**  
Company Secretaries

**Harsheet J. Patel**  
Proprietor  
Company Secretary  
FCS No. 7948, CP No. 8433

Place: Pune  
Date: June 27, 2023

UDIN: F007948E000508228  
Peer Review Certificate No.: 1784/2022

# DISCLOSURE UNDER SEC 197

## Annexure V

Disclosures as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### 1. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the Financial Year.

Sr. No	Name of the Director	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Indubala S. Vora	Non-Executive Director**	0.17:1
2	Sachin S. Vora	Chairman & Managing Director *	7.19:1
3	Sumit S. Vora	Executive Director*	7.19:1
4	Satchidanand A. Ranade	Independent Director**	0.15:1
5	Prakash V. Kamat	Independent Director **	0.15:1
6	Pramod V. Apshankar	Independent Director **	0.15:1

\* The remuneration includes wages, salary to on roll employees and Directors and variable pay to Executive Directors.

\*\*Non- Executive Directors Remuneration represents only sitting Fees.

### 2. The percentage increase / (decrease) in remuneration of each Director and Key Managerial Person if any, in the financial year.

Sr. No	Name	Designation	Percentage of Increase / Decrease in Remuneration
1	Sachin S. Vora	Chairman & Managing Director	0.12%
2	Sumit S. Vora	Executive Director	0.12%
3	Sheela K. Dhawale	Chief Financial Officer	1.38%
4	Bhavesh S. Selarka	Compliance Officer & Company Secretary	13.94%
5	Median Employee	Material Management Department	12.20%
6	Indubala Vora	Non-Executive Director	60.00%
7	Prakash Kamat	Independent Director	60.00%
8	Pramod Apshankar	Independent Director	60.00%
9	Satchidanand A. Ranade	Independent Director	60.00%

REQUIREMENTS	DISCLOSURE
The percentage increase in the median remuneration of employees in the financial year.	-9.56 %
The number of permanent employees on the rolls of the Company.	176 employees as at March 31, 2023.
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been increase in average remuneration of the employees other than managerial personnel by 1.55 % and average managerial remuneration has increased by 1.61 %
Affirmation that the remuneration is as per the Remuneration policy of the Company.	It is affirmed that the remuneration paid is as per the Remuneration Policy applicable for Directors, Key Managerial Personnel, and other employees, adopted by the Company

### 3. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Sr. No	Name of the KMP	Designation	Remuneration	Total Revenue	% to Total Revenue
1	SACHIN VORA	Chairman & Managing Director	19,79,000	91,52,51,357	0.22%
2	SUMIT VORA	Whole Time Director	19,79,000	91,52,51,357	0.22%
3	SHEELA DHAWALE	Chief Financial Officer	12,63,000	91,52,51,357	0.14%
4	BHAVESH SELARKA	Company Secretary & Compliance Officer	5,69,000	91,52,51,357	0.06%

For and on Behalf of Board of Directors  
**KRANTI INDUSTRIES LIMITED**

Sd/-  
**SACHIN VORA**  
DIN: 02002468  
CHAIRMAN & MANAGING DIRECTOR  
DATE : August 14, 2023

Sd/-  
**SUMIT VORA**  
DIN: 02002416  
EXECUTIVE DIRECTOR

**FORM NO. AOC-1****Annexure VI**

Statement containing the salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures  
(Pursuant to Section 129(3) of the Companies Act 2013, read with Rules of the Companies (Accounts) Rules 2014)

**Part A - Subsidiary Companies of Kranti Industries Limited.**

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

S. No	Particulars	Name of Subsidiary
1	Name of the Subsidiary	WONDER PRECISION PRIVATE LIMITED
2	Date of Acquisition of Company	January 01, 2013
3	Reporting period for the subsidiary concerned, if Different from the Holding Company's reporting period.	March 31, 2023
4	Reporting currency and Exchange rates on the last date of the relevant Financial year in the case of Foreign Subsidiaries	Not applicable
5	Share capital	₹ 1,00,000/-
6	Reserves and Surplus	₹ 269,76,227
7	Total Assets	₹ 281,78,274
8	Total Liabilities	₹ 12,02,046
9	Investments	₹ 0.00
10	Turnover	₹ 639,25,381
11	Profit before taxation	₹ 3,64,85,562
12	Profit after taxation	₹ 300,67,552
13	Proposed Dividend	NIL
14	% of shareholding	100%

\*Note:- The company has acquired controlling stake in Preciso Metall Private Limited on April 11, 2023 making it subsidiary Company from FY 2023-24 thus, the respective financial information is not mentioned hereto.

**Part- B- Associates and Joint Venture Companies of Kranti Industries Limited**

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

S. No.	Name of the Associates	KRANTI SFCI PRIVATE LIMITED
1	Latest Audited Balance Sheet Date	March 31,2023
2	Date on which the Associate or Joint Venture was associated or acquired	December 17, 2018
3	Shares of Associate/Joint Ventures held by the company on the year end	
3 a)	No. of shares	1,50,000
3 b)	Amount of Investment in Associates/Joint Venture	₹ 15,00,000
3 c)	Extend of Holding%	30%
4	Description of how there is significant influence	Due to percentage (%) of Share Capital
5	Reason why the associate/joint venture is not consolidated	Considered in Consolidation as per Equity Method
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	NIL
7	Profit/ Loss for the year (attributed to Shareholding)	NIL
7 a)	Considered in Consolidation	Yes
7 b)	Not Considered in Consolidation	NA

Sd/-  
**Sachin Vora**  
Chairman & Managing Director  
DIN-02002468

Sd/-  
**Sumit Vora**  
Executive Director  
DIN-02002416

Sd/-  
**Sheela Dhawale**  
CFO

Sd/-  
**Bhavesh Selarka**  
CS

Place: Pune  
Date: August 14, 2023

# NOTICE

Dated: August 14, 2023

Dear Member,

You are cordially invited to attend the 28<sup>th</sup> Annual General Meeting of the members of Kranti Industries Limited ('the Company') to be held on Friday, September 08, 2023 at 3.30 PM IST at the registered office of the company situated at Gat No. 267/B/1, At Post Pirangut, Taluka-Mulshi, Pune - 412115, Maharashtra, India.

The Notice of the meeting containing business to be transacted, along with explanatory statement thereon.

As per Section 108 of the Companies Act 2013, read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice.

Sincerely,

By order of the Board of Directors

**KRANTI INDUSTRIES LIMITED**

Sd/-

**BHAVESH SUBHASH SELARKA**

COMPANY SECRETARY AND COMPLIANCE OFFICER

MEMBERSHIP NO: A42734

## Enclosures-

1. *Notice of the 28<sup>th</sup> AGM along with Notes*
2. *Instructions for E-voting*
3. *Explanatory Statements*
4. *Form MGT-11 Proxy Form*
5. *Attendance Slip*
6. *Road-Map of the venue.*

**NOTICE** is hereby given that the **28<sup>th</sup> Annual General Meeting** of **KRANTI INDUSTRIES LIMITED** ("the Company") will be held on **Friday, September 08, 2023 at 03.30 P.M.** IST at the registered office of the company situated at Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune - 412115, Maharashtra, India to transact the following business:

### ORDINARY BUSINESS:

#### Item No.1 Adoption of financial statements:

##### To receive, consider and adopt:

- a. The Audited **Standalone** Financial Statements of the Company for the financial year ended **March 31, 2023** together with the reports of Board of Directors ('the Board') and the Auditors' thereon; and
  - b. The Audited **Consolidated** Financial Statements of the Company for the financial year ended **March 31, 2023** together with the report of Auditors' thereon.
- a) "RESOLVED THAT the Audited **Standalone** Financial Statements of the Company for the Financial Year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."
  - b) "RESOLVED THAT the Audited **Consolidated** Financial Statements of the Company for the Financial Year ended March 31, 2023 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

#### Item No.2 To Re-appoint Mr. Sumit Subhash Vora (DIN: 02002416) who retires by rotation as a Director.

To appoint Mr. Sumit Subhash Vora (DIN: 02002416) who retires by rotation at this meeting as a Director and being eligible offers himself for re-appointment.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Sumit Subhash Vora (DIN: 02002416), who retires by rotation at this Annual General Meeting and being eligible, has offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS:

#### TO OFFER, ISSUE AND ALLOT EQUITY SHARES OF THE COMPANY ON PREFERENTIAL BASIS:

**To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 23(1) (b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and

Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, and other applicable rules made thereunder (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI (ICDR) Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations"), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations") and any other applicable laws, rules and regulations, circulars, notifications, clarifications, guidelines issued by the Reserve Bank of India, Ministry of Corporate Affairs, Government of India, the Securities and Exchange Board of India ("SEBI") and BSE Limited where the equity shares of the Company are listed ("Stock Exchange"), or any other authority / body and enabling provisions in the Memorandum and Articles of Association of the Company, and subject to necessary approvals, sanctions, permissions of appropriate statutory / regulatory and / or other authorities and persons, if applicable and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals / sanctions / permissions and / or consents, if any, and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s), which the Board has constituted or may constitute to exercise its powers, including the powers conferred on the Board by this resolution), consent of the Members of the Company be and is hereby accorded, to create, offer, issue and allot at an appropriate time, in one or more tranches on a preferential basis, upto 10,25,000 (Ten Lakh Twenty Five Thousand ) Equity Shares of face value ₹ 10/- (Rupees Ten Only) each ("Equity Shares") for cash at a price of ₹ 101/- per equity shares (including a premium of ₹ 91/- per equity share) for an aggregate amount upto ₹ 10,35,25,000/- (Rupees Ten Crore Thirty Five Lakhs Twenty Five Thousand only) to the below mentioned Non-Promoters, ("Proposed Allottees"), provided that the minimum price of Equity Shares so issued shall not be less than the price arrived at, in accordance with Chapter V of the SEBI (ICDR) Regulations for preferential issue on such terms and conditions, as are stipulated in the explanatory statement attached and as Board may deemed fit in its absolute discretion;

Sl No	Name of the Proposed Allottees	Category	Maximum No. of Equity Shares proposed to be issued	Amount	PAN
1	Pinky Mayur Oswal	Non-promoter Public	38,000	38,38,000	AOAPJ4823Q
2	Madhuri Mahesh Oswal	Non-promoter Public	52,000	52,52,000	ABCPO4780E
3	Dipti Mehul Oswal	Non-promoter Public	52,000	52,52,000	ABCPO4782G
4	Shirish Madhukar Karnik	Non-promoter Public	45,000	45,45,000	ABKPK9216D
5	Mahendra Mangilal Kawedia	Non-promoter Public	20,000	20,20,000	AEHPK3346N
6	Manju Arvindkumar Jain	Non-promoter Public	15,000	15,15,000	AFXPM6515L
7	Ramniklal Mangilal Kawedia	Non-promoter Public	35,000	35,35,000	ABJPK0305L
8	Rohit Ramniklal Kawedia	Non-promoter Public	45,000	45,45,000	ANYPK4819Q
9	Prafulla Diwan	Non-promoter Public	30,000	30,30,000	AAUPD6070D
10	Sadashiv Rama Banjan	Non-promoter Public	15,000	15,15,000	AAVPB4267H
11	Vasanthi Sadashiv Banjan	Non-promoter Public	10,000	10,10,000	ADXPB2716Q
12	Mukesh Ramjibhai Rathod	Non-promoter Public	25,000	25,25,000	AAPPR5864G
13	Swati Avinash Doshi	Non-promoter Public	10,000	10,10,000	AARPD8023F
14	Mahavir Jalamchand Oswal	Non-promoter Public	80,000	80,80,000	AABPO2959D
15	Priti Bimal Patel	Non-promoter Public	80,000	80,80,000	FILPP7974L
16	Vandana Narendra Rathod	Non-promoter Public	15,000	15,15,000	AIVPR6668J
17	Rutvi Narendra Rathod	Non-promoter Public	20,000	20,20,000	CGTPR8886C
18	Rushabh Narendra Rathod	Non-promoter Public	15,000	15,15,000	CJPPR9784J
19	Sonal D Rathod	Non-promoter Public	10,000	10,10,000	AGZPR9698E
20	Jaywanti Sohanraj Rathod	Non-promoter Public	15,000	15,15,000	AGDPR9387A
21	Kiran Kunal Vora	Non-promoter Public	10,000	10,10,000	ALCPJ2716P
22	Pushpa Manikchand Jain	Non-promoter Public	10,000	10,10,000	ACAPJ8397B
23	Ashwini Shah	Non-promoter Public	7,500	7,57,500	CGAPS2614C
24	Sweta Punjabi	Non-promoter Public	7,500	7,57,500	CVUPP7330K
25	Anuja Shah	Non-promoter Public	7,500	7,57,500	BROPS1911A
26	Sweta Solanki	Non-promoter Public	7,500	7,57,500	DICPM9027G
27	Abhay Fulfagar	Non-promoter Public	15,000	15,15,000	AAAPF9533H
28	Varsha Thakkar	Non-promoter Public	10,000	10,10,000	ANEPT0527G
29	Rohan Shah	Non-promoter Public	15,000	15,15,000	BFLPS0927R
30	Ashish Shah	Non-promoter Public	5,000	5,05,000	AVKPS6461L
31	Ankit Solanki	Non-promoter Public	5,000	5,05,000	EHPPS0764B
32	Pramod Ghanshyamdas Shah	Non-promoter Public	25,000	25,25,000	ACXPS3941E
33	Vrajesh Ghanshyamdas Shah	Non-promoter Public	25,000	25,25,000	AKHPS8123M
34	Ritesh Shriram Alladwar	Non-promoter Public	60,000	60,60,000	AINPA8800D
35	Sampat Motilal Gandhi	Non-promoter Public	25,000	25,25,000	ABFPG7020G
36	Satyajit sushil Rajopadhye	Non-promoter Public	25,000	25,25,000	AASPR4559H
37	Satish Ratanchand Bora	Non-promoter Public	25,000	25,25,000	ABQPB4806L
38	Vijaykumar Satyanarayan Agarwal	Non-promoter Public	25,000	25,25,000	AAZPA3337P
39	Kalawati Vijaykumar Agarwal	Non-promoter Public	25,000	25,25,000	AAQPA9323E
40	Wonder Cars Private Limited	Non-promoter Public	50,000	50,50,000	AAACW2784N
41	Dilip Madhav Deshpande	Non-promoter Public	8,000	8,08,000	ABAPD7617H
42	Meena Arun Ranade	Non-promoter Public	5,000	5,05,000	AAWPR5728E
<b>Total</b>			<b>10,25,000</b>	<b>10,35,25,000</b>	

RESOLVED FURTHER THAT in accordance with the provisions of Chapter V of the SEBI (ICDR) Regulations the "Relevant Date" for the purpose of calculating the floor price for the issue of Equity Shares be and is hereby fixed as **Wednesday, 9<sup>th</sup> August, 2023** being the date 30 days prior to the date of General Meeting i.e. Friday, 08th September, 2023;

RESOLVED FURTHER THAT all such Equity Shares to be issued and allotted by the Board shall be subject to provisions of Memorandum and Article of Association of the Company and shall rank pari-passu in all respect including dividend and voting rights with the existing Equity Shares of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013, the names of the Proposed Allottees be recorded for the issue of invitation to subscribe to the Equity Shares and a private placement offer cum application letter in Form No. PAS-4 be issued to the Proposed Allottees inviting them to subscribe to the Equity Shares and consent of the Members of the Company be and is hereby accorded to the issuance of the same to the Proposed Allottees inviting them to subscribe to the Equity Shares;

RESOLVED FURTHER THAT the monies received by the Company from the Proposed Allottees for application of the Equity Shares pursuant to this preferential issue be kept by the Company in a separate bank account;

RESOLVED FURTHER THAT the Proposed Allottees shall be required to bring in the entire consideration for the Equity Shares to be allotted, along with application letter and the consideration for allotment of Equity shares shall be paid to the Company from the bank accounts of the respective proposed allottees;

RESOLVED FURTHER THAT the allotment shall be completed within a period of 15 days from the passing of this resolution, provided that where the allotment of Equity Shares is subject to receipt of any approval or permission from applicable regulatory authorities, the allotment shall be completed within a period of fifteen (15) days from the date of receipt of last of such approvals or permissions;

RESOLVED FURTHER THAT the Equity Shares to be allotted in terms of this resolution shall be made fully paid up at the time of allotment and shall be issued in dematerialized form and shall be subject to lock-in for such period as may be prescribed under Regulation 167 of the SEBI (ICDR) Regulations and the Equity Shares so offered, issued and allotted will be listed on Stock Exchanges where the Equity Shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be;

RESOLVED FURTHER THAT the consideration received for allotment of Equity Shares to the Proposed Allottees shall be kept in separate bank account and the company shall utilize the proceeds of the preferential issue (after meeting the expense related to this preferential issue) towards growth objective including capital expenditure in expansion of business areas, working capital and other general corporate purposes prior to the end of the financial year 2025. The funds will be kept as Deposits/Investments with banks or in liquid / debt Mutual Funds schemes till the issue proceeds are fully utilized.

RESOLVED FURTHER THAT not more than 25% of the consideration received for allotment of Equity Shares to the Proposed Allottees shall be utilised for general corporate purposes.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and listing thereof with the Stock Exchange as appropriate and utilisation of proceeds of the Preferential Issue, open one or more bank accounts in the name of the Company or otherwise, as may be necessary or expedient in connection with the Preferential Issue, apply to Stock Exchange for obtaining of in-principle and listing, trading approval of the Equity Shares and other activities as may be necessary for obtaining listing and trading approvals, file necessary forms with the appropriate authority or expedient in this regard and undertake all such actions and compliances as may be necessary, desirable or expedient for the purpose of giving effect to this resolution in accordance with applicable law including the SEBI (ICDR) Regulations and the SEBI Listing Regulations, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein conferred, to any committee or to one or more Directors or executive of the Company including making necessary filings with the Stock Exchange and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint consultants, professional advisors and legal advisors to give effect to the aforesaid resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors  
**KRANTI INDUSTRIES LIMITED**

Sd/-  
**BHAVESH SUBHASH SELARKA**  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(MEMBERSHIP No: A42734)  
DATE: August 14, 2023  
PLACE: PUNE

## ANNEXURE-1

### DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE 28TH ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of Director	Mr Sumit Subhash Vora
Director Identification Number (DIN)	02002416
Date of Birth & Age	January 13, 1984
Date of Appointment on Board as Director	January 28, 2008
Date of Last Re-appointment as Director	November 26, 2020
Expertise in Specific Functional Areas	<p>Develop and Implement strategic plans to increase efficiency and effectiveness within a business &amp; organization and ensure smooth functioning of business. Specialise in Leading Team for continuous improvement in each function / department for increasing the profitability of the business.</p> <p>Researching and implementing new directives for business growth and Prosperity Monitoring employee productivity. Developing and implementing guidelines for employee evaluations, recruitment and promotion.</p>
Qualification	Diploma in Mechanical Engineering, from Maharashtra State Board. of Technical Education in 2002
Brief Profile	<p>Mr Sumit Subhash Vora, he holds diploma in Mechanical engineering. He has rich experience in automotive industry over decades in the Company and appointed as Whole Time Director of the Company and has been on the board since 2008, where handling of various operations and implement various strategic planning, budgets, analysing of overheads, monitoring inventory, human resources.</p> <p>Having sound knowledge of operational, Development &amp; Execute long-term Business Strategies, Growth Plan, Marketing Strategies, playing role of Support Functions to all other departments.</p>
No. of Equity Shares held in Company	18,54,037 (March 31, 2023)
Number of Meetings of the Board attended during the year 2022-23	Attended 6 out of 6 Board Meetings held during the year.
Terms and Conditions of Appointment or Reappointment along with details of Remuneration sought to be paid and the Remuneration last drawn	<p>Mr Sumit Vora, Whole time director of the Company. He was Appointed as Whole Time Director for a term of 5 years' w e f November 26, 2020</p> <p>Shareholders has approved remuneration of fixed salary of ₹ 2,00,000 Per Month excluding all such other perquisites, amenities which overall Computed shall not be exceed the ceiling limit prescribed under section 197 read with Schedule V of the Companies Act, 2013.</p>
List of outside Directorships in Public/Private Companies	<p>WONDER PRECISION PRIVATE LIMITED</p> <p>KRANTI SFCI PRIVATE LIMITED</p> <p>PRECISO METALL PRIVATE LIMITED (W.E.F APRIL 11 ,2023)</p>
Listed entity from which Director has resigned in last three years	NIL
Chairman/Member of the Committees of the Board of Directors of the Company	NIL
Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director	NIL
Relationship with other Directors/Managers/ KMP	Son of Smt Indubala Vora, Director and Younger brother of Mr Sachin Vora, Chairman and Managing Director of the Company.

## NOTES

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act"), related to Special Business is annexed to be transacted at the 28<sup>th</sup> AGM of the Company.
2. Pursuant to Companies Act, 2013 a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and vote on a poll instead of himself/herself and the proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) members and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person only as a proxy and such person shall not act as proxy for other shareholder.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is enclosed hereto.
4. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the 28<sup>th</sup> Annual General Meeting along with the Annual Report Financial Year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website at [www.krantiindustries.com](http://www.krantiindustries.com), websites of Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
5. For receiving all communication (including Annual Report) from the Company electronically: Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 as amended from time to time, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at venue on the date of the AGM will be provided by NSDL.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM.
8. Register of Members and Share Transfer Books will remain closed from September 01, 2023 to September 08, 2023 (both days inclusive) for the purpose of 28<sup>th</sup> Annual General Meeting.
9. Members seeking any information with regard to the accounts or any matter to be placed at the 28<sup>th</sup> AGM, are requested to write to the Company on or before 1 week in advance through email on [cs@krantiindustries.com](mailto:cs@krantiindustries.com) the same will be replied by the Company suitably.
10. The members are requested to notify change of address, if any, to the Company's Registrar and Transfer Agent.
11. Investor Grievance Redressal: The Company has designated an exclusive e-mail id viz. [investor@krantiindustries.com](mailto:investor@krantiindustries.com) to enable Investors to register their complaints, if any.
12. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/ transposition of shares. Members holding shares in dematerialized mode are requested to submit PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar & Transfer Agent.
13. The Board of Directors of the Company have appointed Mr. Siddharth Bogawat, Chartered Accountant (ICAI Membership No. 134134) as Scrutinizer to scrutinize the remote e-voting process as well as voting conducted during the AGM as in a fair and transparent manner, and he has communicated his willingness to be appointed and will be available for the said purpose. After the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), the Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, and NSDL and will also be displayed on the Company's website.
14. The Company has made special arrangement with the NSDL for registration of email addresses in terms of the MCA Circulars for Members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -**

The remote e-voting period begins on Tuesday, September 05, 2023 at 09:00 A.M. and ends on Thursday, September 07, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 01, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 01, 2023.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

A) Login method for e-Voting for Individual shareholders holding securities in demat mode in terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [siddharth@spbogawat.com](mailto:siddharth@spbogawat.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investor@krantiindustries.com](mailto:investor@krantiindustries.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Anubhav Saxena at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@krantiindustries.com](mailto:cs@krantiindustries.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@krantiindustries.com](mailto:cs@krantiindustries.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

By order of the Board of Directors

**KRANTI INDUSTRIES LIMITED**

Sd/-

**BHAVESH SUBHASH SELARKA**

COMPANY SECRETARY AND COMPLIANCE OFFICER  
(MEMBERSHIP No: A42734)

DATE: August 14, 2023

Place: Pune

## ANNEXURE TO THE 28<sup>TH</sup> ANNUAL GENERAL MEETING NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The Board in their Meeting held on 14th August, 2023, subject to necessary approval(s), had approved to offer, issue and allot equity shares of the Company to proposed allottees on preferential basis.

In accordance with Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time, approval of shareholders of the Company by way of special resolution is required to issue of upto 10,25,000 (Ten Lakh Twenty Five Thousand) Equity Shares having face value of ₹ 10/- (Rupees Ten Only) each for cash at a price of ₹ 101/- per share (including a premium of ₹ 90/- per share) for an amount upto ₹ 10,35,25,000/- (Rupees Ten Crore Thirty Five Lakh Twenty Five Thousand only) to the below Subscribers, Non-Promoter to whom the shares to be allotted on Preferential basis;

SI No	Name of the Proposed Allottee	Category	Maximum No. of Equity Shares proposed to be issued	Amount	PAN
1	Pinky Mayur Oswal	Non-promoter-Public	38,000	38,38,000	AOAPJ4823Q
2	Madhuri Mahesh Oswal	Non-promoter-Public	52,000	52,52,000	ABCPO4780E
3	Dipti Mehul Oswal	Non-promoter-Public	52,000	52,52,000	ABCPO4782G
4	Shirish Madhukar Karnik	Non-promoter-Public	45,000	45,45,000	ABKPK9216D
5	Mahendra Mangilal Kawedia	Non-promoter-Public	20,000	20,20,000	AEHPK3346N
6	Manju Arvindkumar Jain	Non-promoter-Public	15,000	15,15,000	AFXPM6515L
7	Ramniklal Mangilal Kawedia	Non-promoter-Public	35,000	35,35,000	ABJPK0305L
8	Rohit Ramniklal Kawedia	Non-promoter-Public	45,000	45,45,000	ANYPK4819Q
9	Prafulla diwan	Non-promoter-Public	30,000	30,30,000	AAUPD6070D
10	Sadashiv Rama Banjan	Non-promoter-Public	15,000	15,15,000	AAVPB4267H
11	Vasanthi Sadashiv Banjan	Non-promoter-Public	10,000	10,10,000	ADXPB2716Q
12	Mukesh Ramjibhai Rathod	Non-promoter-Public	25,000	25,25,000	AAPPR5864G
13	Swati Avinash Doshi	Non-promoter-Public	10,000	10,10,000	AARPD8023F
14	Mahavir Jalamchand Oswal	Non-promoter-Public	80,000	80,80,000	AABPO2959D
15	Priti Bimal Patel	Non-promoter-Public	80,000	80,80,000	FILPP7974L
16	Vandana Narendra Rathod	Non-promoter-Public	15,000	15,15,000	AIVPR6668J
17	Rutvi Narendra Rathod	Non-promoter-Public	20,000	20,20,000	CGTPR8886C
18	Rushabh Narendra Rathod	Non-promoter-Public	15,000	15,15,000	CJPPR9784J
19	Sonal D Rathod	Non-promoter-Public	10,000	10,10,000	AGZPR9698E
20	Jaywanti Sohanraj Rathod	Non-promoter-Public	15,000	15,15,000	AGDPR9387A
21	Kiran Kunal Vora	Non-promoter-Public	10,000	10,10,000	ALCPJ2716P
22	Pushpa Manikchand Jain	Non-promoter-Public	10,000	10,10,000	ACAPJ8397B
23	Ashwini Shah	Non-promoter-Public	7,500	7,57,500	CGAPS2614C
24	Sweta Punjabi	Non-promoter-Public	7,500	7,57,500	CVUPP7330K
25	Anuja Shah	Non-promoter-Public	7,500	7,57,500	BROPS1911A
26	Sweta Solanki	Non-promoter-Public	7,500	7,57,500	DICPM9027G

SI No	Name of the Proposed Allottee	Category	Maximum No. of Equity Shares proposed to be issued	Amount	PAN
27	Abhay Fulfagar	Non-promoter-Public	15,000	15,15,000	AAAPF9533H
28	Varsha Thakkar	Non-promoter-Public	10,000	10,10,000	ANEPT0527G
29	Rohan Shah	Non-promoter-Public	15,000	15,15,000	BFLPS0927R
30	Ashish Shah	Non-promoter-Public	5,000	5,05,000	AVKPS6461L
31	Ankit Solanki	Non-promoter-Public	5,000	5,05,000	EHPPS0764B
32	Pramod Ghanshyamdas Shah	Non-promoter-Public	25,000	25,25,000	ACXPS3941E
33	Vrajesh Ghanshyamdas Shah	Non-promoter-Public	25,000	25,25,000	AKHPS8123M
34	Ritesh Shriram Alladwar	Non-promoter-Public	60,000	60,60,000	AINPA8800D
35	Sampat Motilal Gandhi	Non-promoter-Public	25,000	25,25,000	ABFPG7020G
36	Satyajit sushil Rajopadhye	Non-promoter-Public	25,000	25,25,000	AASPR4559H
37	Satish Ratanchand Bora	Non-promoter-Public	25,000	25,25,000	ABQPB4806L
38	Vijaykumar Satyanarayan Agarwal	Non-promoter-Public	25,000	25,25,000	AAZPA3337P
39	kalawati Vijaykumar Agarwal	Non-promoter-Public	25,000	25,25,000	AAQPA9323E
40	Wonder Cars Private Limited	Non-promoter-Public	50,000	50,50,000	AAACW2784N
41	Dilip Madhav Deshpande	Non-promoter-Public	8,000	8,08,000	ABAPD7617H
42	Meena Arun Ranade	Non-promoter-Public	5,000	5,05,000	AAWPR5728E
	Total		<b>10,25,000</b>	<b>10,35,25,000</b>	

**Necessary information or details in respect of the proposed Preferential Issue of Equity Shares in terms of Section 42 and 62(1)(c) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Chapter V of the SEBI (ICDR) Regulations are as under:**

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**1. Particulars of the offer including date of passing of the Board resolution, kind of securities offered, total/maximum number of securities to be issued and the Issue Price:**

The Board of Directors of the Company at their meeting held on Monday, 14<sup>th</sup> August, 2023, subject to the approval of the Members of the Company ("Members") and such other approvals as may be required, had approved the issue of upto 10,25,000 (Ten Lakh Twenty Five Thousand) number of Equity Shares of face value ₹ 10/- (Rupees Ten Only) each ("Equity Shares") for cash at a price of ₹ 101/- per equity shares (including a premium of ₹ 91/- per equity share) for an amount upto ₹ 10,35,25,000/- (Rupees Ten Crore Thirty Five Lakh Twenty Five Thousand only) in the following manner:

Sr No.	Name of the Proposed Allottees	PAN	Nature and Number of Securities	Price of Each Security in ₹	Total Amount
1	Pinky Mayur Oswal	AOAPJ4823Q	38,000 (Thirty eight thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 38,38,000 Rupees Thirty Eight Lakh Thirty Eight Thousand Only
2	Madhuri Mahesh Oswal	ABCPO4780E	52,000 (Fifty two thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 52,52,000 Rupees Fifty Two Lakh Fifty Two Thousand Only
3	Dipti Mehul Oswal	ABCPO4782G	52,000 (Fifty two thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 52,52,000 Rupees Fifty Two Lakh Fifty Two Thousand Only
4	Shirish Madhukar Karnik	ABKPK9216D	45,000 (Forty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 45,45,000 Rupees Forty Five Lakh Forty Five Thousand Only

Sr No.	Name of the Proposed Allottees	PAN	Nature and Number of Securities	Price of Each Security in ₹	Total Amount
5	Mahendra Mangilal Kawedia	AEHPK3346N	20,000 (Twenty thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 20,20,000 Rupees Twenty Lakh Twenty Thousand Only
6	Manju Arvindkumar Jain	AFXPM6515L	15,000 (Fifteen thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 15,15,000 Rupees Fifteen Lakh Fifteen Thousand Only
7	Ramnklal Mangilal Kawedia	ABJPK0305L	35,000 (Thirty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 35,35,000 Rupees Thirty Five Lakh Thirty Five Thousand Only
8	Rohit Ramniklal Kawedia	ANYPK4819Q	45,000 (forty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 45,45,000 Rupees Fourty Five Lakh Fourty Five Thousand Only
9	Prafulla diwan	AAUPD6070D	30,000 (Thirty thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 30,30,000 Rupees Thirty Lakh Thirty Thousand Only
10	Sadashiv Rama Banjan	AAVPB4267H	15,000 (Fifteen thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 15,15,000 Rupees Fifteen Lakh Fifteen Thousand Only
11	Vasanthi Sadashiv Banjan	ADXPB2716Q	10,000 (Ten thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 10,10,000 Rupees Ten Lakh Ten Thousand Only
12	Mukesh Ramjibhai Rathod	AAPPR5864G	25,000 (Twenty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 25,25,000 Rupees Twenty Five Lakh Twenty Five Thousand Only
13	Swati Avinash Doshi	AARPD8023F	10,000 (Ten thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 10,10,000 Rupees Ten Lakh Ten Thousand Only
14	Mahavir Jalamchand Oswal	AABPO2959D	80,000 (Eight thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 80,80,000 Rupees Eighty Lakh Eighty Thousand Only
15	Priti Bimal Patel	FILPP7974L	80,000 (Eight thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 80,80,000 Rupees Eighty Lakh Eighty Thousand Only
16	Vandana Narendra Rathod	AIVPR6668J	15,000 (Fifteen thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 15,15,000 Rupees Fifteen Lakh Fifteen Thousand Only
17	Rutvi Narendra Rathod	CGTPR8886C	20,000 (Twenty thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 20,20,000 Rupees Twenty Lakh Twenty Thousand Only
18	Rushabh Narendra Rathod	CJPPR9784J	15,000 (Fifteen thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 15,15,000 Rupees Fifteen Lakh Fifteen Thousand Only
19	Sonal D Rathod	AGZPR9698E	10,000 (Ten thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 10,10,000 Rupees Ten Lakh Ten Thousand Only
20	Jaywanti Sohanraj Rathod	AGDPR9387A	15,000 (Fifteen thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 15,15,000 Rupees Fifteen Lakh Fifteen Thousand Only

Sr No.	Name of the Proposed Allottees	PAN	Nature and Number of Securities	Price of Each Security in ₹	Total Amount
21	Kiran Kunal Vora	ALCPJ2716P	10,000 (Ten thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 10,10,000 Rupees Ten Lakh Ten Thousand Only
22	Pushpa Manikchand Jain	ACAPJ8397B	10,000 (Ten thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 10,10,000 Rupees Ten Lakh Ten Thousand Only
23	Ashwini Shah	CGAPS2614C	7,500 (seven thousand five hundred) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 7,57,500 Rupees Seven Lakh Fifty Seven Thousand Five Hundred Only
24	Sweta Punjabi	CVUPP7330K	7,500 (seven thousand five hundred) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 7,57,500 Rupees Seven Lakh Fifty Seven Thousand Five Hundred Only
25	Anuja Shah	BROPS1911A	7,500 (seven thousand five hundred) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 7,57,500 Rupees Seven Lakh Fifty Seven Thousand Five Hundred Only
26	Sweta Solanki	DICPM9027G	7,500 (seven thousand five hundred) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 7,57,500 Rupees Seven Lakh Fifty Seven Thousand Five Hundred Only
27	Abhay Fulfagar	AAAPF9533H	15,000 (Fifteen thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 15,15,000 Rupees Fifteen Lakh Fifteen Thousand Only
28	Varsha Thakkar	ANEPT0527G	10,000 (Ten thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 10,10,000 Rupees Ten Lakh Ten Thousand Only
29	Rohan Shah	BFLPS0927R	15,000 (Fifteen thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 15,15,000 Rupees Fifteen Lakh Fifteen Thousand Only
30	Ashish Shah	AVKPS6461L	5,000 (Five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 5,05,000 Rupees Five Lakh Five Thousand Only
31	Ankit Solanki	EHPPS0764B	5,000 (Five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 5,05,000 Rupees Five Lakh Five Thousand Only
32	Pramod Ghanshyamdas Shah	ACXPS3941E	25,000 (Twenty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 25,25,000 Rupees Twenty Five Lakh Twenty Five Thousand Only
33	Vrajesh Ghanshyamdas Shah	AKHPS8123M	25,000 (Twenty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 25,25,000 Rupees Twenty Five Lakh Twenty Five Thousand Only
34	Ritesh Shriram Alladwar	AINPA8800D	60,000 (sixty thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 60,60,000 Rupees Sixty Lakh Sixty Thousand Only
35	Sampat Motilal Gandhi	ABFPG7020G	25,000 (Twenty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 25,25,000 Rupees Twenty Five Lakh Twenty Five Thousand Only

Sr No.	Name of the Proposed Allottees	PAN	Nature and Number of Securities	Price of Each Security in ₹	Total Amount
36	Satyajit sushil Rajopadhye	AASPR4559H	25000 (Twenty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 25,25,000 Rupees Twenty Five Lakh Twenty Five Thousand Only
37	Satish Ratanchand Bora		25,000 (Twenty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 25,25,000 Rupees Twenty Five Lakh Twenty Five Thousand Only
38	Vijaykumar Satyanarayan Agarwal	AAZPA3337P	25,000 (Twenty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 25,25,000 Rupees Twenty Five Lakh Twenty Five Thousand Only
39	kalawati Vijaykumar Agarwal	AAQPA9323E	25,000 (Twenty five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 25,25,000 Rupees Twenty Five Lakh Twenty Five Thousand Only
40	Wonder Cars Private Limited	AAACW2784N	50,000 (Fifty thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 50,50,000 Rupees Fifty Lakh Fifty Thousand Only
41	Dilip Dshpande	ABAPD7617H	8,000 (Eight thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 8,08,000/- Rupees Eight Lakh Eight Thousand Only
42	Meena Arun Ranade	AAWPR5728E	5,000 (Five thousand) Equity Shares of face value of ₹ 10/- each	101/-	Upto ₹ 5,05,000 Rupees Five Lakh Five Thousand Only
<b>Total</b>			<b>10,25,000</b>		<b>10,35,25,000</b>

The terms and conditions of the Preferential Issue of the Equity Shares are as stated in the Special Resolution.

## 2. Objects of the Preferential Issue:

The object of issuing the equity shares on preferential basis is to augment capital requirement to meet the needs of its growing business (Expansion of production capacity), working capital, and other general corporate purposes.

The company shall utilize the 75% of the proceeds of the preferential issue (after meeting the expense related to this preferential issue) towards growth objective including capital expenditure in expansion of business areas, working capital and 25% of the proceeds to be used for other general corporate purposes prior to the end of the financial year 2025.

The funds will be kept as Deposits/Investments with banks or in liquid / debt Mutual Funds schemes till the issue proceeds are fully utilized.

## 3. Relevant Date:

In terms of the provisions of Chapter V of the SEBI (ICDR) Regulations, relevant date for determining the floor price for the Preferential Issue of the Equity Shares is 9<sup>th</sup> August 2023, being the date 30 days prior to the date of this Annual General Meeting i.e. 08<sup>th</sup> September 2023.

## 4. Basis on which the price has been arrived at and justification for the price (including premium, if any) and Name and Address of the valuer who performed Valuation:

The Equity Shares of the Company are listed on BSE Limited and are frequently traded in accordance with the SEBI (ICDR) Regulations. Hence, the same has been considered in accordance with the SEBI (ICDR) Regulations for the purpose of computation of the floor price.

Accordingly, the floor price in terms of Regulation 164 of the SEBI (ICDR) Regulation, is ₹ 100.53/- (Rupees One Hundred Fifty Three Paise) per Equity Share, being higher of the following:

- the 90 (Ninety) trading days volume weighted average price of the Equity Shares of the Company quoted on BSE, preceding the Relevant Date, is ₹ 89.57 /- (Rupees Eighty Nine Fifty seven paise only) per Equity Share; or
- the 10 (Ten) trading days volume weighted average price of the Equity Shares of the Company quoted on the BSE, preceding the Relevant Date, is ₹ 100.53/- (Rupees One Hundred Fifty Three Paise only) per Equity Share;.

Further, Articles of Association of the Company doesn't provide for any method of determination for valuation of shares which results in Floor Price higher than determined price pursuant to SEBI (ICDR) Regulations.

Further, in terms of Regulation 166A of the SEBI (ICDR) Regulations, the Company has obtained a valuation report from an independent registered valuer CA Milan Rupchandani, Independent Registered Valuer (IBBI Registered Valuer No. IBBI/RV/06/2019/12563, Membership Number ICAIRVO/06/RV-P00291/2019-2020) and the price determined by such independent registered valuer is ₹ 100.53/- (Rupees One Hundred Fifty Three Paise only) per Equity Share.

The valuation report shall be available for inspection by the Members at the Meeting and will also be made available on the Company's website and will be accessible at link: <https://www.krantiindustries.com> Hence, the floor price in terms of Regulation 164 and read with Regulation 164A of the SEBI (ICDR) Regulations shall be ₹ 100.53/- (Rupees One Hundred Fifty Three Paise only) per Equity Share. The issue price shall be subject to appropriate adjustments in the cases specified under Regulation 166 of the SEBI (ICDR) Regulations.

**5. Amount which the Company intends to raise by way of such securities:**

The Company intends to raise upto ₹ 10,35,25,000/- (Rupees Ten Crore Thirty-Five Lakh Twenty Five Thousand only).

**6. Intent of the Promoters, Directors, Key Managerial Personnel or Senior Management of the Company to subscribe to the Preferential Issue:**

None of the Promoters, Directors, Key Managerial Personnel or Senior Management intend to subscribe to any Equity Shares pursuant to the Preferential Issue.

**7. Certificate of a Practicing Company Secretary:**

The certificate from PCS Harsheet Patel (M. No.7948; COP:8433), Practicing Company Secretary, having its office at Plot No 96, Lane No 5, Natraj Soceity, Karve Nagar, Pune-411052 certifying that the Preferential Allotment is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations is available for inspection by the members during the meeting and will also be made available on the website of the company at [www.krantiindustries.com](http://www.krantiindustries.com)

**8. Time frame within which the Preferential Issue shall be completed:**

As required under the SEBI (ICDR) Regulations, the Equity Shares shall be allotted by the Company within a period of 15 days from the date of passing of Resolution as provided in Special Business of this Notice, provided that where the allotment of the proposed Equity Shares is pending on account of receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

**9. Name of the proposed allottees, class and percentage of post Preferential Issue capital that may be held by them:**

Sr No.	Name of the Proposed Allottees	Class	Pre-Issue Equity Holding		Post-issue Equity Shareholding	
			No of Shares	%	No of Shares	%
1	Pinky Mayur Oswal	Non-promoter Public	33625	0.318	71625	0.618
2	Madhuri Mahesh Oswal	Non-promoter Public	18000	0.170	70000	0.604
3	Dipti Mehul Oswal	Non-promoter Public	25200	0.239	77200	0.666
4	Shirish Madhukar Karnik	Non-promoter Public	3600	0.034	48600	0.419
5	Mahendra Mangilal Kawedia	Non-promoter Public	0	-	20000	0.173
6	Manju Arvindkumar Jain	Non-promoter Public	0	-	15000	0.129
7	Ramniklal Mangilal Kawedia	Non-promoter Public	0	-	35000	0.302
8	Rohit Ramniklal Kawedia	Non-promoter Public	7200	0.068	52200	0.450
9	Prafulla diwan	Non-promoter Public	0	-	30000	0.259
10	Sadashiv Rama Banjan	Non-promoter Public	0	-	15000	0.129
11	Vasanthi Sadashiv Banjan	Non-promoter Public	0	-	10000	0.086
12	Mukesh Ramjibhai Rathod	Non-promoter Public	0	-	25000	0.216
13	Swati Avinash Doshi	Non-promoter Public	7200	0.068	17200	0.148
14	Mahavir Jalamchand Oswal	Non-promoter Public	0	-	80000	0.690

Sr No.	Name of the Proposed Allottees	Class	Pre-Issue Equity Holding		Post-issue Equity Shareholding	
			No of Shares	%	No of Shares	%
15	Priti Bimal Patel	Non-promoter Public	0	-	80000	0.690
16	Vandana Narendra Rathod	Non-promoter Public	0	-	15000	0.129
17	Rutvi Narendra Rathod	Non-promoter Public	400	0.004	20400	0.176
18	Rushabh Narendra Rathod	Non-promoter Public	0	-	15000	0.129
19	Sonal D Rathod	Non-promoter Public	0	-	10000	0.086
20	Jaywanti Sohanraj Rathod	Non-promoter Public	0	-	15000	0.129
21	Kiran Kunal Vora	Non-promoter Public	0	-	10000	0.086
22	Pushpa Manikchand Jain	Non-promoter Public	3600	0.034	13600	0.117
23	Ashwini Shah	Non-promoter Public	0	-	7500	0.065
24	Sweta Punjabi	Non-promoter Public	0	-	7500	0.065
25	Anuja Shah	Non-promoter Public	0	-	7500	0.065
26	Sweta Solanki	Non-promoter Public	0	-	7500	0.065
27	Abhay Fulfagar	Non-promoter Public	0	-	15000	0.129
28	Varsha Thakkar	Non-promoter Public	0	-	10000	0.086
29	Rohan Shah	Non-promoter Public	0	-	15000	0.129
30	Ashish Shah	Non-promoter Public	0	-	5000	0.043
31	Ankit Solanki	Non-promoter Public	0	-	5000	0.043
32	Pramod Ghanshyamdas Shah	Non-promoter Public	0	-	25000	0.216
33	Vrajesh Ghanshyamdas Shah	Non-promoter Public	3600	0.034	28600	0.247
34	Ritesh Shriram Alladwar	Non-promoter Public	0	-	60000	0.518
35	Sampat Motilal Gandhi	Non-promoter Public	0	-	25000	0.216
36	Satyajit sushil Rajopadhye	Non-promoter Public	0	-	25000	0.216
37	Satish Ratanchand Bora	Non-promoter Public	0	-	25000	0.216
38	Vijaykumar Satyanarayan Agarwal	Non-promoter Public	3000	0.028	28000	0.242
39	kalawati Vijaykumar Agarwal	Non-promoter Public	0	-	25000	0.216
40	Wonder Cars Private Limited	Non-promoter Public	22000	0.208	72000	0.621
41	Dilip Madhav Deshpande	Non-promoter Public	0	-	8000	0.069
42	Meena Arun Ranade	Non-promoter Public	10,300	0.098	15300	0.132

10. **Contribution being made by the promoters or Directors either as part of the offer or separately in furtherance of objects-**

No Contribution is being made by the promoters of the Company or Directors as part of the offer or separately in furtherance of its objects

11. **Principle terms of assets charged as securities :**

Not Applicable

12. **Shareholding pattern of the Company before and after the Preferential Issue:**

The shareholding pattern of the Company giving the position as on the latest available BENPOS dated 04<sup>th</sup> August, 2023 being the latest practicable date prior to the approval of Board of Directors of the Company and issuance of notice to the Members of the Company is provided as **Annexure "A"** to the Notice.

13. *Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the Preferential Issue:*

Sr. No.	Name of the Proposed Allottees	Ultimate Beneficial Owner	Category of the allottees	PAN of the Allottees	Pre-issue Equity holding	Percentage (%) of Equity Shares held Pre-Issue	No. of Equity Shares to be allotted	Post issue Equity Holding	Percentage (%) of Equity Shares held post issue
1	Pinky Mayur Oswal	Nor Applicable	Non-promoter-Public	AOAPJ4823Q	33625	0.318	38000	71,625	0.618
2	Madhuri Mahesh Oswal	Nor Applicable	Non-promoter-Public	ABCPO4780E	18000	0.170	52000	70,000	0.604
3	Dipti Mehul Oswal	Nor Applicable	Non-promoter-Public	ABCPO4782G	25200	0.239	52000	77,200	0.666
4	Shirish Madhukar Karnik	Nor Applicable	Non-promoter-Public	ABKPK9216D	3600	0.034	45000	48,600	0.419
5	Mahendra Mangilal Kawedia	Nor Applicable	Non-promoter-Public	AEHPK3346N	0	-	20000	20,000	0.173
6	Manju Arvindkumar Jain	Nor Applicable	Non-promoter-Public	AFXPM6515L	0	-	15000	15,000	0.129
7	Ramniklal Mangilal Kawedia	Nor Applicable	Non-promoter-Public	ABJPK0305L	0	-	35000	35,000	0.302
8	Rohit Ramniklal Kawedia	Nor Applicable	Non-promoter-Public	ANYPK4819Q	7200	0.068	45000	52,200	0.450
9	Prafulla diwan	Nor Applicable	Non-promoter-Public	AAUPD6070D	0	-	30000	30,000	0.259
10	Sadashiv Rama Banjan	Nor Applicable	Non-promoter-Public	AAVPB4267H	0	-	15000	15,000	0.129
11	Vasanthi Sadashiv Banjan	Nor Applicable	Non-promoter-Public	ADXPB2716Q	0	-	10000	10,000	0.086
12	Mukesh Ramjibhai Rathod	Nor Applicable	Non-promoter-Public	AAPPR5864G	0	-	25000	25,000	0.216
13	Swati Avinash Doshi	Nor Applicable	Non-promoter-Public	AARPD8023F	7200	0.068	10000	17,200	0.148
14	Mahavir Jalamchand Oswal	Nor Applicable	Non-promoter-Public	AABPO2959D	0	-	80000	80,000	0.690
15	Priti Bimal Patel	Nor Applicable	Non-promoter-Public	FILPP7974L	0	-	80000	80,000	0.690

Sr. No.	Name of the Proposed Allottees	Ultimate Beneficial Owner	Category of the allottees	PAN of the Allottees	Pre-issue Equity holding	Percentage (%) of Equity Shares held Pre-Issue	No. of Equity Shares to be allotted	Post issue Equity Holding	Percentage (%) of Equity Shares held post issue
16	Vandana Narendra Rathod	Nor Applicable	Non-promoter-Public	AIVPR6668J	0	-	15000	15,000	0.129
17	Rutvi Narendra Rathod	Nor Applicable	Non-promoter-Public	CGTPR8886C	400	0.004	20000	20,400	0.176
18	Rushabh Narendra Rathod	Nor Applicable	Non-promoter-Public	CJPPR9784J	0	-	15000	15,000	0.129
19	Sonal D Rathod	Nor Applicable	Non-promoter-Public	AGZPR9698E	0	-	10000	10,000	0.086
20	Jaywanti Sohanraj Rathod	Nor Applicable	Non-promoter-Public	AGDPR9387A	0	-	15000	15,000	0.129
21	Kiran Kunal Vora	Nor Applicable	Non-promoter-Public	ALCPJ2716P	0	-	10000	10,000	0.086
22	Pushpa Manikchand Jain	Nor Applicable	Non-promoter-Public	ACAPJ8397B	3600	0.034	10000	13,600	0.117
23	Ashwini Shah	Nor Applicable	Non-promoter-Public	CGAPS2614C	0	-	7500	7,500	0.065
24	Sweta Punjabi	Nor Applicable	Non-promoter-Public	CVUPP7330K	0	-	7500	7,500	0.065
25	Anuja Shah	Nor Applicable	Non-promoter-Public	BROPS1911A	0	-	7500	7,500	0.065
26	Sweta Solanki	Nor Applicable	Non-promoter-Public	DICPM9027G	0	-	7500	7,500	0.065
27	Abhay Fulfagar	Nor Applicable	Non-promoter-Public	AAAPF9533H	0	-	15000	15,000	0.129
28	Varsha Thakkar	Nor Applicable	Non-promoter-Public	ANEPT0527G	0	-	10000	10,000	0.086
29	Rohan Shah	Nor Applicable	Non-promoter-Public	BFLPS0927R	0	-	15000	15,000	0.129
30	Ashish Shah	Nor Applicable	Non-promoter-Public	AVKPS6461L	0	-	5000	5,000	0.043

Sr. No.	Name of the Proposed Allottees	Ultimate Beneficial Owner	Category of the allottees	PAN of the Allottees	Pre-issue Equity holding	Percentage (%) of Equity Shares held Pre-Issue	No. of Equity Shares to be allotted	Post issue Equity Holding	Percentage (%) of Equity Shares held post issue
31	Ankit Solanki	Nor Applicable	Non-promoter-Public	EHPPS0764B	0	-	5000	5,000	0.043
32	Pramod Ghanshyamdas Shah	Nor Applicable	Non-promoter-Public	ACXPS3941E	0	-	25000	25,000	0.216
33	Vrajesh Ghanshyamdas Shah	Nor Applicable	Non-promoter-Public	AKHPS8123M	3600	0.034	25000	28,600	0.247
34	Ritesh Shriram Alladwar	Nor Applicable	Non-promoter-Public	AINPA8800D	0	-	60000	60,000	0.518
35	Sampat Motilal Gandhi	Nor Applicable	Non-promoter-Public	ABFPG7020G	0	-	25000	25,000	0.216
36	Satyajit sushil Rajopadhye	Nor Applicable	Non-promoter-Public	AASPR4559H	0	-	25000	25,000	0.216
37	Satish Ratanchand Bora	Nor Applicable	Non-promoter-Public	ABQPB4806L	0	-	25000	25,000	0.216
38	Vijaykumar Satyanarayan Agarwal	Nor Applicable	Non-promoter-Public	AAZPA3337P	3000	0.028	25000	28,000	0.242
39	kalawati Vijaykumar Agarwal	Nor Applicable	Non-promoter-Public	AAQPA9323E	0	-	25000	25,000	0.216
40	Wonder Cars Private Limited	Names of Shareholders 1. Ghanshyam G Agarwal -35% 2. Mrs Urmila G Agarwal---15% 3. Satyanarayan S Agarwal—5% 4. Vijaykumar S Agarwal—45%	Non-promoter-Body Corporate	AAACW2784N	22000	0.208	50000	72,000	0.621
41	Dilip Madhav Deshpande	Nor Applicable	Non-promoter-Public	ABAPD7617H	0	-	8000	8,000	0.069
42	Meena Arun Ranade	Nor Applicable	Non-promoter-Public	AAWPR5728E	10300	0.098	5000	15,300	0.132

**14. Change in Control or Management, if any, that would occur in the Company consequent to the Preferential Issue:**

There shall be no change in management or control of the Company pursuant to the aforesaid issue of Equity Shares. However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Issue.

**15. Justification for offer being made for consideration other than cash together with the valuation report of the Registered Valuer:**

Not applicable. The Offer which is specified in above is being made for cash.

**16. Number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

Save and except the preferential issue as proposed in this special resolution set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the financial year 2023-2024.

**17. Lock In Period**

The Equity Shares shall be locked-in for such period as may be specified under Regulations 167 of the SEBI ICDR Regulations.

**18. Listing:**

The Company will make an application to the Stock Exchange, BSE Limited, at which the existing shares of the Company are listed, for listing of the equity shares. Such equity shares, once allotted, shall rank pari-passu with the existing equity shares of the Company in all respects, including dividend and voting rights.

**19. The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter :**

All the proposed allottees belong to Non-Promoter category.

**20. Material terms of the proposed Preferential Issue of the Equity Shares**

The material terms of the proposed preferential issue of Equity Shares are stipulated in the special resolution as set out in this 28<sup>th</sup> AGM Notice.

**21. Other disclosures:**

a) Neither the Company nor its Directors or Promoters have been declared as wilful defaulter or fraudulent borrower as defined under the Schedule VI of SEBI (ICDR) Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI (ICDR) Regulations

- b) The Company is eligible to make the Preferential Issue under Chapter V of the SEBI (ICDR) Regulations
- c) As the Equity Shares have been listed for a period of more than 90 trading days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI (ICDR) Regulations governing re-computation of the price of shares shall not be applicable;
- d) The Company shall re-compute the price of the Equity Shares to be allotted under the Preferential Issue in terms of the provisions of SEBI (ICDR) Regulations where it is required to do so.
- e) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the Equity Shares to be allotted under the Preferential Issue shall continue to be locked-in till the time such amount is paid by the Proposed Allottees
- f) The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the Stock Exchange (i.e. BSE Limited) and the SEBI Listing Regulations, as amended and circulars and notifications issued by the SEBI thereunder.
- g) The proposed allottees have not sold or transferred any Equity Shares during 90 (Ninety) trading days preceding the relevant date.

Accordingly, the approval of the Members of the Company is hereby sought by way of special resolution for authorizing the Board of Directors of the Company to create, offer, issue and allot Equity Shares of the Company as specifically described in the resolutions set out at in the Special Business of this Notice.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act, 2013 only after the approval of its shareholders by way of a special resolution has been obtained.

Further in terms of Regulations 160 of SEBI (ICDR) Regulations, a special resolution needs to be passed by shareholders of a listed company to issue Equity shares on preferential basis.

The documents referred to in the Notice, for which this shareholder's approval is being obtained, will be available electronically for inspection on website link <https://www.krantiindustries.com> Members seeking to inspect such documents can send an email to [investor@krantiindustries.com](mailto:investor@krantiindustries.com)

Issue of the said Equity Shares would be well within the Authorised Share Capital of the Company.

The Board of Directors believe that the proposed issue is in the best interest of the Company and its Members and

therefore recommends the Special Resolution as set out in the accompanying notice for approval by the Members.

The Board believes that the abovementioned proposals are in the interest of the Company and accordingly, recommends the special resolutions set out at Special Business of this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company.

By order of the Board  
**For Kranti Industries Limited**

Sd/-  
**Bhavesh Selarka**  
Company Secretary & Compliance Officer  
Membership No.: A42734

### Pre-issue and Post Preferential Issue Shareholding pattern

Sr. No.	Category	Pre-Issue Shareholding (as on August 04, 2023)		Post-Issue Shareholding (adjusted for preferential allotment)	
		No. of shares	% of shares	No. of shares	% of shares
<b>A</b>	<b>Promoter Share Holding</b>				
<b>1</b>	<b>Indian Promoters</b>				
	Individuals / HUF	78,52,435	74.34	78,52,435	67.77
	Bodies Corporate	-	0.00	-	0.00
	<b>Sub Total of Indian Promoters</b>	78,52,435	74.34	-	0.00
<b>2</b>	<b>Foreign Promoters</b>				
	Individuals / HUF	-	0.00	-	0.00
	Bodies Corporate	-	0.00	-	0.00
	<b>Sub Total of Foreign Promoters</b>	-	0.00	-	0.00
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>78,52,435</b>	<b>74.34</b>	<b>78,52,435</b>	<b>67.77</b>
<b>B</b>	<b>Public Share holding</b>				
<b>1</b>	<b>Institutions</b>				
	Foreign Portfolio Investors	-	0	-	0
	Financial Institutions/ Banks	-	0	-	0
	<b>Sub Total of Institutions</b>	-	0	-	0
<b>2</b>	<b>Central Government/ State Government(s)/ President of India</b>	-	0	-	0
<b>3</b>	<b>Non-Institutions</b>				
(i) (a)	Individual share capital upto ₹ 2 Lakhs	17,69,049	16.75	20,07,049	17.32
(i) (b)	Individual share capital in excess ₹ 2 Lakhs	5,74,521	5.44	13,11,521	11.32
	NBFCs registered with RBI	-	0.00	-	0.00
	Bodies Corporate	65,895	0.62	1,15,895	1.00
	Clearing Members	-	0.00	-	0.00
	HUF	1,58,542	1.50	1,58,542	1.37
	IEPF	-	0.00	-	0.00
	Non-Resident Indian (NRI)	1,37,248	1.30	1,37,248	1.18
	Trusts	-	0.00	-	0.00
	Unclaimed Shares	-	0.00	-	0.00
	Mutual Funds	-	0.00	-	0.00
	Directors & Relatives	3,774	0.04	3,774	0.03
	Key Managerial Personnel	436	0.00	436	0.00
	Foreign Companies	-	0.00	-	0.00
	Limited Liability Partnerships	500	0.00	500	0.00
	Others	-	0.00	-	0.00
	<b>Sub Total of Non-Institutions</b>				
	<b>Total Public Shareholding (B)</b>	<b>27,09,965</b>	25.66	37,34,965	32.23
	<b>Grand Total (A+B)</b>	<b>1,05,62,400</b>	100	1,15,87,400	100.00

# KRANTI INDUSTRIES LIMITED

Registered Office: Gat No. 267/B1, At Post Pirangut, Tal. Mulshi, Dist. Pune, 412108 INDIA  
Tel: +91-20-66755676; CIN: L29299PN1995PLC095016;  
Email: info@krantiindustries.com; Website: www.krantiindustries.com

## ATTENDANCE SLIP

---

Name of the Member

---

Name of the proxy  
(To be filled if the proxy attends instead of the member)

---

Registered Folio No.

---

DP ID

---

Client ID

---

No. of shares held

---

***\*To be handed over at the entrance of the meeting***

I/We hereby record my/our presence at the 28<sup>th</sup> Annual General Meeting of Kranti Industries Limited to be held at the Registered Office of the company situated at Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune - 412108, Maharashtra, India. on Friday, September 08, 2023 at 03.30 PM.

Place: Pune

Date: September 08, 2023

(Member's/Proxy's Signature)

(To be signed at the time of handing over the slip)

Note:

1. Members are requested to bring their copy of AGM notice for the reference at the meeting.
2. Member/Proxy holder should bring a valid photo identity (i.e. PAN/AADHAR etc.) for identification purposes.

# KRANTI INDUSTRIES LIMITED

Registered Office: Gat No. 267/B1, At Post Pirangut, Tal. Mulshi, Dist. Pune, 412108 INDIA  
Tel: +91-20-66755676; CIN: L29299PN1995PLC095016;  
Email: info@krantiindustries.com; Website: www.krantiindustries.com

## Form MGT-11 PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No / Client ID:

DP ID:

I / We, being the member(s) holding ..... shares of the above named company, hereby appoint

1. Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him

2. Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him

3. Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of Kranti Industries Limited to be held at the Registered Office of the company situated at Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune - 412108, Maharashtra, India. on Friday, September 08, 2023 at 03.30 PM. and at any adjournment thereof in respect of such resolutions as are indicated below:

**Item No.1 Adoption of financial statements:**

- a. The Audited Standalone Financial Statements of the Company for the financial year ended **March 31, 2023** together with the reports of Board of Directors ('the Board') and the Auditors' thereon; and
- b. The Audited Consolidated Financial Statements of the Company for the financial year ended **March 31, 2023** together with the report of Auditors' thereon.

**Item No.2 To Re-appoint Mr. Sumit Subhash Vora (DIN:02002416) who retires by rotation as a Director.**

**Item No.3 To offer, issue and allot Equity shares of the Company on preferential basis**

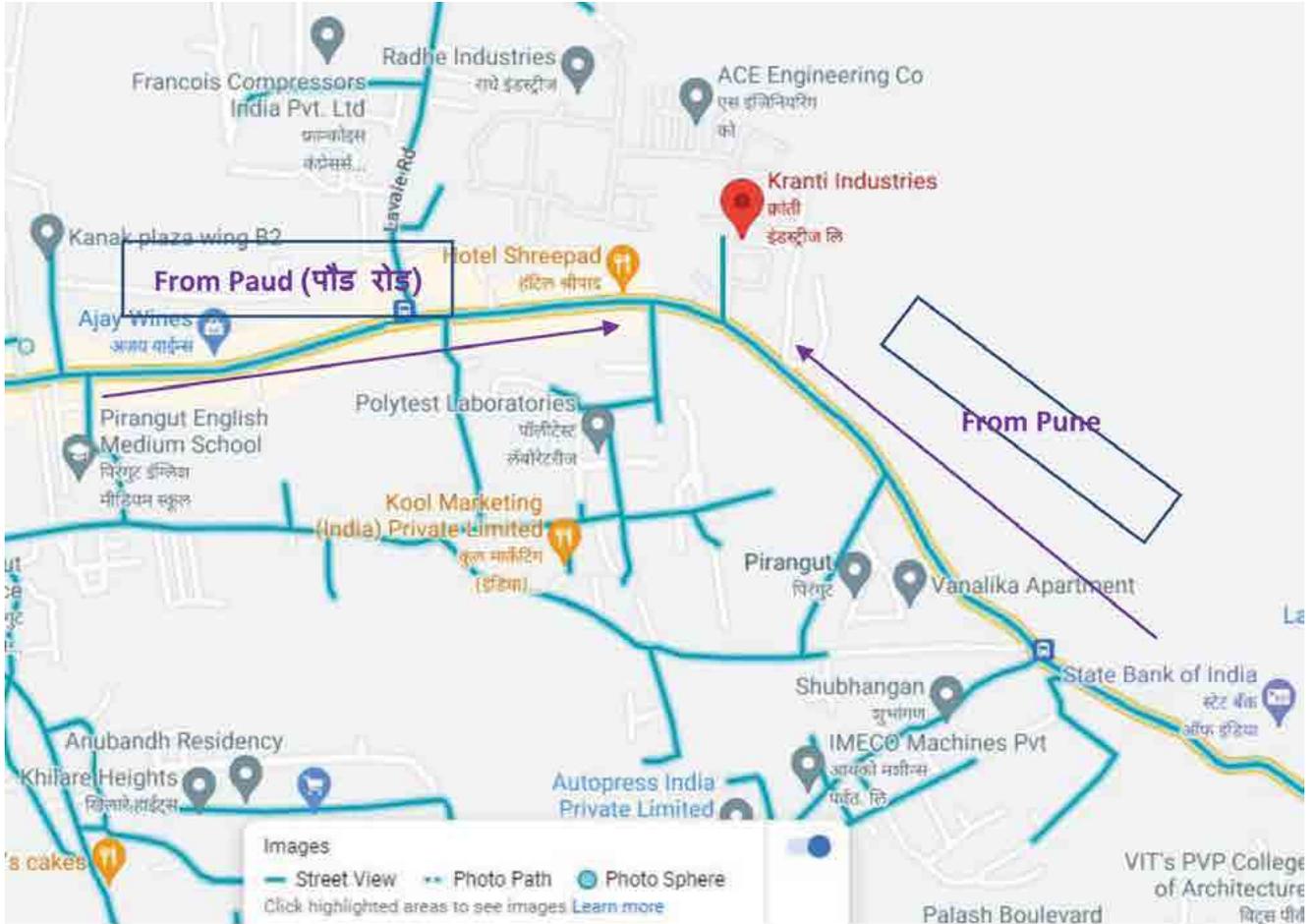
Signed this ..... day of ..... 2023.

Signature of Shareholder(s) .....

Signature of Proxy holder(s) .....

Please affix  
Revenue  
Stamp

## Route Map to venue of the Meeting **KRANTI INDUSTRIES LIMITED**



### **Kranti Industries Limited**

At the Registered Office of the company situated at Gat No. 267/B/1,  
At Post Pirangut, Tal. Mulshi, Pune - 412115, Maharashtra, India.

Tel: +91-20-66755676, CIN: L29299PN1995PLC095016;

Email: [cs@krantiindustries.com](mailto:cs@krantiindustries.com); Website: [www.krantiindustries.com](http://www.krantiindustries.com)

# STANDALONE **FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

To The Members of **Kranti Industries Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of Kranti Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (Including other comprehensive income), Statement of change in equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed (IND AS) under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income and its cash flows for the year ended on that date.

### Basis for opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter
---------	------------------

1	<b>Revenue Recognition</b>
---	----------------------------

(refer Note. 1.10 related to Revenue)

We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and estimation related to recording the discount and rebates. According to the Standalone Financial Statement' accounting principles revenue is recognized at a point in time when the control of the goods is transferred to the customer according to delivery terms. Due to variation of contractual sales terms and practices across the market and the pressure, the management may feel to achieve performance targets, there is a risk of material error.

#### Auditor's Response

To address this risk of material misstatement relating to revenue recognition, our audit procedures included:

- Assessing the compliance of company's revenue recognition policies with applicable accounting standards, including those related to discounts and rebates.
- Assessing the adequacy of relevant disclosures.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, 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.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate

internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

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

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

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv)(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,

no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- 2) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For ADV & ASSOCIATES**

Chartered Accountants  
Firm Registration number: 128045W

**Pratik Kabra**

Partner

Membership number: 611401  
UDIN: 23611401BGUOFJ7192

Mumbai

27<sup>th</sup> May, 2023

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kranti Industries Limited of even date)

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

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

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

### Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kranti Industries Limited (“the Company”) as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial

controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ADV & ASSOCIATES**

Chartered Accountants  
Firm Registration number: 128045W

**Pratik Kabra**

Partner  
Membership number: 611401  
UDIN: 23611401BGUOFJ7192

Mumbai  
27<sup>th</sup> May, 2023

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kranti Industries Limited of even date)

- i) In respect of the Company's Property, Plant and Equipment's and Intangible Assets:
- (a) 1. According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
2. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Fixed Assets have been physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book's records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Variances between the quarterly returns or statements filed by the Company with such banks are in agreement are as follows;

Quarters ending on	June 22	September 22	December 22	March 23
Current Assets submitted to Banks	1800.19	2120.78	1491.09	1736.93
Current Assets as per books	1800.47	2166.87	1526.42	1760.99
Difference	-0.02%	-2.13%	-2.31%	-1.37%

- iii) According to the information and explanations given to us, During the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
- (a) During the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity

To Whom	The Aggregate Amount During the Year (In Lakhs)	Balance Outstanding at the Balance Sheet Date (In Lakhs)
parties other than subsidiaries, joint ventures and associates	60.00	60.00
subsidiaries, joint ventures and associates	20.00	20.00
<b>Total</b>	<b>80.00</b>	<b>80.00</b>

- (b) According to the information and explanation given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

- (c) schedule of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular;
- (d) According to the information and explanation given to us, no amount is overdue in these respect;
- (e) According to the information and explanation given to us, in respect of any loan or advance in the nature of loan granted which has fallen due during the year, none has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;
- (f) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, required details in respect thereof are as below:

The Aggregate Amount	Percentage thereof to the total loans granted	Aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013
80.00	100%	20.00

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
- vii) According to the information and explanations given to us, in respect of statutory dues:
- a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has generally been regular in depositing undisputed statutory dues including Income-Tax, Goods and Services Tax and any other material statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

- c) According to the information and explanations given to us, there are no dues of income tax, duty of excise and service tax and value added tax have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures

during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

- xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company has not received any whistle blower complaints during the year (and upto the date of this report).
- xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) The provision of sub-section (5) of Section 135 of the Companies Act, 2013 not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For ADV& ASSOCIATES**

Chartered Accountants  
Firm Registration number: 128045W

**Pratik Kabra**

Partner

Membership number: 611401  
UDIN: 23611401BGUOFJ7192

Mumbai

27<sup>th</sup> May, 2023

# BALANCE SHEET

as on 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	3,968.16	3,095.84
(b) Right-of-use asset	3	475.60	501.96
(c) Capital work-in-progress	4	276.76	429.13
(d) Intangible assets	5	21.29	18.92
(e) Goodwill			
(f) Financial assets			
(i) Investment	6	335.44	335.51
(ii) Others	7	53.20	28.15
(iii) Other financial assets (NC)			
(g) Income tax assets (net)	33	15.31	25.95
(h) Deferred tax assets (net)	33		
(i) Other non-current assets	8	-	-
<b>Total non-current assets</b>		<b>5,145.78</b>	<b>4,435.46</b>
<b>Current assets</b>			
(a) Inventories	9	924.22	824.53
(b) Financial assets			
(i) Trade receivables	10	836.77	608.81
(ii) Cash and cash equivalents	11	0.71	0.45
(iii) Other financial assets	12	0.82	2.36
(c) Current tax assets (net)	33	-	-
(d) Other current assets	13	126.95	42.45
<b>Total current assets</b>		<b>1,889.47</b>	<b>1,478.60</b>
<b>TOTAL ASSETS</b>		<b>7,035.25</b>	<b>5,914.06</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	1,056.24	1,056.24
(b) Other equity	15	1,374.93	1,166.08
<b>Total equity</b>		<b>2,431.17</b>	<b>2,222.32</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings (Non Current)	16	1,646.85	959.21
(ii) Lease liabilities (Non Current)	17	200.19	270.38
(iii) Other financial liabilities	18	-	-
(a) Provisions	16	-	-
(b) Other non-current liabilities	18	0.75	2.10
(c) Deferred tax liabilities (Net)	33	159.20	114.54
<b>Total non-current liabilities</b>		<b>2,007.00</b>	<b>1,346.24</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings (Current)	19	1,326.77	1,169.94
(ii) Lease liabilities (Current)	20	70.20	77.79
(iii) Trade payables	21		
a) total outstanding dues of micro enterprises and small enterprises		267.82	271.77
b) total outstanding dues of creditors other than micro enterprises and small enterprises		735.68	567.80
(iv) Other financial liabilities	22	153.88	167.85
(b) Other current liabilities	23	21.32	70.57
(c) Provisions	24	19.64	18.58
(d) Income tax liabilities (net)	33	1.78	1.20
<b>Total current liabilities</b>		<b>2,597.07</b>	<b>2,345.51</b>
<b>Total liabilities</b>		<b>4,604.07</b>	<b>3,691.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,035.25</b>	<b>5,914.06</b>
Significant accounting policies	1		
Notes to the financial statements	1-49		

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

As per our report of even date attached

**For and on behalf of A D V Associates**  
Chartered Accountants  
Firm Registration No - 128045W

**Pratik Kabra**  
Partner  
Membership no - 611401  
UDIN: 23611401BGUOFJ7192

Place : Mumbai  
Date : May 27, 2023

**For and on behalf of the board of directors of**  
Kranti Industries Limited

**Sachin Vora**  
Managing Director  
DIN-02002468

**Sheela Dhawale**  
Chief Financial Officer  
Place : Pune  
Date : May 27, 2023

**Sumit Vora**  
Director  
DIN-02002416

**Bhavesh Selarka**  
Company Secretary  
Place : Pune  
Date : May 27, 2023

# STATEMENT OF PROFIT AND LOSS

For Year Ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

	Note	For Year ended 31 March 2023	For Year ended 31 March 2022
Revenue from operations	25	9,139.73	9,183.28
Other income (net)	26	12.79	17.44
<b>Total revenue</b>		<b>9,152.51</b>	<b>9,200.72</b>
<b>Expenses</b>			
Cost of material, operation and incidental cost	27	6,130.23	6,072.45
Purchase of Stock-in- Trade			
Changes in inventories of finished goods and work-in-progress	28	(32.33)	23.68
Employee benefits expenses	29	991.34	991.65
Finance costs	30	225.95	199.48
Depreciation and amortisation expenses	31	392.47	389.97
Other expenses	32	1,137.69	1,253.97
<b>Total expenses</b>		<b>8,845.34</b>	<b>8,931.19</b>
<b>Profit/(loss) before Exceptional Items, and Tax</b>		<b>307.17</b>	<b>269.53</b>
<b>Exceptional items</b>		<b>-</b>	<b>-</b>
<b>Profit before tax</b>		<b>307.17</b>	<b>269.53</b>
<b>Tax expense:</b>	33		
Current tax		56.41	49.53
Deferred tax		30.99	59.17
MAT Credit Entitlement/Utilisation		13.39	(49.53)
<b>Profit for the year</b>		<b>206.38</b>	<b>210.36</b>
<b>Other comprehensive income/(loss) for the year</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit liability / (asset)		3.43	4.05
Income tax on remeasurements of defined benefit liability / (asset)		(0.95)	(1.05)
		<b>2.48</b>	<b>3.00</b>
<b>Other comprehensive income (net of tax)</b>		<b>2.48</b>	<b>3.00</b>
<b>Total comprehensive income for the year</b>		<b>208.85</b>	<b>213.35</b>
<b>Earnings per equity share (face value of Rs. 10 each)</b>			
Basic earnings per share	34	1.95	1.99
Diluted earnings per share		1.95	1.99
Significant accounting policies	1		
Notes to the financial statements	1-49		

The notes referred to above form an integral part of the financial  
As per our report of even date attached

**For and on behalf of A D V Associates**  
Chartered Accountants  
Firm Registration No - 128045W

**Pratik Kabra**  
Partner  
Membership no - 611401  
UDIN: 23611401BGUOFJ7192

Place : Mumbai  
Date : May 27, 2023

**For and on behalf of the board of directors of**  
Kranti Industries Limited

**Sachin Vora**  
Managing Director  
DIN-02002468

**Sheela Dhawale**  
Chief Financial Officer  
Place : Pune  
Date : May 27, 2023

**Sumit Vora**  
Director  
DIN-02002416

**Bhavesh Selarka**  
Company Secretary  
Place : Pune  
Date : May 27, 2023

# STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	For the period ended 31 March 2023	For the year ended 31 March 2022
<b>A. Cash flow from operating activities</b>		
Net Profit before extraordinary items and tax	307.17	269.53
<b>Adjustments for:</b>		
Interest received	(2.31)	-15.40
Dividend received	(0.33)	0.00
Profit on sale of Assets	(8.59)	0.00
Interest paid	225.95	193.26
Depreciation and amortisation	392.47	389.97
Commision income on corporate guarantee	(1.55)	-0.92
Fair valuation gain/loss on instruments measured at fair value through profit and loss account		-1.11
	605.63	565.79
<b>Operating profit before working capital changes</b>	<b>912.81</b>	<b>835.32</b>
<b>Changes in working capital:</b>		
(Increase) in other non-current liabilities	0.21	0.52
(Increase) / Decrease in other non-current financial assets	(25.05)	0.00
Decrease in other non-current assets	-	-61.62
Decrease / (Increase) in inventories	(99.69)	-43.92
(Increase) in trade receivables	(227.96)	246.80
Decrease / (Increase) in other current financial assets	1.54	0.01
Decrease in other current assets	(84.50)	24.10
Increase / (Decrease) in trade payables	163.93	-201.93
Increase in other current financial liabilities	(13.97)	66.04
(Decrease) / Increase in other current liabilities	(49.25)	-15.50
Increase in current provisions	3.53	12.87
	-331.22	27.37
Cash generated from operations	581.59	862.69
Net income tax (paid)	-44.92	-43.12
<b>Net cash flow generated from operating activities</b>	<b>536.67</b>	<b>819.57</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and capital work-in-progress	(1,158.85)	-648.35
Sale proceeds of property, plant and equipment	79.00	99.49
Purchase/Sale of non-current investments	0.06	-20.13
Dividend received	0.33	0.00
Interest received	2.31	15.40
<b>Net cash flow (used in) investing activities</b>	<b>-1077.14</b>	<b>-553.59</b>

## STATEMENT OF CASH FLOWS (Contd.)

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	For the period ended 31 March 2023	For the year ended 31 March 2022
<b>C. Cash flow from financing activities</b>		
Long-term borrowings (repaid) during the year	687.64	-682.64
(Repayment) / Proceeds of short-term borrowings (net)	156.83	521.12
Interest paid	(191.30)	-171.97
Leases		
Principal	(77.79)	-61.64
Interest	(34.65)	-21.28
Transaction costs on issue of shares		-7.65
Tax on dividend paid during the year		0.00
<b>Net cash flow (used in) financing activities</b>	<b>540.74</b>	<b>-424.05</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>0.27</b>	<b>-158.07</b>
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.00
Cash and cash equivalents at the beginning of the year	0.45	158.52
<b>Cash and cash equivalents at the end of the year</b>	<b>0.72</b>	<b>0.45</b>

### Notes to cash flow statement

- The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.
- For the purpose of cash flow, Cash and cash equivalents comprise:

	For the period ended 31 March 2023	For the year ended 31 March 2022
Cash on hand	0.46	0.35
Balances with bank	-	-
- Current accounts	0.25	0.10
	<b>0.71</b>	<b>0.45</b>
	0.01	(0.00)

See accompanying notes forming integral part of these standalone financial statements 1-45

As per our report of even date attached

### For and on behalf of A D V Associates

Chartered Accountants  
Firm Registration No - 128045W

#### Pratik Kabra

Partner  
Membership no - 611401  
UDIN: 23611401BGUOFJ7192

Place : Mumbai  
Date : May 27, 2023

### For and on behalf of the board of directors of

Kranti Industries Limited

#### Sachin Vora

Managing Director  
DIN-02002468

#### Sheela Dhawale

Chief Financial Officer  
Place : Pune  
Date : May 27, 2023

#### Sumit Vora

Director  
DIN-02002416

#### Bhavesh Selarka

Company Secretary  
Place : Pune  
Date : May 27, 2023

# STATEMENT OF CHANGES IN EQUITY

for the Year 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## (a) Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	10,562,400	1,056.24	8,802,000	880.20
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	10,562,400	1,056.24	8,802,000	880.20
Changes in equity share capital during the year	-	-	1,760,400	176.04
Balance at the end of the reporting year	10,562,400	1,056.24	10,562,400	1,056.24

## (b) Other equity

Particulars	Reserves and Surplus			Other equity	Total other equity
	Retained Earnings	Securities Premium	General reserve	Equity contribution from shareholders	
Balance at 01 April 2021	690.89	337.86	30.00	77.67	1,136.42
Total comprehensive income for the Year ended 31 March 2022					-
Add/(Less):					-
Profit for the year	210.36	-	-	-	210.36
Other comprehensive income (net of tax)					-
- Remeasurements of post employment benefit obligations	3.00	-	-	-	3.00
Issue of bonus shares		-176.04			-176.04
Transaction costs on issue of shares		-7.65			-7.65
Transfer from / (to) other reserves	8.36	-		-8.36	0.00
Total comprehensive income	221.72	-183.69	-	-8.36	29.66
Balance at 31 March 2022	912.61	154.17	30.00	69.31	1,166.08
Appropriations					-
Total comprehensive income for the Year ended 31 March 2023					-
Add/(Less):					-
Profit for the year	206.38	-	-		206.38
Other comprehensive income (net of tax)					-
- Remeasurements of post employment benefit obligations	2.48	-			2.48
Issue of bonus shares					-
Transaction costs on issue of shares					-
Transfer from / (to) other reserves					-
Total comprehensive income	208.85	-	-	-	208.85
Balance at 31 March 2023	1,121.46	154.17	30.00	69.31	1,374.94

### Nature and purpose of reserves

#### i) Securities premium

Securities premium account is used to record the premium on issue of shares.

#### ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

#### iii) General reserve

It is created by setting aside amount from the retained earnings of the company for general purposes which is freely available for distribution.

#### iv) Equity contribution from shareholders

Equity contribution from shareholders represents deemed equity with respect to interest free unsecured loans given by the shareholders.

### For and on behalf of A DV Associates

Chartered Accountants  
Firm Registration No - 128045W

#### Pratik Kabra

Partner  
Membership no - 611401  
UDIN: 23611401BGUOFJ7192

Place : Mumbai  
Date : May 27, 2023

### For and on behalf of the board of directors of

Kranti Industries Limited

#### Sachin Vora

Managing Director  
DIN-02002468

#### Sheela Dhawale

Chief Financial Officer  
Place : Pune  
Date : May 27, 2023

#### Sumit Vora

Director  
DIN-02002416

#### Bhavesh Selarka

Company Secretary  
Place : Pune  
Date : May 27, 2023

# Notes to the financial statements

for the year ended 31 March 2023

## Summary of significant accounting policies and notes forming part of the financial statements.

### Corporate overview

Kranti Industries Limited a premier engineering company established in the year 1995. It is a Public limited Company engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies like CNH Industrial (India) Private Limited, Graziano Transmission India Private Limited, Escorts Limited, Neosym Industry Limited, Etc.

### 1. Significant accounting policies

#### 1.1. Basis of preparation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, (the 'Act') read with rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 and relevant amendment rules issued thereafter.

The Company's financial statements up to and for the year ended 31 March 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under the section 133 of the Act and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on May 27, 2023.

- **Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs, as per the requirements of Schedule III of the Act, unless otherwise stated.

#### 1.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

#### 1.3. Use of judgements estimates and assumptions.

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of

(All amounts are in Rupees Lakhs, unless otherwise stated)

each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 41 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 2 , 3 – Useful life of depreciable assets – Property, Plant and Equipment.
- Note 35 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 33 – Recognition of tax expense including deferred tax.

#### 1.4. Current and non-current classification of assets and liabilities

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

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 classified as current when it is:

- Expected to be settled in normal operating cycle

# Notes to the financial statements

for the year ended 31 March 2023

- Held primarily for the purpose of trading
- 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 and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

## 1.5. Property, plant and equipment:

- **Recognition and measurement**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

(All amounts are in Rupees Lakhs, unless otherwise stated)

- **Disposal**

An item of property, plant and equipment is derecognised 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 recognised net within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Part C of Schedule II of the Companies Act, 2013 except in respect of certain assets listed below where the useful life is estimated different from prescribed rate based on internal assessment or independent technical evaluation carried out by external valuers. The Management believes that the useful lives as given below represent the period over which management expects to use these assets.

Class of Assets	Useful life as per Management estimate in years	Useful life as per Schedule II of the Companies act, 2013
Plant and Machinery	20	15
Factory Building	40	30
Furniture and fixtures	10	10
Electrical Installation	10	10
Office equipment	5	5
Computer	3	3
Tools and Instruments	10	10
Motor Vehicle	8	8

## 1.6. Intangible assets:

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, 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.

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to complete development and to use or sell the asset.

- **Subsequent measurement**

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

- **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised 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.

- **Disposal**

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## 1.7. Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

## 1.8. Impairments 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 fair value less costs of disposal 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 1.9. Inventories:

Inventories of raw materials including stores, spares and consumables, packing materials, semi-finished goods, work-in-progress, finished goods are valued at the lower of cost and estimated net realizable value. Cost is determined on weighted average basis. The cost of work-in-progress, semi-finished goods and finished goods includes the cost of material, labor and proportion of manufacturing overheads.

## 1.10. Revenue recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The company collects excise duty, service tax, value added taxes (VAT) and Goods and service tax GST as applicable on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Revenue is disclosed, net of trade discounts and excise duty.

### Sale of goods

Sales are recognized when products are delivered to

# Notes to the financial statements

for the year ended 31 March 2023

the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Due from customers if any are measured at the selling price of the work performed. Prepayments from customers are recognized as liabilities.

## Sale of services

- a. Timing of recognition Revenue from rendering of services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Job-work revenues are accounted as and when such services are rendered.
- b. Measurement of revenue estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

## Recognition of dividend income, interest income:

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

## 1.11. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

(All amounts are in Rupees Lakhs, unless otherwise stated)

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

## 1.12. Employee benefits:

### • Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

### • Post-employment benefits

#### Defined contribution plans

Contributions to the provident fund which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit

# Notes to the financial statements

for the year ended 31 March 2023

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 reporting 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current

(All amounts are in Rupees Lakhs, unless otherwise stated)

liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 1.13. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

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

Deferred tax liabilities are recognised 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;

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 (including unabsorbed depreciation) can be utilised, except:

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

- 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised 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 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.

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

## 1.14. Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 1.15. Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

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
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

## 1.16. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

## 1.17. Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

## 1.18. Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. 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

# Notes to the financial statements

for the year ended 31 March 2023

consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

## Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(All amounts are in Rupees Lakhs, unless otherwise stated)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents

# Notes to the financial statements

for the year ended 31 March 2023

are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 1.19. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest

(All amounts are in Rupees Lakhs, unless otherwise stated)

level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 1.20. Financial instruments

### 1.20.1. Financial assets

#### Initial recognition and measurement

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 instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

#### (a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Notes to the financial statements

for the year ended 31 March 2023

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

## (b) Financial assets classified as measured at FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained earnings. Interest income from these financial assets is included in other income using the effective interest rate method.

## (c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### De-recognition of financial asset

The Company derecognises 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 retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but

(All amounts are in Rupees Lakhs, unless otherwise stated)

retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### Impairment of financial assets

In accordance with Ind AS 109, the 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 amortised cost e.g., loans, deposits and bank balances.
- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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.

## 1202. Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

# Notes to the financial statements

for the year ended 31 March 2023

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

## (a) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the 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 recognised in the statement of profit and loss.

(All amounts are in Rupees Lakhs, unless otherwise stated)

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

## 1.21. Operating Segment

### Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker.

### Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

### Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

### Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

### Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 2 Property, plant and equipment

Description	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles - Others	Office Equipments	Computers	Tools and Fixtures	Total Owned assets	Right-of-use assets	Total Owned + Right-of-use assets
<b>Gross block</b>											
Balance as at 01st April 2022	638.03	663.77	5,957.00	72.11	45.85	18.62	11.20	131.08	7,537.66	520.28	8,057.94
Additions	-	810.79	387.39	-	20.26	20.27	0.84	64.31	1,303.86	-	1,303.86
Disposals	-	-	(307.63)	-	-	-	-	-	(307.63)	-	(307.63)
<b>Balance as at 31 March 2023</b>	<b>638.03</b>	<b>1,474.56</b>	<b>6,036.76</b>	<b>72.11</b>	<b>66.11</b>	<b>38.89</b>	<b>12.04</b>	<b>195.39</b>	<b>8,533.89</b>	<b>520.28</b>	<b>9,054.17</b>
<b>Accumulated depreciation</b>											
Balance as at 01st April 2022	-	390.46	3,892.04	60.86	18.32	13.42	6.69	60.03	4,441.82	18.31	4,460.13
Depreciation for the year	-	24.21	295.66	2.87	9.26	4.33	3.11	21.69	361.13	26.36	387.49
Depreciation on disposals	-	-	(237.22)	-	-	-	-	-	(237.22)	-	(237.22)
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>414.68</b>	<b>3,950.48</b>	<b>63.73</b>	<b>27.57</b>	<b>17.75</b>	<b>9.79</b>	<b>81.73</b>	<b>4,565.73</b>	<b>44.68</b>	<b>4,610.41</b>
<b>Net block</b>											
<b>As At March 2023</b>	<b>638.03</b>	<b>1,059.88</b>	<b>2,086.29</b>	<b>8.38</b>	<b>38.54</b>	<b>21.14</b>	<b>2.25</b>	<b>113.66</b>	<b>3,968.16</b>	<b>475.60</b>	<b>4,443.76</b>
<b>As At March 2022</b>	<b>638.03</b>	<b>273.31</b>	<b>2,064.97</b>	<b>11.25</b>	<b>27.53</b>	<b>5.20</b>	<b>4.52</b>	<b>71.04</b>	<b>3,095.84</b>	<b>501.96</b>	<b>3,597.81</b>

There are no immovable properties the title deeds of which are not held in the name of the company.

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 4 Capital work-in-progress

Description	Factory Building	Capital Work in progress	Total
Balance as at 01st April 2022	429.13	-	429.13
Additions	-	276.76	276.76
Capitalised during the year	(429.13)	-	(429.13)
	-	<b>276.76</b>	<b>276.76</b>
Balance as at 31 March 2023	-	<b>276.76</b>	<b>276.76</b>

### Capital work-in-progress aging schedule

Capital work-in-progress	Amount in capital work-in-progress for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Balance as at 31 March 2023	276.76	-	-	-	276.76
Balance as at 01st April 2022	-	429.13	-	-	429.13

There are no projects which are suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

## 5 Other Intangible assets

### FY 21-22

Description	Trade Mark	Softwares	Total Owned assets
<b>Gross block</b>			
Balance as at 01 April 2021	0.30	17.09	17.39
Additions	-	13.42	13.42
Disposals	-	-	-
<b>Balance as at 31 March 2022</b>	<b>0.30</b>	<b>30.51</b>	<b>30.80</b>
<b>Amortisation</b>			
Balance as at 01 April 2021	0.25	6.56	6.81
Depreciation for the year	0.01	5.06	5.07
Depreciation on disposals	-	-	-
<b>Balance as at 31 March 2022</b>	<b>0.26</b>	<b>11.62</b>	<b>11.88</b>
<b>Net Block as at 31 March 2022</b>	<b>0.03</b>	<b>18.88</b>	<b>18.92</b>

### F.Y 22-23

Description	Trade Mark	Softwares	Total Owned assets
<b>Gross block</b>			
Balance as at 01 April 2022	0.30	30.51	30.80
Additions	-	7.35	7.35
Disposals	-	-	-
<b>Balance as at 31 March 2023</b>	<b>0.30</b>	<b>37.86</b>	<b>38.15</b>
<b>Amortisation</b>			
Balance as at 01 April 2022	0.26	11.62	11.88
Depreciation for the year	0.01	4.97	4.97
Depreciation on disposals	-	-	-
<b>Balance as at 31 March 2023</b>	<b>0.27</b>	<b>16.59</b>	<b>16.86</b>
<b>Net Block as at 31 March 2023</b>	<b>0.03</b>	<b>21.27</b>	<b>21.29</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 6 Non-current investments

	31 March 2023	31 March 2022
<b>Investments in subsidiaries at cost</b>		
1000 (31 March 2022 : 970) Investment in equity shares of Wonder Precision Private Limited of Rs. 100/- each	277.92	277.14
<b>Investments in associates at cost</b>		
1,50,000 (31 March 2022 : 1,50,000) Investment in equity shares of Kranti SFCL Private Limited of Rs. 10/- each	15.00	15.00
Investment in equity shares - Unquoted		
11,00,000 (31 March 2022 : 0.00) Investment in equity shares of Investments -Shares Preciso Metall Pvt Ltd at Rs. 3.12/- each (Face value Rs 10 per share)	34.32	-
	327.24	292.14
Investments carried at fair value through other comprehensive income (FVTOCI)		
Investment in equity shares - Unquoted		
8,200 (31 March 2022 : 8,200) Investment in equity shares of Cosmos Co-operative Bank Limited of Rs. 100/- each	8.20	8.20
	<b>8.20</b>	<b>8.20</b>
<b>Investments carried at fair value through profit and loss (FVTPL)</b>		
<b>Investment in Mutual funds - Quoted</b>		
Nil (31 March 2022 : 31,968) units of Aditya Birla Short Term Opportunities Fund	-	12.24
Nil (31 March 2022 : Nil) units of Aditya Birla Banking and PSU fund	-	20.61
Nil (31 March 2022 : 681) units of Aditya Birla Sun Life Liquid Fund	-	2.32
	-	35.17
	<b>335.44</b>	<b>335.51</b>
(a) Aggregate amount of quoted investments	-	35.17
(b) Aggregate market value of quoted investments	-	35.17
(a) Aggregate amount of unquoted investments	335.44	300.34
(b) Aggregate amount of impairment in value of investments	-	-

## 7 Non-current financial assets - Others

	31 March 2023	31 March 2022
(Unsecured, considered good)		
Security deposits	34.82	28.15
Fixed Deposit In - Bank	18.38	
	<b>53.20</b>	<b>28.15</b>
Refer Note 38 for Related Party Disclosures		

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 8 Other non-current assets

	31 March 2023	31 March 2022
(Unsecured, considered good)		
Capital advance	-	-
Balance with government authorities	-	-
Loans and Advances	-	-
	-	-

## 9 Inventories

	31 March 2023	31 March 2022
Raw Materials, Components, Consumables	722.51	655.16
Work-in-progress, Stores and Spares	201.70	169.37
	<b>924.22</b>	<b>824.53</b>

## 10 Trade receivables

	31 March 2023	31 March 2022
(Unsecured, considered good)		
Trade receivables	836.77	608.81
	<b>836.77</b>	<b>608.81</b>
(Outstanding from due date of payment / from date of transaction)		
(i) Undisputed Trade Receivables – considered good		
Less than 6 months	836.77	608.81
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	836.77	608.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
	-	-
(iii) Undisputed Trade Receivables – credit impaired		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
	-	-

## Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

	31 March 2023	31 March 2022
(iv) Disputed Trade Receivables – considered good		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(vi) Disputed Trade Receivables – credit impaired		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(vii) Unbilled dues		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
Less: Provision for doubtful receivables	-	-
	<b>836.77</b>	<b>608.81</b>

### 11 Cash and cash equivalents

	31 March 2023	31 March 2022
Cash-in-hand	0.46	0.35
Current accounts	0.25	0.10
Bank deposits with maturity less than 3 Months	-	-
	<b>0.71</b>	<b>0.45</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 12 Other current financial assets

	31 March 2023	31 March 2022
Interest receivable	0.82	0.71
Security deposits	-	1.65
	<b>0.82</b>	<b>2.36</b>

## 13 Other current assets

	31 March 2023	31 March 2022
Advance to creditors	41.13	34.61
Advance to employees	0.69	0.66
Prepaid expenses	5.13	7.18
Loans and Advances Repayable on Demand	80.00	-
	<b>126.95</b>	<b>42.45</b>

## 14 Share capital

Particulars	31 March 2023	31 March 2022
<b>Authorised :</b>		
1,50,00,000 (31 March 2023 : 1,50,00,000 ) equity shares of Rs.10 each.	1,500	1,500
<b>TOTAL</b>	<b>1,500</b>	<b>1,500</b>
<b>Issued, subscribed and paid-up:</b>		
1,05,62,400 (31 March 2023 : 1,05,62,400) equity shares of Rs.10 each fully paid-up	1,056	1,056
	<b>1,056</b>	<b>1,056</b>

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. 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.

### Reconciliation of number of shares outstanding at the beginning and end of the year :

#### Equity shares :

	31 March 2023	31 March 2022
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	10,562,400	8,802,000
Equity shares issued during the year*	-	1,760,400
Outstanding at the end of the year	<b>10,562,400</b>	<b>10,562,400</b>

\*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources, hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported, Hence the EPS for the previous reporting period adjusted considering the no bonus issue shares issued.

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2023		31 March 2022	
	No. of Shares	Percentage of Shares %	No. of Shares	Percentage of Shares %
Mrs. Indubala S. Vora	2,305,253	21.83%	2,074,441	19.64%
Mr. Sachin S. Vora	1,952,200	18.48%	1,951,208	18.47%
Mr. Sumit S. Vora	1,854,037	17.55%	1,854,036	17.55%
Smc Global Securities Ltd.		0.00%	627,840	5.94%

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2023			31 March 2022		
	Name of the Promoter	No. of Shares	Percentage of Shares %	% change	No. of Shares	Percentage of Shares %
Mrs. Indubala S. Vora	2,305,253	21.83%	2.19%	2,074,441	19.64%	0.07%
Mr. Sachin S. Vora	1,952,200	18.48%	0.01%	1,951,208	18.47%	0.00%
Mr. Sumit S. Vora	1,854,037	17.55%	0.00%	1,854,036	17.55%	0.00%

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2021	
	Name of the Promoter	No. of Shares
Mrs. Indubala S. Vora	1,722,700	19.57%
Mr. Sachin S. Vora	1,626,000	18.47%
Mr. Sumit S. Vora	1,545,030	17.55%

## 15 Other equity

	31 March 2023	31 March 2022
A. Retained earnings	1,121.44	912.59
B. Securities premium	154.18	154.18
C. General reserve	30.00	30.00
D. Equity contribution from shareholders	69.31	69.31
	<b>1,374.93</b>	<b>1,166.08</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

	31 March 2023	31 March 2022
<b>Retained earnings</b>		
Opening balance	912.59	690.87
<b>Add/(Less):</b>		
Profit for the year	206.38	210.36
Remeasurements of defined benefit liability / (asset)	2.48	3.00
Transfer from / (to) other reserves	-	8.36
<b>Closing balance</b>	<b>1,121.44</b>	<b>912.59</b>
<b>Securities premium</b>		
Opening balance	154.18	337.87
Changes during the year	-	(176.04)
Transaction costs on issue of shares	-	(7.65)
<b>Closing balance</b>	<b>154.18</b>	<b>154.18</b>
<b>General Reserve</b>		
Opening balance	30.00	30.00
Changes during the year	-	-
<b>Closing balance</b>	<b>30.00</b>	<b>30.00</b>
<b>Equity contribution from shareholders</b>		
Opening Balance	69.31	77.68
Transfer from/ to reserves	-	(8.36)
<b>Closing Balance</b>	<b>69.31</b>	<b>69.31</b>

## 16 Non-current financial liabilities - borrowings

	31 March 2023	31 March 2022
Term loans from banks and financial institutions	1,179.85	959.21
Loans from related parties	467.00	-
	<b>1,646.85</b>	<b>959.21</b>

- Term Loan availed from HDFC bank for Plant and Machinery. secured by way of first mortgage /charge on the plant and machinery and mortgage of immovable property situated at Gat No. 267/B/1, Pirangut, Pune.
- Term Loan availed from Standard Chartered bank as working capital requirement This loan is secured by way of first mortgage /charge on Flat owned by Director Situated at Isha Pearl, Kodhwa, Pune.
- Term loan availed from TATA Capital for Machinery. This loan is secured by way of first mortgage /charge on the machinery Purchased.
- TATA CAPITAL is a supplier Credit availed for purchase of Machinery The Loan is secured by Mortgage of Machinery, The supplier credit maturity is in Mar 2021 and on maturity will be converted to Term Loan.
- ABFL : These loans are availed under Guaranteed Emergency Credit Line (GECL) as made available during COVID-19 crisis to augment their net-working capital.
- Aditya Birla: This loan is availed for the Purchase of Industrial Land at Gat no 1121, Pirangut Pune. This loan is secured by way of first mortgage / charge on the Land Purchased.
- EFL This Credit is availed from Electronica Finance Limited for purchase of Machinery The Loan is secured by Mortgage of Machinery.

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 17 Lease liabilities - Non-current

	31 March 2023	31 March 2022
Lease liabilities	200.19	270.38
	<b>200.19</b>	<b>270.38</b>

## 18 Other non-current liabilities

	31 March 2023	31 March 2022
Deferred income on corporate guarantee	-	1.41
Provision for Gratuity Non Current	0.75	0.69
	<b>0.75</b>	<b>2.10</b>

## 19 Borrowings - Current

	31 March 2023	31 March 2022
<b>Secured</b>		
Cash-credit from bank*	897.34	478.93
Bill discounting from banks		-
Current maturities of long-term debts	429.43	392.50
Loans from related parties		298.52
	<b>1,326.77</b>	<b>1,169.94</b>

\*Secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment.

Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-

- whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts;
- if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.

Quarter	Current Assets - Submitted to Banks	Current Assets As per Books	Change
Jun-22	1,800.19	1,800.47	-0.02%
Sep-22	2,120.78	2,166.87	-2.13%
Dec-22	1,491.09	1,526.42	-2.31%
Mar-23	1,736.93	1,760.99	-1.37%

## 20 Lease liabilities - Current

	31 March 2023	31 March 2022
Lease liabilities	70.20	77.79
	70.20	77.79

## 21 Trade payables

	31 March 2023	31 March 2022
Total outstanding dues to micro enterprises and small enterprises	267.82	271.77
Total outstanding dues to creditors other than micro enterprises and small enterprises	735.68	567.80
	<b>1,003.50</b>	<b>839.57</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

(Outstanding from due date of payment / from date of transaction)

Particulars	31 March 2023	31 March 2022
<b>(i) MSME</b>		
Less than 1 year	267.82	271.77
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>267.82</b>	<b>271.77</b>
<b>(ii) Others</b>		
Less than 1 year	735.68	567.80
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>735.68</b>	<b>567.80</b>
<b>(iii) Disputed dues - MSME</b>		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
<b>(iv) Disputed dues - Others</b>		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
<b>(v) Accruals</b>		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
	<b>1,003.50</b>	<b>839.57</b>

## 22 Other current financial liabilities

	31 March 2023	31 March 2022
Employee benefits payable	67.68	54.19
Audit fees payable	0.90	1.48
Legal fees payable	2.17	0.41
Electricity expenses payable	28.24	15.22
Expenses payable	46.56	92.08
Interest payable	8.33	4.47
	<b>153.88</b>	<b>167.85</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 23 Other current liabilities

	31 March 2023	31 March 2022
Statutory dues payable	21.32	59.44
Advance received from customers	-	11.13
	<b>21.32</b>	<b>70.57</b>

## 24 Provisions - Current

	31 March 2023	31 March 2022
Provision for gratuity	9.67	9.03
Provision for leave encashment	9.97	9.55
Provision for Income Tax	1.78	1.20
	<b>21.41</b>	<b>19.78</b>

## 25 Revenue from operations

	For Year ended 31 March 2023	For Year ended 31 March 2022
Sales of goods	8,171.18	8,132.85
Sale of services (Labour charges)	564.17	606.26
<b>Other non operating income</b>		
Sale of Scrap	366.64	396.52
Cash discount received	37.75	47.65
	<b>9,139.73</b>	<b>9,183.28</b>

## 26 Other income

	For Year ended 31 March 2023	For Year ended 31 March 2022
Interest		
Interest on Deposits	2.31	15.40
Profit on Sale of Assets	8.59	-
Amortisation of deferred income	-	-
Commision income on corporate guarantee	1.55	0.92
Fair valuation gain/loss on instruments measured at fair value through profit and loss	-	1.11
Dividend on shares	0.33	-
	<b>12.79</b>	<b>17.44</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 27 Cost of materials consumed

	For Year ended 31 March 2023	For Year ended 31 March 2022
Opening inventory	655.16	587.56
Add:		
Purchases during the year	6,162.91	6,104.92
Freight & Octroi	34.67	35.12
Closing inventory	(722.51)	(655.16)
	<b>6,130.23</b>	<b>6,072.45</b>

## 28 Changes in inventories of finished goods and work-in-progress

	For Year ended 31 March 2023	For Year ended 31 March 2022
Opening Work-in-Progress	169.37	193.05
Closing Work-in-Progress	(201.70)	(169.37)
	<b>(32.33)</b>	<b>23.68</b>

## 29 Employee benefits expense

	For Year ended 31 March 2023	For Year ended 31 March 2022
Salaries and Wages	860.63	856.89
Bonus and Incentives	39.68	39.16
Gratuity paid	5.98	10.92
P.F. Contribution	31.50	29.92
Esic : Employer's Contribution	3.80	3.82
Welfare Fund Deducted	0.08	0.08
Staff Welfare	8.94	7.17
Leave Encashment provision	3.25	9.55
Directors Remuneration	34.05	34.15
	<b>987.91</b>	<b>991.65</b>

## 30 Finance costs

	For Year ended 31 March 2023	For Year ended 31 March 2022
Interest on Secured Loans	-	-
Interest on Term Loan	63.37	80.87
Interest on Cash Credit, Bill Discounting	84.68	63.37
Interest on Unsecured Loans and Deposits	26.48	27.53
Interest on corporate guarantee	0.11	0.52
Interest on unwinding lease liabilities	34.65	21.28
Bank Charges	15.90	5.91
Interest on Income Tax	0.76	-
	<b>225.95</b>	<b>199.48</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 31 Depreciation and amortisation

	For Year ended 31 March 2023	For Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 2)	361.13	367.99
Depreciation of intangible assets (refer note 5)	4.97	5.07
Depreciation of right-of-use asset (refer note 2)	26.36	16.90
	<b>392.47</b>	<b>389.97</b>

## 32 Other expenses

	For Year ended 31 March 2023	For Year ended 31 March 2022
<b>Manufacturing Expenses</b>		
Power and Fuel	315.33	291.38
Repairs to Machinery	191.69	221.96
Job work and labour charges	276.06	298.49
Lease Rental	4.95	6.60
Packing Material	144.66	176.78
<b>Sales, administration and other expenses</b>		
Advertisement	1.57	0.93
Audit Fees	1.00	1.00
Conveyance and Travelling	11.24	9.42
Insurance	13.52	8.75
Interest paid on Govt. Dues	-	0.14
Legal and Professional Fees	27.18	26.80
Legal Expenses	10.83	6.09
Office Expenses	31.17	32.10
Postage and Courier	0.08	0.15
Printing and Stationary	7.17	5.71
Profession Tax	0.03	0.03
Rates and Taxes	3.92	3.27
Repairs and Maintenance	10.20	9.70
Sales Promotion, entertainment and Ceremony expenditure	0.44	20.87
Security Charges	20.61	15.62
Housekeeping Expenses	21.72	18.21
Subscription and contribution	4.92	3.36
Transport Charges	28.54	78.68
Round Off	0.00	0.01
Telephone Expenses	1.61	1.76
Water Charges	8.42	8.62
Foreign Currency Gain/Loss	(0.76)	0.13
Accounts / Liability Written Back	(0.03)	0.64
MVAT Paid	-	5.76
Director Sitting Fees	1.60	1.00
	<b>1,137.69</b>	<b>1,253.97</b>
<b>Payment to auditor (excluding goods and service tax)</b>		
<b>As auditor</b>		
Statutory audit fees	1.00	1.00
Tax audit fees	-	-
GST audit fees	-	-
	<b>1.00</b>	<b>1.00</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 33 Taxes

### a) Statement of profit or loss

Particulars	For Year ended 31 March 2023	For Year ended 31 March 2022
<b>Current tax:</b>		
Current income tax charge	56.41	49.53
Deferred tax	30.99	59.17
MAT credit entitlement AND Utilisation	13.39	(49.53)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>100.79</b>	<b>59.17</b>

### b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the year

Particulars	For Year ended 31 March 2023	For Year ended 31 March 2022
<b>Deferred tax</b>		
Remeasurements gains and losses on post employment benefits	(0.95)	(1.05)
<b>Income tax recognised in OCI</b>	<b>(0.95)</b>	<b>(1.05)</b>

### c) Balance sheet

#### Tax assets

Particulars	31 March 2023	31 March 2022
Non- current tax assets	15.31	25.95
Current tax assets	-	-
<b>Total tax assets</b>	<b>15.31</b>	<b>25.95</b>

#### Current tax liabilities

Particulars	31 March 2023	31 March 2022
Income tax (net of provision)	1.78	1.20
<b>Total current tax liabilities</b>	<b>1.78</b>	<b>1.20</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## d) Deferred tax

Particulars	31 March 2023	31 March 2022
<b>Deferred tax liability (DTL)</b>		
Excess of depreciation/amortisation on property, plant and equipment under income tax act	175.69	166.02
Tax law over depreciation / amortisation provided in books of account	-	-
Borrowings	-	-
Goodwill	-	-
Borrowings	3.74	-
Unsecured borrowings	0.00	6.88
Mutual Funds	-	-
Leases	44.60	25.87
	<b>224.03</b>	<b>198.78</b>
<b>Deferred tax asset (DTA)</b>		
MAT credit entitlement	(59.15)	(71.87)
Gratuity	(2.90)	(2.53)
Deferred tax on brought forward losses	0.00	(6.77)
Leave encashment	(2.77)	(2.48)
Corporate guarantee	0.00	(0.37)
Borrowings	-	(0.22)
	<b>(64.82)</b>	<b>(84.24)</b>
<b>Net deferred tax liability/(asset)</b>	<b>159.20</b>	<b>114.54</b>

## e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	For Year ended 31 March 2023	For Year ended 31 March 2022
Accounting profit before tax	307.17	269.53
<b>Tax as per IT Act on above @ 27.82% (Prev. year - 26.00%) (A)</b>	<b>85.46</b>	<b>70.08</b>
Tax expenses		
(i) Current tax	56.41	49.53
(ii) Deferred tax	30.99	59.17
(iii) MAT credit entitlement	13.39	(49.53)
<b>(B)</b>	<b>100.79</b>	<b>59.17</b>
<b>Difference</b>	<b>(15.34)</b>	<b>10.91</b>
<b>Tax reconciliation</b>		
<b>Adjustments:</b>		
Permanent disallowances	-	-
Ind AS transition impacts on MAT computations (1/5th)	7.58	7.08
Tax expenses accounted as no effect of Timing differences on MAT liability	-	1.64
Tax rate difference on book profit as per Minimum Alternate Tax	7.76	(19.62)
Others	-	-
	<b>(0.00)</b>	<b>(0.00)</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## f) Movement in temporary differences:

	01 April 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	31 March 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	31 March 2023
<b>Deferred tax liability (DTL)</b>							
Excess of depreciation/ amortisation on property, plant and equipment under income tax act	169.97	-3.95	-	166.02	9.67	-	175.69
Borrowings	0.15	-0.15	-	-	3.74	-	3.74
Unsecured borrowing	14.04	-7.16	-	6.88	-6.88	-	0.00
Interest cost on PPE	-	-0.22	-	-0.22	0.22	-	-
MAT credit entitlement	-22.35	-49.52	-	-71.87	13.39	-	-59.15
Leases	10.64	15.23	-	25.87	18.73	-	44.60
Gratuity	-0.37	-3.21	1.05	-2.53	-1.33	0.95	-2.90
Deferred tax on brought forward losses	-67.76	60.99	-	-6.77	6.77	-	0.00
Leave encashment	-	-2.48	-	-2.48	-0.29	-	-2.77
Corporate guarantee	-0.47	0.10	-	-0.37	0.37	-	0.00
	<b>103.85</b>	<b>9.64</b>	<b>1.05</b>	<b>114.54</b>	<b>44.39</b>	<b>0.95</b>	<b>159.20</b>
	-	<b>9.64</b>	<b>1.05</b>		<b>44.39</b>	<b>0.95</b>	
	<b>104</b>	<b>0.00</b>	-		<b>0.00</b>	-	

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.

## 34 Earnings Per Share

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Profit / (Loss) attributable to equity shareholders	206.38	210.36
<b>Basic Earnings Per Share</b>		
Weighted average number of equity shares outstanding during the year*	10,562,400	10,562,400
<b>Basic EPS (Rs.)</b>	1.95	1.99
<b>Diluted Earnings Per Share</b>		
Weighted average number of equity shares outstanding for diluted EPS*	10,562,400	10,562,400
<b>Diluted EPS (Rs.)</b>	1.95	1.99

\*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported.

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 35 Contingent liabilities:

Particulars	31 March 2023	31 March 2022
Pending litigation under Income Tax Act	1,442,000	1,442,000
	<b>1,442,000</b>	<b>1,442,000</b>

## 36 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 March 2023	31 March 2022
The amount remaining unpaid to micro and small suppliers as at the end of each accounting year		
- Principal	267.82	271.77
- Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	Nil	Nil
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil

## 37 Corporate social responsibility

The provisions for CSR are not applicable to the company for all the reporting period.

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 38 Related Party Disclosures

### (a) List of Related Parties and description of relationship:

<b>Subsidiary company</b>
Wonder Precision Private Limited
<b>Associate company</b>
Kranti SFCI Private Limited
<b>Key Management Personnel (KMP)</b>
Mr. Sachin Vora
Mr. Sumit Vora
Mrs. Sheela Dhawale
Mr. Bhavesh Selarka
<b>Relative of Key Management Personnel</b>
Smt. Indubala Vora
Mrs. Sarika Sachin Vora
Mrs. Lushita Sumit Vora
<b>Other relative parties</b>
Kranti Industries EGGLAS
Suparsh Engineering

### (b) Related party transactions:

Sr. no	Nature of Transaction	31 March 2023					31 March 2022				
		Key Management Personnel (KMP)/Relative of Key Management Personnel	Associates	Subsidiary Company	Other related parties	Total	Key Management Personnel (KMP)/Relative of Key Management Personnel	Associates	Subsidiary Company	Other related parties	Total
	<b>Remuneration to Key Managerial persons</b>										
	Short-term employee benefits	75.10	-	-	-	<b>75.10</b>	74.80	-	-	-	<b>74.80</b>
	Post employment benefits	-	-	-	-	-	0.86	-	-	-	<b>0.86</b>
	Other long-term employee benefits	-	-	-	-	-	-	-	-	-	-
	Termination benefits	-	-	-	-	-	-	-	-	-	-
	Share based payments	-	-	-	-	-	-	-	-	-	-
	Purchase of material & job charges	-	9.31	73.64	60.49	<b>143.44</b>	-	-	101.22	-	<b>101.22</b>
	Purchase of Fixed Assets			100.25		<b>100.25</b>					
	Advances given to the Associates Company		20.00								
	Loans amount accepted from related parties during the year	142.00									
	Sale of machines	-	-	-	-	-	-	-	-	-	-
	Gratuity premium paid	-	-	-	0.35	<b>0.35</b>	-	-	-	6.10	<b>6.10</b>
		<b>217.10</b>	<b>29.31</b>	<b>173.89</b>	<b>60.84</b>	<b>319.15</b>	<b>75.66</b>	-	<b>101.22</b>		<b>182.98</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## (c) Balances outstanding at the end of the year:-

Particulars	31 March 2023	31 March 2022
a. Loans taken from related parties	467.00	298.52
b. Trade Payables as on date Related Party	2.43	11.52
c. Advances given to the Associates Company	20.00	-

## 39 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

### (a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain.

### (b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

Particulars	31-Mar-23	31 March 2022
Total current assets (A)	1,889.47	1,478.60
Total current liabilities (B)	2,597.07	2,345.51
<b>Working capital (A-B)</b>	<b>(707.60)</b>	<b>(866.91)</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

31-Mar-2023				
Contractual cash flows				
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,973.62	1,326.77	1,646.85	2,973.62
Trade payables	1,003.50	1,003.50	-	1,003.50
Lease liabilities	270.38	70.20	200.19	270.38
Other liabilities	153.88	153.88	-	153.88

31-Mar-2022				
Contractual cash flows				
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,129.15	1,169.94	959.21	2,129.15
Trade payables	839.57	839.57	-	839.57
Lease liabilities	348.18	77.79	270.38	348.17
Other liabilities	167.85	167.85	-	167.85

**(c) Interest rate risk:**

The company does not face any interest rate risk as all the borrowings of the company have a fixed interest rate.

**(d) Market risk**

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company does not have any outstanding foreign currency balances as on the reporting dates.

## 40 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	31-Mar-23	31 March 2022
Total liabilities	4,604.07	3,691.74
Less: cash and cash equivalents and bank balances	0.71	0.45
<b>Net debt</b>	<b>4,603.36</b>	<b>3,691.30</b>
<b>Total equity</b>	<b>2,431.17</b>	<b>2,222.32</b>
<b>Debt-equity ratio</b>	<b>189.35%</b>	<b>166.10%</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 41 Fair value measurements

### (a) Categories of financial instruments -

Particulars	31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Category	Level 1	Level 3	Level 2	Level 1	Level 3	Level 2
<b>Financial assets</b>						
Investment	-	8.20	-	35.17	8.20	-
Trade receivables	-	-	836.77	-	-	608.81
Cash and cash equivalents	-	-	0.71	-	-	0.45
Other bank balances	-	-	-	-	-	-
Loans	-	-	53.20	-	-	28.15
Other financial assets	-	-	0.82	-	-	2.36
<b>Total financial assets</b>	<b>-</b>	<b>8.20</b>	<b>891.51</b>	<b>35.17</b>	<b>8.20</b>	<b>639.77</b>
<b>Financial liabilities</b>						
Borrowings	-	-	2,973.62	-	-	2,129.15
Lease liabilities	-	-	270.38	-	-	348.18
Trade payables	-	-	1,003.50	-	-	839.57
Other financial liabilities	-	-	153.88	-	-	167.85
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,401.39</b>	<b>-</b>	<b>-</b>	<b>3,484.75</b>

### (b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortised cost approximates the fair value. Accordingly fair value disclosures have not been made for these financial instruments. Investments in equity shares and mutual funds which are designated at FVTPL & investment in equity shares which are classified as FVTOCI are at fair value.

- (c) Investment in subsidiaries and associates is accounted at cost in accordance with Ind AS 27 - "Separate financial statements". Accordingly such investments are not recorded at fair value.

## 42 Post-employment benefit plans

As per Indian Accounting Standard 19 "Employee Benefits", the disclosures as defined are given below-

### A. Defined Contribution Plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

Particulars	31 March 2023	For Year ended 31 March 2022
Employer's contribution to provident fund	35.30	33.74

Company's contribution paid/payable during the year to provident fund are recognised in the Statement of Profit and Loss.

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## B. Defined Benefit Plans

### Gratuity

The Company has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

### Liability Risks

- 1. Asset-Liability mismatch risk**- Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.
- 2. Discount rate risk**- Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.
- 3. Future salary escalation and inflation risk** - Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

#### Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	31 March 2023	31 March 2022
Current service cost	9.03	7.43
Net interest (Income)/ Expense	0.38	0.33
<b>Net benefit expense</b>	<b>9.41</b>	<b>7.76</b>

#### Changes in the present value of the defined benefit obligation are as follows :

Particulars	31 March 2023	31 March 2022
<b>Projected benefit obligation at the beginning of the year</b>	<b>73.91</b>	<b>66.69</b>
Interest cost	5.28	4.57
Current service cost	9.03	7.43
Actuarial (gain)/ loss on obligations	(4.68)	(3.12)
Benefits paid	(4.93)	(1.66)
<b>Present value of obligation at the end of the year</b>	<b>78.61</b>	<b>73.91</b>

#### Changes in the fair value of plan assets are as follows:

Particulars	31 March 2023	31 March 2022
<b>Fair value of plan assets at the beginning of the year</b>	<b>64.19</b>	<b>57.28</b>
Interest income	4.90	4.24
Contributions	0.35	5.00
Mortality charges and taxes	-	-
Benefits paid	-	(1.66)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(1.26)	(0.67)
<b>Fair value of Plan assets at end of the year</b>	<b>68.18</b>	<b>64.19</b>
Actual return on plan assets	<b>3.65</b>	<b>3.57</b>

## Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

### Amount recognised in the statement of other comprehensive income

Particulars	31 March 2023	31 March 2022
Re-measurement for the year - obligation (gain) / loss	3.43	4.05
Re-measurement for the year - plan assets (gain) / loss	-	-
<b>Total re-measurements cost / (credit) for the year recognised in other comprehensive income</b>	<b>3.43</b>	<b>4.05</b>

### Net Defined Benefit Liability/(Asset) for the year

Particulars	31 March 2023	31 March 2022
Defined benefit obligation	78.61	73.91
Fair value of plan assets	68.18	64.19
<b>Closing net defined benefit liability/(asset)</b>	<b>10.43</b>	<b>9.72</b>
<b>Current</b>	<b>9.67</b>	<b>9.03</b>
<b>Non-Current</b>	<b>0.75</b>	<b>0.69</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	31 March 2023	31 March 2022
Funds managed by insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

### Assumptions

Particulars	31 March 2023	31 March 2022
	%	%
Mortality table	IALM (2012- 14)	IALM (2012- 14)
Discount rate	7.30%	7.30%
Rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	7.00%	7.00%
Withdrawal rate #		
Age 25 & Below	3.00%	3.00%
Age 25- 35 years	2.00%	2.00%
Age 35 - 45 years	1.00%	1.00%
Age 45 - 55 years	1.00%	1.00%
Age 55 years & Above	1.00%	1.00%
Expected average remaining working lives of employees (in years)	16.55 *	16.89 *

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

# Assumption has been revised by the Company based on their past experience and future expectations

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	Defined benefit obligation			
	31 March 2023		31 March 2022	
	Increase by 1 %	Decrease by 1 %	Increase by 1 %	Decrease by 1 %
<b>Discount Rate</b>				
Discount Rate	1.00%	-1.00%	8.30%	6.30%
Amount	68.00	91.48	63.90	86.12
<b>Salary increment Rate</b>				
Salary increment Rate	6.00%	4.00%	6.00%	4.00%
Amount	90.41	68.59	85.20	64.51
<b>Impact of change in withdrawal Rate</b>				
Withdrawal Rate	4.00%	2.00%	4.00%	2.00%
Amount	78.66	78.57	73.97	73.86

#### Expected contribution for the next Annual reporting period.

The Company intends to contribute Rs. 9.67 Lakhs towards its gratuity fund in next year

#### Expected future benefit payments (Undiscounted)

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year ending 31 March 2023	Expected benefit payment rounded of to nearest thousand
0 to 1 Year	2.76
1 to 2 Year	1.74
2 to 3 Year	1.79
3 to 4 Year	1.85
4 to 5 Year	4.62
6 to 10 Year	15.31

## 43 Revenue from contracts with customers

### A. Revenue streams

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
<b>Revenue from operations</b>		
Sales of goods	8,171.18	8,132.85
Sale of services (Labour charges)	564.17	606.26
<b>Other non operating income</b>		
Sale of Scrap	366.64	396.52
Cash discount received	37.75	47.65
	<b>9,139.73</b>	<b>9,183.28</b>

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
<b>Timing of revenue recognition</b>		
At point in time	8,575.56	8,577.02
Over the period in time	564.17	606.26
<b>Total revenue</b>	<b>9,139.73</b>	<b>9,183.28</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 44 Leases

### A. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Company decided to apply recognition exemptions to short-term leases. For leases of other assets, which were classified as operating under AS 19, the Company recognised right-of-use assets and lease liabilities.

### B. As a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1st April 2020. The weighted-average rate applied is 11.75%.

### C. Impacts on financial statements

#### A1. Lease liabilities

	31 March 2023	31 March 2022
Current	70.20	77.79
Non Current	200.19	270.38
<b>Total</b>	<b>270.38</b>	<b>348.18</b>

Maturity Analysis - Contractual undiscounted cash flow	31 March 2023	31 March 2022
Less than 1 Year	96.54	112.44
More than 1 Year	229.68	326.21
<b>Total</b>	<b>326.21</b>	<b>438.65</b>

#### A2. Amount recognised in statement of profit & loss

Interest expenses on lease liabilities	For year ended 31 March 2023	For year ended 31 March 2022
Interest on lease liabilities	34.65	21.28

Expenses on short-term leases / low value assets	For year ended 31 March 2023	For year ended 31 March 2022
Short-term lease	4.95	6.60
Low value assets	-	-

Amounts recognised in the statement of cash flow	For year ended 31 March 2023	For year ended 31 March 2022
Principle Amount	(77.79)	(61.64)
Unwinding of interest on lease liabilities	(34.65)	(21.28)
<b>Total cash outflow for leases</b>	<b>(112.44)</b>	<b>(82.92)</b>

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 45 Ratios analysis & it's elements

Particulars	31-Mar-23	31 March 2022	% change from 31 March 2022 to 31 March 2023	Reasons if % change is 25% or more
Current Ratio	73%	63%	15%	Changes is less than 25 %
Debt-Equity Ratio	122%	96%	28%	There in increase in debt of the company resulted in change in this ratio
Debt Service Coverage Ratio	27%	30%	-8%	Changes is less than 25 %
Return on Equity Ratio	8%	9%	-10%	Changes is less than 25 %
Inventory turnover ratio	697%	760%	-8%	Changes is less than 25 %
Trade Receivables turnover ratio	1265%	1254%	1%	Changes is less than 25 %
Trade payables turnover ratio	665%	646%	3%	Changes is less than 25 %
Net capital turnover ratio	-1292%	-1059%	22%	Changes is less than 25 %
Net profit ratio	2%	2%	-1%	Changes is less than 25 %
Return on Capital employed	10%	11%	-9%	Changes is less than 25 %
Return on investment	9%	10%	-11%	Changes is less than 25 %

Ratios	Numerator	Denominator	31-Mar-23		31 March 2022	
			Numerator	Denominator	Numerator	Denominator
<b>Current Ratio</b>	<b>Current assets</b>	<b>Current liabilities</b>	1,889.47	2,597.07	1,478.60	2,345.51
<b>Debt-Equity Ratio</b>	<b>Debt :-</b> long term borrowings + short term borrowings	<b>Equity :-</b> Total Equity	2,973.62	2,431.17	2,129.15	2,222.32
<b>Debt Service Coverage Ratio</b>	<b>Earning available for debt services :-</b> net profit before tax + non cash expenses tax (Depreciation and Amortisation) + interest expense on borrowings	<b>Interest + Installment:-</b> interest expenses on borrowings and current maturities	824.80	3,002.96	799.80	2,676.81
<b>Return on Equity Ratio</b>	Total Profit / (loss) for the period / year	Total Equity	206.38	2,431.17	210.36	2,222.32
<b>Inventory turnover ratio</b>	<b>Cost of good sold :-</b> Cost of material, operation and incidental cost+ changes in inventories of stock-in-trade	Average Inventory	6,097.90	874.37	6,096.12	802.57
<b>Trade Receivables turnover ratio</b>	Revenue from operations	Average Trade Receivables	9,139.73	722.79	9,183.28	732.21
<b>Trade payables turnover ratio</b>	Total Purchase	Average Trade Payables	6,130.23	921.53	6,072.45	940.54
<b>Net capital turnover ratio</b>	Revenue from operations	Working capital	9,139.73	(707.60)	9,183.28	(866.91)
<b>Net profit ratio</b>	Profit / (loss) after tax	Revenue from operations	206.38	9,139.73	210.36	9,183.28

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Ratios	Numerator	Denominator	31-Mar-23		31 March 2022	
			Numerator	Denominator	Numerator	Denominator
<b>Return on Capital employed</b>	<b>Earning before interest &amp; taxes (EBIT) :-</b> profit / (loss) before tax + interest expenses on financial liabilities carried at amortised cost	Capital Employed :- total equity (parent+ non controlling interest) + borrowings + deferred tax	533.12	5,564.00	469.00	4,466.01
<b>Return on investment</b>	Profit / (loss) after tax attributable to owners of the company	Equity shareholders' fund	208.85	2,431.17	213.36	2,222.32

The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.

## 46 Additional Regulatory Information

### Details of Benami Property held

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

### Details of Loans and advances

The company has not granted any loans and advances to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment.

### Wilful Defaulter

The company has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

### Relationship with Struck off Companies

The Company do not have any transactions with companies struck off.

### Registration of charges or satisfaction with Registrar of Companies (ROC)

The company has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

### Compliance with number of layers of companies

The company has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

### Compliance with approved Scheme(s) of Arrangements

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

### Discrepancy in utilization of borrowings

The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

### Utilisation of Borrowed funds and share premium:

- The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).
- the company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

# Notes to the financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 47 Additional Information

### Undisclosed income

The Company has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual Currency.

## 48 Operating Segment

### A. Description of segments and principal activities

The Company's is engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies. This is considered as the single reportable segment.

### B. Information about major customers

Revenues from two customers of the Company's automobile segments represented approximately Rs. 6446.96 Lakhs (31 March 2022: Rs. 6846.70 lakhs) of the Company's total revenues.

49 Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation.

### For and on behalf of A D V Associates

Chartered Accountants  
Firm Registration No - 128045W

#### Pratik Kabra

Partner  
Membership no - 611401  
UDIN: 23611401BGUOFJ7192

Place : Mumbai  
Date : May 27, 2023

### For and on behalf of the board of directors of

Kranti Industries Limited

#### Sachin Vora

Managing Director  
DIN-02002468

#### Sheela Dhawale

Chief Financial Officer

Place : Pune  
Date : May 27, 2023

#### Sumit Vora

Director  
DIN-02002416

#### Bhavesh Selarka

Company Secretary

Place : Pune  
Date : May 27, 2023

# CONSOLIDATED **FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

To The Members of **Kranti Industries Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Kranti Industries Limited ("the Group"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (IND-AS) prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income and its cash flows for the year ended on that date.

### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Other Matter

We did not audit the financial statements and other information, in respect of the subsidiary company and Associates company, in respect of subsidiary company financial statements include total assets of Rs. 281.78 Lakhs as at March 31, 2023, and total revenues of Rs. 639.25 Lakhs for the year ended on that date.

These financial statements and other financial information have been prepared and submitted to us by the management

and audited by Siddharth Bogawat & Associates, Chartered Accountants. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter
---------	------------------

1	<b>Revenue Recognition</b>
---	----------------------------

(refer Note. 1.11 related to Revenue)

We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and estimation related to recording the discount and rebates. According to the Consolidated Financial Statement' accounting principles revenue is recognized at a point in time when the control of the goods is transferred to the customer according to delivery terms. Due to variation of contractual sales terms and practices across the market and the pressure, the management may feel to achieve performance targets, there is a risk of material error.

#### Auditor's Response

To address this risk of material misstatement relating to revenue recognition, our audit procedures included:

- Assessing the compliance of company's revenue recognition policies with applicable accounting standards, including those related to discounts and rebates.
- Assessing the adequacy of relevant disclosures.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the IND- AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 consolidated financial statements, 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.

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

### **Auditor's Responsibilities for the Audit of the consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism

throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv)(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

**For ADV & ASSOCIATES**

Chartered Accountants  
Firm Registration number: 128045W

**Pratik Kabra**

Partner  
Membership number: 611401  
UDIN: 23611401BGUOFK8223

Mumbai  
27<sup>th</sup> May, 2023

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Kranti Industries Limited** of even date)

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

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

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

### Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

We have audited the internal financial controls with reference to Consolidated financial statements of Kranti Industries Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Consolidated financial statements of the Company as at and for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial

controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ADV & ASSOCIATES**

Chartered Accountants  
Firm Registration number: 128045W

**Pratik Kabra**

Partner  
Membership number: 611401  
UDIN: 23611401BGUOFK8223

Mumbai  
27<sup>th</sup> May, 2023

# CONSOLIDATED BALANCE SHEET

as on 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	3,983.09	3,270.96
(b) Right-of-use asset	2	475.60	501.96
(c) Capital work-in-progress	3	276.76	429.13
(d) Intangible assets	4	21.60	19.33
(e) Goodwill		319.12	320.43
(f) Financial assets			
(i) Investment	5	42.62	43.47
(ii) Others	6	53.20	32.50
(g) Income tax assets (net)	34	15.31	30.41
(h) Deferred tax assets (net)	34	0.26	-
(i) Other non-current assets	7	-	-
<b>Total non-current assets</b>		<b>5,187.56</b>	<b>4,648.19</b>
<b>Current assets</b>			
(a) Inventories	8	924.21	837.88
(b) Financial assets			
(i) Trade receivables	9	847.84	640.57
(ii) Cash and cash equivalents	10	270.76	1.14
(iii) Bank balances other than (ii) above		-	-
(iv) Loans		-	-
(v) Other financial assets	11	0.82	2.36
(c) Current tax assets (net)	34	-	-
(d) Other current assets	12	126.95	42.80
<b>Total current assets</b>		<b>2,170.58</b>	<b>1,524.75</b>
<b>TOTAL ASSETS</b>		<b>7,358.14</b>	<b>6,172.94</b>
(a) Equity share capital	13	1,056.24	1,056.24
(b) Other equity	14	1,685.83	1,161.82
<b>Total equity attributable to owners of the company</b>		<b>2,742.07</b>	<b>2,218.06</b>
Non controlling interest	15	-	2.10
<b>Total equity</b>		<b>2,742.07</b>	<b>2,220.16</b>
(a) Financial liabilities			
(i) Borrowings	16	1,646.85	1,047.98
(ii) Lease liabilities	17	200.19	270.38
(iii) Other financial liabilities		-	-
(a) Provisions	18	0.75	-
(b) Other non-current liabilities	19	-	0.05
(c) Deferred tax liabilities (Net)	34	159.20	101.79
<b>Total non-current liabilities</b>		<b>2,006.99</b>	<b>1,420.21</b>
(a) Financial liabilities			
(i) Borrowings	20	1,326.77	1,348.30
(ii) Lease liabilities	21	70.20	77.79
(iii) Trade payables	22		
a) total outstanding dues of micro enterprises and small enterprises		267.82	271.77
b) total outstanding dues of creditors other than micro enterprises and small enterprises		737.91	556.67
(iv) Other financial liabilities	23	155.88	178.33
(b) Other current liabilities	24	26.17	75.71
(c) Provisions	25	21.44	22.80
(d) Income tax liabilities (net)	34	2.91	1.20
<b>Total current liabilities</b>		<b>2,609.10</b>	<b>2,532.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,358.16</b>	<b>6,172.94</b>
Significant accounting policies	1		
Notes to the financial statements	1-52		

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

As per our report of even date attached

**For and on behalf of A D V Associates**Chartered Accountants  
Firm Registration No - 128045W**Pratik Kabra**Partner  
Membership no - 611401  
UDIN: 23611401BGUOFK8223

Place : Mumbai

Date : May 27, 2023

**For and on behalf of the board of directors of****Kranti Industries Limited****Sachin Vora**Managing Director  
DIN-02002468**Sheela Dhawale**Chief Financial Officer  
Place : Pune  
Date : May 27, 2023**Sumit Vora**Director  
DIN-02002416**Bhavesh Selarka**Company Secretary  
Place : Pune  
Date : May 27, 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	For ended 31 March 2023	For year ended 31 March 2022
<b>Revenue</b>			
Revenue from operations	26	9,323.74	9,371.51
Other income (net)	27	410.08	16.96
<b>Total revenue</b>		<b>9,733.82</b>	<b>9,388.47</b>
<b>Expenses</b>			
Cost of material, operation and incidental cost	28	6,150.90	6,088.07
Purchase of Stock-in- Trade			
Changes in inventories of finished goods and work-in-progress	29	(32.33)	23.68
Employee benefits expenses	30	1,100.08	1,111.22
Finance costs	31	249.69	224.84
Depreciation and amortisation expenses	32	414.24	417.63
Other expenses	33	1,164.28	1,238.37
<b>Total expenses</b>		<b>9,046.86</b>	<b>9,103.81</b>
<b>Profit/(loss) before Exceptional Items, and Tax</b>		<b>686.96</b>	<b>284.66</b>
<b>Profit before tax</b>		<b>686.96</b>	<b>284.66</b>
<b>Tax expense:</b>	34		
Current tax		108.57	49.53
Deferred tax		43.01	65.84
Mat Credit Entitlement		13.39	(49.53)
		<b>521.99</b>	<b>218.82</b>
<b>Share of profit of equity-accounted investees, net of tax</b>			
Share of profit of equity-accounted investees, net of tax		-	3.84
Profit/(loss) from discontinued operations (after tax)		-	3.84
<b>Profit for the year</b>		<b>521.99</b>	<b>222.66</b>
<b>Other comprehensive income/(loss) for the year</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
<b>Remeasurements of defined benefit liability / (asset)</b>			
Income tax on remeasurements of defined benefit liability / (asset)		3.43	4.05
		(0.95)	(1.05)
<b>Other comprehensive income (net of tax)</b>		<b>2.48</b>	<b>3.00</b>
<b>Total comprehensive income for the year</b>		<b>524.47</b>	<b>225.66</b>
<b>Profit attributable to:</b>			
Owners of the Company		521.99	222.47
Non-controlling interests		-	0.19
		<b>521.99</b>	<b>222.66</b>
<b>Other Comprehensive Income attributable to:</b>			
Owners of the Company		2.48	3.00
Non-controlling interests		-	-
		<b>2.48</b>	<b>3.00</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		524.47	225.47
Non-controlling interests		-	0.19
		<b>524.47</b>	<b>225.66</b>
Earnings per equity share (face value of Rs. 10 each)			
Basic earnings per share	35	4.94	2.11
Diluted earnings per share		4.94	2.11
Significant accounting policies	1		
Notes to the financial statements	1-52		

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

As per our report of even date attached

**For and on behalf of A D V Associates**

Chartered Accountants  
Firm Registration No - 128045W

**Pratik Kabra**

Partner  
Membership no - 611401  
UDIN: 23611401BGUOFK8223

Place : Mumbai  
Date : May 27, 2023

**For and on behalf of the board of directors of**

Kranti Industries Limited

**Sachin Vora**

Managing Director  
DIN-02002468

**Sheela Dhawale**

Chief Financial Officer  
Place : Pune  
Date : May 27, 2023

**Sumit Vora**

Director  
DIN-02002416

**Bhavesh Selarka**

Company Secretary  
Place : Pune  
Date : May 27, 2023

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Cash flow from operating activities</b>		
Net Profit before extraordinary items and tax	686.95	284.66
<b>Adjustments for:</b>		
Interest received	(2.49)	(15.40)
Dividend received	(0.33)	-
Grants written Back	-	-
Profit on sale of Assets	(405.72)	-
Interest paid	249.70	218.88
Depreciation and amortisation	414.24	417.63
Commission income on corporate guarantee	(1.55)	(0.18)
Fair valuation gain/loss on instruments measured at fair value through profit and loss account	-	(1.11)
	253.84	619.80
<b>Operating profit before working capital changes</b>	<b>940.79</b>	<b>904.46</b>
<b>Changes in working capital:</b>		
(Increase) in other non-current liabilities	0.21	-
(Increase) / Decrease in other non-current financial assets	(20.70)	(0.00)
Decrease in other non-current assets	5.82	(61.62)
Decrease / (Increase) in inventories	(86.34)	(39.36)
(Increase) in trade receivables	(195.75)	272.26
(Increase)/ Decrease in Bank Balances	-	-
(Increase) in current financial loans	-	-
Decrease / (Increase) in other current financial assets	1.54	0.01
Decrease in other current assets	(84.15)	25.00
(Increase) / Decrease in non current borrowings	-	-
Increase in non-current provisions	-	-
(Increase) / Decrease in current borrowings	-	-
(Decrease) / Increase in other non-current liabilities	-	0.02
Increase / (Decrease) in trade payables	165.77	(208.62)
Increase in other current financial liabilities	(21.75)	66.33
(Decrease) / Increase in other current liabilities	(50.24)	(14.84)
Increase in current provisions	1.81	16.39
	(283.78)	55.58
Cash generated from operations	<b>657.01</b>	<b>960.04</b>
Net income tax (paid)	(95.94)	(44.13)
<b>Net cash flow generated from operating activities</b>	<b>561.07</b>	<b>915.91</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and capital work-in-progress	(1,158.85)	(572.76)
Sale proceeds of property, plant and equipment	614.66	-
Bank deposits placed / matured during the year	-	-

## CONSOLIDATED STATEMENT OF CASH FLOWS (Contd.)

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Investment in subsidiary	-	-
Purchase/Sale of non-current investments	0.06	(11.35)
Proceeds from sale of investments	-	-
Dividend received	0.33	-
Interest received	2.49	15.40
<b>Net cash flow (used in) investing activities</b>	<b>- (541.30)</b>	<b>(568.70)</b>
<b>C. Cash flow from financing activities</b>	<b>-</b>	
Long-term borrowings (repaid) during the year	598.87	(443.97)
(Repayment) / Proceeds of short-term borrowings (net)	(21.53)	227.26
Interest paid	(215.05)	(197.59)
Leases	-	-
Principal	(77.79)	(61.64)
Interest	(34.65)	(21.28)
Transaction costs on issue of shares	-	(7.65)
Tax on dividend paid during the year		
<b>Net cash flow (used in) financing activities</b>	<b>249.86</b>	<b>(504.86)</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>269.63</b>	<b>(157.66)</b>
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	<b>1.14</b>	<b>158.79</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>270.77</b>	<b>1.13</b>
<b>Notes to cash flow statement</b>		
(i) The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.		
(ii) Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.		
(iii) For the purpose of cash flow, Cash and cash equivalents comprise :		
Cash on hand	0.46	0.94
Balances with bank	270.30	0.20
- Current accounts	-	-
	<b>270.76</b>	<b>1.14</b>

See accompanying notes forming integral part of these Consolidated financial statements 1-45  
As per our report attached of even date

**For and on behalf of A D V Associates**  
Chartered Accountants  
Firm Registration No - 128045W

**Pratik Kabra**  
Partner  
Membership no - 611401  
UDIN: 23611401BGUOFK8223

Place : Mumbai  
Date : May 27, 2023

**For and on behalf of the board of directors of  
Kranti Industries Limited**

**Sachin Vora**  
Managing Director  
DIN-02002468

**Sheela Dhawale**  
Chief Financial Officer  
Place : Pune  
Date : May 27, 2023

**Sumit Vora**  
Director  
DIN-02002416

**Bhavesh Selarka**  
Company Secretary  
Place : Pune  
Date : May 27, 2023

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## (a) Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	10,562,400	1,056	8,802,000	1,056
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	10,562,400	1,056	8,802,000	1,056
Changes in equity share capital during the year	-	-	1,760,400	-
Balance at the end of the reporting year	10,562,400	1,056	10,562,400	1,056

## (b) Other equity

Particulars	Reserves and Surplus			Other equity	Total other equity	Non controlling interests	Total other equity including NCI
	Retained Earnings	Securities Premium	General reserve	Equity contribution from shareholders			
Balance at 01 April 2021	642.46	337.87	30.00	117.68	1,128.01	0.44	1,128.45
Total comprehensive income for the year ended 31 March 2022					-		-
Add/(Less):							
Profit for the year	222.47	-176.04	-	-	46.43	0.19	46.62
Other comprehensive income (net of tax)							
- Remeasurements of post employment benefit obligations	3.00	-	-	-	3.00	-	3.00
- Equity instruments designated through other comprehensive income	-	-	-	-	-	-	-
Transaction costs on issue of shares	-	-7.65	-	-	-7.65	-	-7.65
Transfer from / (to) other reserves	9.31	-	-	-8.49	0.82	1.46	2.28
Addition during the year	-	-	-	-8.78	-8.78	-	-8.78
Tax on dividend paid	-	-	-	-	-	-	-
Write off during year	-	-	-	-	-	-	-
Total comprehensive income	234.78	(183.69)	-	(17.27)	33.81	1.66	35.47
Balance at 31 March 2021	877.24	154.18	30.00	100.41	1,161.82	2.10	1,163.92
Appropriations							
Total comprehensive income for the year ended 31 March 2022							
Add/(Less):							
Profit for the year	521.98	-	-	-	521.98	-	521.98
Other comprehensive income (net of tax)							
- Remeasurements of post employment benefit obligations	2.48	-	-	-	2.48	-	2.48
Issue of bonus shares	-	-	-	-	-	-	-
Transaction costs on issue of shares	-	-	-	-	-	-	-
Transfer from / (to) other reserves	-	-	-	-	-	-	-
Additions during the year	-0.46	-	-	-	-0.46	-	-0.46
Total comprehensive income	523.99	-	-	-	523.99	-	523.99
Balance at 31 March 2023	1,401.23	154.18	30.00	100.41	1,685.82	2.10	1,687.92

### Nature and purpose of reserves

#### i) Securities premium

Securities premium account is used to record the premium on issue of shares.

#### ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

#### iii) General reserve

It is created by setting aside amount from the retained earnings of the company for general purposes which is freely available for distribution.

#### iv) Equity contribution from shareholders

Equity contribution from shareholders represents deemed equity with respect to interest free unsecured loans given by the shareholders.

### For and on behalf of A D V Associates

Chartered Accountants  
Firm Registration No - 128045W

#### Pratik Kabra

Partner  
Membership no - 611401  
UDIN: 23611401BGUOFK8223

Place : Mumbai  
Date : May 27, 2023

### For and on behalf of the board of directors of Kranti Industries Limited

#### Sachin Vora

Managing Director  
DIN-02002468

#### Sheela Dhawale

Chief Financial Officer  
Place : Pune  
Date : May 27, 2023

#### Sumit Vora

Director  
DIN-02002416

#### Bhavesh Selarka

Company Secretary  
Place : Pune  
Date : May 27, 2023

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## Summary of significant accounting policies and notes forming part of the consolidated financial statements.

### Corporate overview

Summary of significant accounting policies and notes forming part of the consolidated financial statements.

### Corporate overview

Kranti Industries Limited (herein referred to as 'holding company') a premier engineering company established in the year 1995. It is a Public limited Company engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies like CNH Industrial (India) Private Limited, Graziano Transmission India Private Limited, Escorts Limited, Neosym Industry Limited, Etc.

Wonder Precision Private Limited ('WPPL' or 'the Company') was incorporated on 27 May 1986. It is a closely held Private Limited Company engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies like Endurance Technologies Pvt Ltd, Jaya Hind Industries etc.

The consolidated financial statements comprise the financial statements of the holding company and its subsidiaries (together referred to as "the group").

## 1. Significant accounting policies

### 1.1. Basis of preparation of financial statements:

The financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2016 (as amended) notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group's consolidated financial statements up to and for the year ended 31 March 2020 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under the section 133 of the Act and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on May 27, 2013

- **Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts have been rounded-off to the nearest lakhs (₹), as per the requirements of Schedule III of the Act, unless otherwise stated.

### 1.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

### 1.3. Use of judgements estimates and assumptions.

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 42 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 2,3 – Useful life of depreciable assets – Property, Plant and Equipment, Capital Work in Progress and Intangible assets.
- Note 36 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 34 – Recognition of tax expense including deferred tax.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

## 1.4. Current and non-current classification of assets and liabilities

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

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 classified as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- 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 group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

## 1.5. Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),

(All amounts are in Rupees Lakhs, unless otherwise stated)

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company. The subsidiaries considered in the consolidated financial statements are summarized below.

Sr. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest
1.	Wonder Precision Private Limited	India	100%

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the

# Notes to the consolidated financial statements

for the year ended 31 March 2023

elimination of profits and losses resulting from intragroup transactions.

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.
- Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

## 1.6. Property, plant and equipment:

### • Recognition and measurement

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components

(All amounts are in Rupees Lakhs, unless otherwise stated)

are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

### • Subsequent costs

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

### • Disposal

An item of property, plant and equipment is derecognised 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 recognised net within other income/ expenses in the statement of profit and loss.

### • Depreciation

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Part C of Schedule II of the Companies Act, 2013 except in respect of certain assets listed below where the useful life is estimated different from prescribed rate based on internal assessment or independent technical evaluation carried out by external valuers. The Management believes that the useful lives as given below represent the period over which management expects to use these assets.

Class of Assets	Useful life as per Management estimate in years	Useful life as per Schedule II of the Companies act, 2013
Plant and Machinery	20	15
Factory Building	40	30
Furniture and fixtures	10	10
Electrical Installation	10	10

# Notes to the consolidated financial statements

for the year ended 31 March 2023

Class of Assets	Useful life as per Management estimate in years	Useful life as per Schedule II of the Companies act, 2013
Office equipment	5	5
Computer	3	3
Tools and Instruments	10	10
Motor Vehicle	8	8

## 1.7. Intangible assets:

- Recognition and measurement**

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

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to complete development and to use or sell the asset.

- Subsequent measurement**

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

- Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised 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.

- Disposal**

Gains or losses arising from derecognition of an

(All amounts are in Rupees Lakhs, unless otherwise stated)

intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## 1.8. Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

## 1.9. Impairments of non-financial assets:

The Group 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 Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 1.10. Inventories:

Inventories of raw materials including stores, spares and consumables, packing materials, semi-finished goods, work-in-progress, finished goods are valued at the

# Notes to the consolidated financial statements

for the year ended 31 March 2023

lower of cost and estimated net realizable value. Cost is determined on weighted average basis. The cost of work-in-progress, semi-finished goods and finished goods includes the cost of material, labour and proportion of manufacturing overheads.

## 1.11. Revenue recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and that the revenue can be reliably measured. The group collects excise duty, service tax, value added taxes (VAT) and Goods and service tax GST as applicable on behalf of the government and therefore, these are not economic benefits flowing to the group. Hence, they are excluded from revenue. Revenue is disclosed, net of trade discounts and excise duty.

### Sale of goods

Sales are recognized when products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the group has objective evidence that all criteria for acceptance have been satisfied. Due from customers if any are measured at the selling price of the work performed. Prepayments from customers are recognized as liabilities.

### Sale of services

- a. Timing of recognition Revenue from rendering of services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Job-work revenues are accounted as and when such services are rendered.
- b. Measurement of revenue estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

### Recognition of dividend income, interest income:

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate'

(All amounts are in Rupees Lakhs, unless otherwise stated)

is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the group and that the amount of the dividend can be measured reliably.

## 1.12. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

## 1.13. Employee benefits:

### • Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

### • Post-employment benefits

#### Defined contribution plans

Contributions to the provident fund which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

## Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises 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 reporting 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises gains/losses on settlement of a defined plan when the settlement occurs.

(All amounts are in Rupees Lakhs, unless otherwise stated)

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 1.14. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or

# Notes to the consolidated financial statements

for the year ended 31 March 2023

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;

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 (including unabsorbed depreciation) can be utilised, except:

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised 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 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.

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

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 1.15. Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 1.16. Provision and contingent liabilities / assets:

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

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
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

## 1.17. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

## 1.18. Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

## 1.19. Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

### Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement

(All amounts are in Rupees Lakhs, unless otherwise stated)

date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

## Group as a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 1.20. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

(All amounts are in Rupees Lakhs, unless otherwise stated)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 1.21. Financial instruments

### 1.21.1. Financial assets

#### Initial recognition and measurement

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 instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## (a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

## (b) Financial assets classified as measured at FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained earnings. Interest income from these financial assets is included in other income using the effective interest rate method.

## (c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

## De-recognition of financial asset

The Group derecognises 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

## Impairment of financial assets

In accordance with Ind AS 109, the Group 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 amortised cost e.g., loans, deposits and bank balances.
- Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group 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 Group 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.

## 1.21.2 Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

### (a) Financial liabilities at amortised cost

This is the most relevant category to the Group. The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and

(All amounts are in Rupees Lakhs, unless otherwise stated)

losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the 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 recognised in the statement of profit and loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 2 Property, plant and equipment

Description	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles - Others	Office Equipments	Computers	Tools and Fixtures	Total Owned assets	Right-of-use assets	Total Owned + Right-of-use assets
<b>Gross block</b>											
Balance as at 01 April 2021	639.65	679.60	6,613.18	72.11	51.34	18.62	12.93	155.57	8,242.99	520.28	8,763
Additions	-	810.79	387.39	-	20.26	20.27	0.84	64.31	1,303.86	-	1,304
Disposals	(1.62)	(15.83)	(963.81)	-	(5.49)	-	(1.72)	(24.49)	(1,012.96)	-	(1,013)
<b>Balance as at 31 March 2022</b>	<b>638.03</b>	<b>1,474.56</b>	<b>6,036.76</b>	<b>72.11</b>	<b>66.11</b>	<b>38.89</b>	<b>12.04</b>	<b>195.39</b>	<b>8,533.89</b>	<b>520.28</b>	<b>9,054.17</b>
<b>Accumulated depreciation</b>											
Balance as at 01 April 2022	-	402.53	4,381.82	60.86	23.50	13.42	8.31	81.58	4,972.03	18.31	4,990.34
Depreciation for the year	-	24.53	315.64	2.87	9.35	4.33	3.15	22.17	382.03	26.36	408.40
Depreciation on disposals	-	(12.39)	(746.98)	-	(5.28)	-	(1.67)	(22.02)	(788.33)	-	(788.33)
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>414.68</b>	<b>3,950.48</b>	<b>63.73</b>	<b>27.57</b>	<b>17.75</b>	<b>9.79</b>	<b>81.73</b>	<b>4,565.73</b>	<b>44.68</b>	<b>4,610.41</b>
<b>Net block</b>											
<b>As At 31 March 2023</b>	<b>638.03</b>	<b>1,059.88</b>	<b>2,086.29</b>	<b>8.38</b>	<b>38.54</b>	<b>21.14</b>	<b>2.25</b>	<b>113.66</b>	<b>3,968.16</b>	<b>475.60</b>	<b>4,443.76</b>
<b>As At 31 March 2022</b>	<b>639.65</b>	<b>277.07</b>	<b>2,231.36</b>	<b>11.25</b>	<b>27.84</b>	<b>5.20</b>	<b>4.61</b>	<b>73.99</b>	<b>3,270.96</b>	<b>501.96</b>	<b>3,772.93</b>

There are no immovable properties the title deeds of which are not held in the name of the group.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 3 Capital work-in-progress

Description	Factory Building	Capital Work in progress	Total
Balance as at 01st April 2022	429.13	-	429.13
Additions	-	276.76	276.76
Capitalised during the year	(429.13)	-	(429.13)
Balance as at 31 March 2023	-	<b>276.76</b>	<b>276.76</b>

### Capital work-in-progress aging schedule

Capital work-in-progress	Amount in capital work-in-progress for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Balance as at 31 March 2023	276.76	-	-	-	276.76
Balance as at 01st April 2022	-	429.13	-	-	429.13

## 4 Other Intangible assets

### F.Y 21-22

Description	Trade Mark	Softwares	Total Owned assets
<b>Gross block</b>			
Balance as at 01 April 2021	0.30	19.53	19.82
Additions	-	13.42	13.42
Disposals	-	-	-
<b>Balance as at 31 March 2022</b>	<b>0.30</b>	<b>32.94</b>	<b>33.24</b>
<b>Amortisation</b>			
Balance as at 01 April 2021	0.25	6.56	6.81
Depreciation for the year	0.01	6.96	6.97
Depreciation on disposals	-	0.14	0.14
<b>Balance as at 31 March 2022</b>	<b>0.26</b>	<b>13.65</b>	<b>13.91</b>
<b>Net block</b>			
<b>As At 31 March 2022</b>	<b>0.03</b>	<b>19.29</b>	<b>19.33</b>

### F.Y 22-23

Description	Trade Mark	Softwares	Total Owned assets
<b>Gross block</b>			
Balance as at 01 April 2022	0.30	32.94	33.24
Additions	-	7.35	7.35
Disposals	-	-	-
<b>Balance as at 31 March 2023</b>	<b>0.30</b>	<b>40.29</b>	<b>40.59</b>
<b>Amortisation</b>			
Balance as at 01 April 2022	0.26	13.65	13.91
Depreciation for the year	0.01	5.07	5.08
Depreciation on disposals	-	-	-
<b>Balance as at 31 March 2023</b>	<b>0.27</b>	<b>18.72</b>	<b>18.99</b>
<b>Net block</b>			
<b>As At 31 March 2023</b>	<b>0.03</b>	<b>21.57</b>	<b>21.60</b>
<b>As At 31 March 2022</b>	<b>0.03</b>	<b>19.29</b>	<b>19.33</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 5 Non-current investments

	31 March 2023	31 March 2022
<b>Investments in equity accounted investees</b>		
1,50,000 (31 March 2022 : 1,50,000) Investment in equity shares of Kranti SFCI Private Limited of Rs. 10/- each	-	-
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>		
<b>Investment in equity shares - Unquoted</b>		
100 (31 March 2021 : 100; 1 April 2020 : 100) Investment in equity shares of The Shamrao Vitthal Co Operative Bank Ltd of Rs. 100 each	0.10	0.10
8,200 (31 March 2021 : 8,200; 1 April 2020 : 8,200) Investment in equity shares of Cosmos Co-operative Bank Limited of Rs. 100 each	8.20	8.20
<b>Investment in equity shares - Unquoted</b>		
11,00,000 (31 March 2022 : 0.00) Investment in equity shares of Investments -Shares Preciso Metall Pvt Ltd at Rs. 3.12/- each (Face value Rs 10 per share)	34.32	-
	<b>42.62</b>	<b>8.30</b>
<b>Investments carried at fair value through profit and loss (FVTPL)</b>		
<b>Investment in Mutual funds - Quoted</b>		
0 (31 March 2022 : 31,968) units of Aditya Birla Short Term Opportunities Fund	-	12.24
0 (31 March 2022 : 6951) units of Aditya Birla Banking and PSU fund	-	20.61
0 (31 March 2022 : 681) units of Aditya Birla Sun Life Liquid Fund	-	2.32
	-	35.17
	42.62	43.47
(a) Aggregate amount of quoted investments	-	35.17
(b) Aggregate market value of quoted investments	-	35.17
(a) Aggregate amount of unquoted investments	42.62	8.30
(b) Aggregate amount of impairment in value of investments	-	-

## 6 Non-current financial assets - Others

	31 March 2023	31 March 2022
(Unsecured, considered good)		
Security deposits	34.82	32.50
Deposits with MSEB	18.38	-
	<b>53.20</b>	<b>32.50</b>

## 7 Other non-current assets

	31 March 2023	31 March 2022
<b>(Unsecured, considered good)</b>		
Capital advance	-	-
Balance with government authorities	-	-
	-	-

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 8 Inventories

	31 March 2023	31 March 2022
Raw Materials, Components, Consumables	722.51	668.51
Work-in-progress, Stores and Spares	201.70	169.37
	<b>924.21</b>	<b>837.88</b>

## 9 Trade receivables (Unsecured, considered good)

	31 March 2023	31 March 2022
Trade receivables	847.84	640.57
	<b>847.84</b>	<b>640.57</b>
(Outstanding from due date of payment / from date of transaction)		
(i) Undisputed Trade Receivables – considered good		
Less than 6 months	847.84	640.57
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	847.84	640.57
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
	-	-
(iii) Undisputed Trade Receivables – credit impaired		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
	-	-
(iv) Disputed Trade Receivables – considered good		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

	31 March 2023	31 March 2022
More than 3 years	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
(vii) Unbilled dues	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Less: Provision for doubtful receivables	-	-
	<b>847.84</b>	<b>640.57</b>

## 10 Cash and cash equivalents

	31 March 2023	31 March 2022
Cash-in-hand	0.46	0.94
Current accounts	270.30	0.20
Bank deposits with maturity less than 3 Months	-	-
	<b>270.76</b>	<b>1.14</b>

## 11 Other current financial assets

	31 March 2023	31 March 2022
Interest receivable	0.82	0.71
Security deposits	-	1.65
	<b>0.82</b>	<b>2.36</b>

## 12 Other current assets

	31 March 2023	31 March 2022
Advance to creditors	41.13	34.61
Advance to employees	0.69	0.66
Prepaid expenses	5.13	7.53
Loans and Advances Repayable on Demand	80.00	-
	<b>126.95</b>	<b>42.80</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 13 Share capital

Particulars	31 March 2023	31 March 2022
<b>Authorised :</b>		
1,50,00,000 (31 March 2023 : 1,50,00,000) equity shares of Rs.10 each.	1,500.00	1,500.00
<b>TOTAL</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and paid-up:</b>		
1,05,62,400 (31 March 2023 : 1,05,62,400) equity shares of Rs.10 each fully paid-up	1,056.24	1,056.24
	<b>1,056.24</b>	<b>1,056.24</b>

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. 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.

### Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity shares :	31 March 2023	31 March 2022
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	10,562,400	8,802,000
Equity shares issued during the year *		1,760,400
Outstanding at the end of the year	<b>10,562,400</b>	<b>10,562,400</b>

\*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported, Hence the EPS for the previous reporting period adjusted considering the no bonus issue shares issued.

### Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2023		31 March 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Indubala S. Vora	2,305,253	21.83%	2,074,441	19.64%
Mr. Sachin S. Vora	1,952,200	18.48%	1,951,208	18.47%
Mr. Sumit S. Vora	1,854,037	17.55%	1,854,036	17.55%
Smc Global Securities Ltd.		0.00%	627,840	5.94%

### Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2023			31 March 2022			
	Name of the Promoter	No. of Shares	% of Holding	% change	No. of Shares	% of Holding	% change
	Mrs. Indubala S. Vora	2,305,253	21.83%	2.19%	2,074,441	19.64%	0.07%
	Mr. Sachin S. Vora	1,952,200	18.48%	0.01%	1,951,208	18.47%	0.00%
	Mr. Sumit S. Vora	1,854,037	17.55%	0.00%	1,854,036	17.55%	0.00%

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2021	
Name of the Promoter	No. of Shares	% of Holding
Mrs. Indubala S. Vora	1,722,700	19.57%
Mr. Sachin S. Vora	1,626,000	18.47%
Mr. Sumit S. Vora	1,545,030	17.55%

## 14 Other equity

	31 March 2023	31 March 2022
<b>A. Retained earnings</b>	1,401.24	877.24
<b>B. Securities premium</b>	154.18	154.18
<b>C. General reserve</b>	30.00	30.00
<b>D. Equity contribution from directors</b>	100.41	100.41
	<b>1,685.83</b>	<b>1,161.82</b>
<b>Retained earnings</b>		
Opening balance	877.24	642.46
<b>Add/(Less):</b>		
Profit for the year	521.99	222.47
Transfer from / (to) other reserves	-	9.31
Transfer from/to other reserves	-	-
Ind AS adjustments	(0.46)	-
Remeasurements of defined benefit liability / (asset)	2.48	3.00
<b>Closing balance</b>	<b>1,401.24</b>	<b>877.24</b>
<b>Securities premium</b>		
Opening balance	154.18	337.87
Changes during the year	-	(176.04)
Transaction costs on issue of shares	-	(7.65)
<b>Closing balance</b>	<b>154.18</b>	<b>154.18</b>
<b>General Reserve</b>		
Opening balance	30.00	30.00
Changes during the year	-	-
<b>Closing balance</b>	<b>30.00</b>	<b>30.00</b>
<b>Equity contribution from shareholders</b>		
<b>Opening Balance</b>	100.41	117.68
Transfer from/ to reserves	-	(8.49)
Changes during the year	-	(8.78)
<b>Closing Balance</b>	<b>100.41</b>	<b>100.41</b>

## 15 Non-Controlling Interest

<b>Opening Balance</b>	2.10	0.44
<b>Add/(Less):</b>		
Profit for the year	-	0.19
Transfer from/ to reserves	-	1.46
<b>Closing Balance</b>	<b>2.10</b>	<b>2.10</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 16 Non-current financial liabilities - borrowings

	31 March 2023	31 March 2022
Term loans from banks and financial institutions	1,179.85	1,047.98
Loans from related parties	467.00	-
Security Deposits		
	<b>1,646.85</b>	<b>1,047.98</b>

- Term Loan from HDFC BANK (Account Nos. 81214831, 81214829, 81260322, 81600701, 83656442, 81214825) - loan is availed from HDFC bank for Plant and Machinery. secured by way of first mortgage /charge on the plant and machinery and mortgage of immovable property situated at Gat No. 267/B/1, Pirangut, Pune.
- Term Loan Account SCB 51294176 - loan is availed from Standard Chartered bank as working capital requirement This loan is secured by way of first mortgage /charge on Flat owned by Director Situated at Isha Pearl, Kothwa, Pune.
- Term Loan Account 20571389, 20644102, 20780531, 20788892, 21794544 - loan is availed from TATA Capital for Machinery. This loan is secured by way of first mortgage /charge on the machinery Purchased.
- TATA CAPITAL: SUPPLIERS CREDIT - this is a supplier Credit availed from TATA Capital for purchase of Machinery The Loan is secured by Mortgage of Machinery, The supplier credit maturity is in Mar 2021 and on maturity will be converted to Term Loan.
- ABFL : A/C NO.00600350111308, TATA CAPITAL A/c 21816300 and HDFC A/c 8130923 : These loans are availed under Guaranteed Emergency Credit Line (GECL) as made available during COVID-19 crisis to augment their net-working capital.
- Aditya Birla: 80001677: This loan is availed for the Purchase of Industrial Land at Gat no 1121, Pirangut Pune. This loan is secured by way of first mortgage / charge on the Land Purchased.
- EFL: Loan 100-790917-2020-2-1: -This Credit is availed from Electronica Finance Limited for purchase of Machinery The Loan is secured by Mortgage of Machinery.
- Subsidiary is having term loan on mortgage of Property which is financed by Kotak Bank. Term loan and the same is secured by first mortgage charge /on the immovable property situated at Bhosari MIDC, Pune
- Subsidiary is using OD facility from Kotak bank, secured by mortgage on property  
Refer Note 39 for Related Party Disclosures

## 17 Lease liabilities - Non-current

	31 March 2023	31 March 2022
Lease liabilities	200.19	270.38
<b>Other non-current financial liabilities</b>		
Security deposits from dealers	-	-

## 18 Provisions - Non-current

	31 March 2023	31 March 2022
Provision for gratuity	0.75	-
Provision for leave encashment		
	<b>0.75</b>	<b>-</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 19 Other non-current liabilities

	31 March 2023	31 March 2022
Deferred income on corporate guarantee	-	0.05
	<b>-</b>	<b>0.05</b>

## 20 Borrowings - Current

	31 March 2023	31 March 2022
<b>Secured</b>		
Cash-credit from bank*	897.34	478.93
Bill discounting from banks	-	-
Current maturities of long-term debts	429.43	419.29
Loans from related parties	-	450.08
	<b>1,326.77</b>	<b>1,348.30</b>

\*Secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment.

The Group has borrowings from banks against the security of current assets and the group is submitting the monthly statement of stock and receivables to the banks. The monthly statements of current asset filed by the group are in agreement with the books of accounts with a variation of 15%. Such variations are incorporated along with any other audit related changes at their respective time intervals. Following is the variance table in the respective months:

Quarter	Current Assets - Submitted to Banks	Current Assets As per Books	Current Assets Change
Jun-22	1,800.19	1,800.47	-0.02%
Sep-22	2,120.78	2,166.87	-2.13%
Dec-22	1,491.09	1,526.42	-2.31%
Mar-23	1,736.93	1,760.99	-1.37%

## 21 Lease liabilities - Current

	31 March 2023	31 March 2022
Lease liabilities	70.20	77.79
	<b>70.20</b>	<b>77.79</b>

## 22 Trade payables

	31 March 2023	31 March 2022
Total outstanding dues to micro enterprises and small enterprises	267.82	271.77
Total outstanding dues to creditors other than micro enterprises and small enterprises	737.91	556.67
	<b>1,005.73</b>	<b>828.44</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

(Outstanding from due date of payment / from date of transaction)

Particulars	31 March 2023	31 March 2022
<b>(i) MSME</b>		
Less than 1 year	267.82	271.77
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>267.82</b>	<b>271.77</b>
<b>(ii) Others</b>		
Less than 1 year	737.91	556.67
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>737.91</b>	<b>556.67</b>
<b>(iii) Disputed dues - MSME</b>		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
<b>(iv) Disputed dues - Others</b>		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
<b>(v) Accruals</b>		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
	<b>1,005.73</b>	<b>828.44</b>

## 23 Other current financial liabilities

	31 March 2023	31 March 2022
Employee benefits payable	69.68	58.85
Audit fees payable	0.90	1.83
Legal fees payable	2.17	0.41
Electricity expenses payable	28.24	19.87
Expenses payable	46.56	92.34
Interest payable	8.33	5.03
	<b>155.88</b>	<b>178.33</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 24 Other current liabilities

	31 March 2023	31 March 2022
Statutory dues payable	26.17	64.07
Advance received from customers	-	11.64
	<b>26.17</b>	<b>75.71</b>

## 25 Provisions - Current

	31 March 2023	31 March 2022
Provision for gratuity	9.67	12.82
Provision for leave encashment	9.97	9.98
Other Provisions	1.80	-
Provision for Income Tax	2.91	-
	<b>24.35</b>	<b>22.80</b>

## 26 Revenue from operations

	For Year ended 31 March 2023	For Year ended 31 March 2022
Sales of goods	8,355.18	8,321.08
Sale of services (Labour charges)	564.17	606.26
<b>Other non operating income</b>		
Sale of Scrap	366.64	396.52
Cash Discount received	37.75	47.65
	<b>9,323.74</b>	<b>9,371.51</b>

## 27 Other income

	For Year ended 31 March 2023	For Year ended 31 March 2022
Interest		
Interest on Deposits	2.31	15.40
Others	0.18	0.21
Profit on sale of assets	405.72	-
Commision income on corporate guarantee	1.55	0.18
Fair valuation gain/loss on instruments measured at fair value through profit and loss account	-	1.11
Discount received	(0.01)	0.06
Dividend on shares	0.33	-
	<b>410.08</b>	<b>16.96</b>

## 28 Cost of materials consumed

	For Year ended 31 March 2023	For Year ended 31 March 2022
Opening inventory	668.51	605.47
Add:	-	-
Purchases during the year	6,170.23	6,115.99
Freight & Octroi	34.67	35.12
Closing inventory	722.51	668.51
	<b>6,150.90</b>	<b>6,088.07</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 29 Changes in inventories of finished goods and work-in-progress

	For Year ended 31 March 2023	For Year ended 31 March 2022
Opening Work-in-Progress	169.37	193.05
Closing Work-in-Progress	(201.70)	(169.37)
	<b>(32.33)</b>	<b>23.68</b>

## 30 Employee benefits expense

	For Year ended 31 March 2023	For Year ended 31 March 2022
Salaries and Wages	963.02	965.86
Bonus and Incentives	39.68	39.16
Gratuity paid	7.24	15.96
P.F. Contribution	34.56	33.33
Esic : Employer's Contribution	4.75	4.74
Welfare Fund Deducted	0.08	0.08
Staff Welfare	10.02	7.96
Directors Remuneration	34.05	34.15
Leave Encashment Provisison	3.25	9.98
	<b>1,096.65</b>	<b>1,111.22</b>

## 31 Finance costs

	For Year ended 31 March 2023	For Year ended 31 March 2022
Interest on Term Loan	70.38	80.87
Interest on Cash Credit, Bill Discounting	84.68	76.49
Interest on Unsecured Loans and Deposits	39.92	40.21
Interest on corporate guarantee	1.43	0.02
Interest on unwinding lease liabilities	34.65	21.28
Interest on delayed payments	-	-
Bank Charges	17.87	5.97
Interest on Income Tax	0.76	
	<b>249.69</b>	<b>224.84</b>

## 32 Depreciation and amortisation

	For Year ended 31 March 2023	For Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 2)	382.80	393.76
Depreciation of intangible assets (refer note )	5.08	6.97
Depreciation of right-of-use asset (refer note 2)	26.36	16.90
	<b>414.24</b>	<b>417.63</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 33 Other expenses

	For Year ended 31 March 2023	For Year ended 31 March 2022
<b>Manufacturing Expenses</b>		
Power and Fuel	366.09	339.00
Repairs to Machinery	203.22	240.09
Job work and labour charges	208.49	200.18
Lease Rental	4.95	6.60
Packing Material	144.66	176.78
<b>Sales, administration and other expenses</b>		
Advertisement	1.57	0.93
Audit Fees	2.02	1.42
Conveyance and Travelling	13.47	10.44
Insurance	13.52	8.75
Interest paid on Govt. Dues	-	0.14
Legal and Professional Fees	37.48	28.56
Legal Expenses	10.83	6.09
Office Expenses	34.54	35.12
Postage and Courier	0.09	0.16
Printing and Stationary	7.32	5.90
Profession Tax	0.05	0.05
Rates and Taxes	3.92	3.27
Repairs and Maintenance	11.38	11.03
Sales Promotion, entertainment and Ceremony expenditure	0.45	20.87
Security Charges	23.81	18.75
Housekeeping Expenses	21.72	18.21
Subscription and contribution	4.97	3.58
Transport Charges	29.58	80.39
Round Off	0.02	-
Telephone Expenses	1.78	2.06
Water Charges	9.53	9.77
Foreign Currency Gain/Loss	(0.76)	0.13
Accounts / Liability Written Back	4.98	3.34
Donations	-	-
MVAT Paid	-	5.76
Ceremony Expenses	-	-
Director Sitting Fees	4.60	1.00
	<b>1,164.28</b>	<b>1,238.37</b>
<b>Payment to auditor (excluding service tax)</b>		
<b>As auditor</b>		
Statutory audit fee	2.02	1.42
<b>In other capacity</b>		
Other services		
<b>Reimbursement of expenses</b>		

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 34 Taxes

### a) Statement of profit or loss

Particulars	For Year ended 31 March 2023	For Year ended 31 March 2022
<b>Current tax:</b>		
Current income tax charge	108.57	49.53
Deferred tax	43.01	65.84
MAT Credit Entitlement	13.39	(49.53)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>164.97</b>	<b>65.84</b>

### b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the year

Particulars	For Year ended 31 March 2023	For Year ended 31 March 2022
<b>Deferred tax</b>		
Remeasurements gains and losses on post employment benefits	(0.95)	(1.05)
<b>Income tax recognised in OCI</b>	<b>(0.95)</b>	<b>(1.05)</b>

### c) Balance sheet

Particulars	31 March 2023	31 March 2022
<b>Tax assets</b>		
Non- current tax assets	15.31	30.41
Current tax assets	-	-
<b>Total tax assets</b>	<b>15.31</b>	<b>30.41</b>
<b>Current tax liabilities</b>		
Income tax (net of provision)	2.91	1.20
<b>Total current tax liabilities</b>	<b>2.91</b>	<b>1.20</b>

### d) Deferred tax

Particulars	31 March 2023	31 March 2022
<b>Deferred tax liability (DTL)</b>		
Excess of depreciation/amortisation on property, plant and equipment under income tax act	175.42	166.99
Borrowings	3.74	-
Unsecured borrowings	-	10.38
Leases	44.60	25.87
Equity accounting for associate	-	-
	<b>223.76</b>	<b>203.24</b>
<b>Deferred tax asset (DTA)</b>		
Gratuity	(2.90)	(3.31)
Deferred Tax Asset B/ F Loss (Asset)	-	(23.45)
Leave Encashment Provision	(2.77)	(2.59)
Corporate guarantee	-	(0.01)
MAT credit entitlement	(59.15)	(71.87)
Borrowings	-	(0.22)
	(64.82)	(101.45)
<b>Net deferred tax liability/(asset)</b>	<b>158.94</b>	<b>101.79</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	For Year ended 31 March 2023	For Year ended 31 March 2022
Accounting profit before tax	686.95	284.66
<b>Tax as per IT Act on above @ 27.82% (Prev. year - 26%) (A)</b>	<b>191.11</b>	<b>74.01</b>
<b>Tax expenses</b>	-	-
(i) Current tax	108.57	49.53
(ii) Deferred tax	56.41	16.30
(iii) Taxation in respect of earlier years	-	-
<b>(B)</b>	<b>164.97</b>	<b>65.84</b>
<b>Difference (C)</b>	<b>26.14</b>	<b>8.17</b>
<b>Tax reconciliation</b>	-	-
<b>Adjustments:</b>	-	-
Permanent disallowances	-	-
Ind AS transition impacts on MAT computations (1/5th)	7.58	7.08
MAT credit written off	-	2.70
Set-off of brought forward losses	(15.95)	(1.03)
Tax expenses accounted as no effect of Timing differences on MAT liability	-	1.64
Tax rate difference on book profit as per Minimum Alternate Tax	7.76	(19.62)
Equity accounting of associate	-	-
Others	(25.53)	1.06
	<b>0</b>	<b>(0)</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

### f) Movement in temporary differences:

	01 April 2021	Recog- nised in profit or loss during the year	Recog- nised in OCI during the year	Recog- nised in equity during the year	31 March 2022	Recog- nised in profit or loss during the year	Recog- nised in OCI during the year	Recog- nised in equity during the year	31 March 2023
<b>Deferred tax liability (DTL)</b>									
Excess of depreciation/ amortisation on property, plant and equipment under income tax act	171.31	(4.33)	-	-	166.99	8.44	-	-	175.42
Tax law over depreciation / amortisation provided in books of account	-	-	-	-	-	-	-	-	-
Borrowings	0.15	(0.36)	-	-	(0.22)	3.95	-	-	3.74
Gratuity	(0.37)	(3.99)	1.05	-	(3.31)	(0.55)	0.95	-	(2.90)
Deferred Tax Asset B/ F Loss (Asset)	(94.73)	71.28	-	-	(23.45)	23.45	-	-	0.00
Leave Encashment Provision	-	(2.59)	-	-	(2.59)	(0.18)	-	-	(2.77)
Borrowings	-	-	-	-	-	-	-	-	-
Unsecured borrowings	20.84	(10.87)	-	0.42	10.38	(10.17)	-	-	-
Leases	10.64	15.24	-	-	25.87	18.73	-	-	44.60
Equity accounting for associate	1.29	(1.29)	-	-	-	-	-	-	-
MAT credit entitlement	(25.03)	(46.84)	-	-	(71.87)	12.72	-	-	(59.15)
Corporate guarantee	(0.06)	0.04	-	-	(0.01)	0.01	-	-	-
	<b>84.02</b>	<b>16.30</b>	<b>1.05</b>	<b>0.42</b>	<b>101.79</b>	<b>56.41</b>	<b>0.95</b>	<b>-</b>	<b>158.94</b>

The Group 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.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 35 Earnings Per Share

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Profit / (Loss) attributable to equity shareholders	521.99	222.66
<b>Basic Earnings Per Share</b>		
Weighted average number of equity shares outstanding during the year*	10,562,400	10,562,400
<b>Basic EPS (Rs.)</b>	4.94	2.11
<b>Diluted Earnings Per Share</b>		
Weighted average number of equity shares outstanding for diluted EPS*	10,562,400.00	10,562,400.00
<b>Diluted EPS (Rs.)</b>	4.94	2.11

\*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported.

## 36 Contingent liabilities:

Particulars	31 March 2023	31 March 2022
Pending litigation under Income Tax Act	14.42	14.42
	<b>14.42</b>	<b>14.42</b>

## 37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 March 2023	31 March 2022
The amount remaining unpaid to micro and small suppliers as at the end of each accounting year		
- Principal	271.77	371.85
- Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	Nil	Nil
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil

## 38 Note 38 : Corporate social responsibility

The provisions for CSR are not applicable to the group for all the reporting period.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 39 Related Party Disclosures

### (a) List of Related Parties and description of relationship:

Nature of Relationship	Name of Company / Related Parties	Details / Designation
Subsidiary company	Wonder Precision Private Limited	CIN : U27109PN1986PTC039913
Associate company	Kranti SFCI Private Limited	CIN : U29113GJ2018PTC105630
Key Management Personnel (KMP)	Mr. Sachin Subhash Vora	Chairman and Managing Director
Key Management Personnel (KMP)	Mr. Sumit Subhash Vora	Whole Time Director
Key Management Personnel (KMP)	Mrs. Sheela Kailash Dhawale	Chief Financial Officer
Key Management Personnel (KMP)	Mr. Bhavesh Subhash Selarka	Company Secretary
Relative of Key Management Personnel	Smt. Indubala Subhash Vora	Non- Executive Director
Relative of Key Management Personnel	Mrs. Sarika Sachin Vora	Wife of Director
Relative of Key Management Personnel	Mrs. Lushita Sumit Vora	Wife of Director
Relative of Key Management Personnel	Mrs. Sapna Sunil Gadiya	Sister of Director
Other Related Parties	Suparsh Engineering	Firm of Relative of Director
Other Related Parties	Kranti Industries Limited EGGLEAS	

### (b) Related party transactions:

Sr. no	Nature of Transaction	For year ended 31 March 2023				For year ended 31 March 2022			
		KMP / Relative of KMP	Associates	Other related parties	Total	KMP / Relative of KMP	Associates	Other related parties	Total
	<b>Remuneration to Key Managerial persons</b>				-				-
	Short-term employee benefits	78.78	-	-	<b>78.78</b>	74.80	-	-	<b>74.80</b>
	Post employment benefits	-	-	-	-	0.86	3.36	-	<b>4.22</b>
	Other long-term employee benefits	-	-	-	-	-	-	-	-
	Termination benefits	-	-	-	-	-	-	-	-
	Share based payments	-	-	-	-	-	-	-	-
	Purchase of material & job charges	-	9.31	60.49	<b>69.80</b>	-	-	-	-
	Purchase of Fixed Assets	-	-	-	-	-	-	-	-
	Advances given to the Associates Company	-	20.00	-	-	-	-	-	-
	Loans amount accepted from related parties during the year	142.00	-	-	-	-	-	-	-
	Sale of machines	-	-	-	-	-	-	-	-
	Gratuity premium paid	-	-	0.35	<b>0.35</b>	-	-	6.10	<b>6.10</b>
	<b>Director Sitting Fees Paid to Directors</b>	<b>3.00</b>	-	-	<b>3.00</b>	-	-	-	-
		<b>223.78</b>	<b>29.31</b>	<b>60.85</b>	<b>151.94</b>	<b>75.66</b>	<b>3.36</b>	<b>6.10</b>	<b>85.12</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## (c) Balances outstanding at the end of the year:-

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Loans taken from related parties</b>	467.00	450.08
<b>b. Trade Payables as on date Related Party</b>	2.43	11.52
<b>c. Advances given to the Associates Company</b>	20.00	-

## 40 Financial risk management

The Group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors is responsible for developing and monitoring the group's risk management policies. The board regularly meets to decide its risk management activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group's management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The group has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

### (a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess impairment loss or gain.

### (b) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Total current assets (A)	2,170.58	1,524.75
Total current liabilities (B)	2,609.10	2,532.57
<b>Working capital (A-B)</b>	<b>(438.52)</b>	<b>(1,007.82)</b>

Following is the Group's exposure to financial liabilities based on the contractual maturity as at reporting date.

Contractual cash flows	As at 31 March 2023			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,973.62	1,326.77	1,646.85	2,973.62
Trade payables	1,005.73	1,005.73	-	1,005.73
Lease liabilities	270.39	70.20	200.19	270.39
Other liabilities	155.88	155.88	-	155.88

Contractual cash flows	As at 31 March 2022			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,396.28	1,348.30	1,047.98	2,396.28
Trade payables	828.44	828.44	-	828.44
Lease liabilities	348.17	77.79	270.38	348.17
Other liabilities	178.33	178.33	-	178.33

**(c) Interest rate risk:**

The group does not face any interest rate risk as all the borrowings of the Group have a fixed interest rate.

**(d) Market risk**

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company does not have any outstanding foreign currency balances as on the reporting dates.

## 41 Capital management

The group's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The group's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at 31 March 2023	As at 31 March 2022
Total liabilities	4,616.09	3,952.78
Less: cash and cash equivalents and bank balances	270.76	1.14
<b>Net debt</b>	<b>4,345.33</b>	<b>3,951.64</b>
<b>Total equity</b>	<b>2,742.07</b>	<b>2,220.16</b>
<b>Debt-equity ratio</b>	<b>158.47%</b>	<b>177.99%</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 42 Fair value measurements

### (a) Categories of financial instruments -

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Category	Level 1	Level 3	Level 2	Level 1	Level 3	Level 2
<b>Financial assets</b>						
Investment	-	42.62	-	35.17	8.30	-
Trade receivables	-	-	847.84	-	-	640.57
Cash and cash equivalents	-	-	270.76	-	-	1.14
Other financial assets	-	-	0.82	-	-	2.36
<b>Total financial assets</b>	<b>-</b>	<b>42.62</b>	<b>1,119.42</b>	<b>35.17</b>	<b>8.30</b>	<b>644.06</b>
<b>Financial liabilities</b>						
Borrowings	-	-	2,973.62	-	-	2,396.28
Lease liabilities	-	-	270.38	-	-	348.18
Trade payables	-	-	1,005.73	-	-	828.44
Other financial liabilities	-	-	155.88	-	-	178.33
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,405.62</b>	<b>-</b>	<b>-</b>	<b>3,751.23</b>

### (b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the group which are carried at amortised cost approximates the fair value. Accordingly fair value disclosures have not been made for these financial instruments. Investments in equity shares and mutual funds which are designated at FVTPL & investment in equity shares which are classified as FVTOCI are at fair value.

## 43 Post-employment benefit plans

As per Indian Accounting Standard 19 "Employee Benefits", the disclosures as defined are given below-

### A. Defined Contribution Plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Employer's contribution to provident fund	34.56	33.33

Group's contribution paid/payable during the year to provident fund are recognised in the Statement of Profit and Loss.

### B. Defined Benefit Plans

#### Gratuity

The group has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

#### Liability Risks

- Asset-Liability mismatch risk-** Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements. Hence group's are encouraged to adopt asset-liability management.

## Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

- Discount rate risk-** Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.
- Future salary escalation and inflation risk -** Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

### Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	9.03	7.51
Net interest (Income)/ Expense	0.38	0.73
<b>Net benefit expense</b>	<b>9.41</b>	<b>8.24</b>

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Projected benefit obligation at the beginning of the year</b>	<b>73.91</b>	<b>59.84</b>
Interest cost	5.28	4.05
Current service cost	9.03	7.51
Actuarial (gain)/ loss on obligations	(4.68)	(4.16)
Benefits paid	(4.93)	(0.55)
<b>Present value of obligation at the end of the year</b>	<b>78.61</b>	<b>66.69</b>

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Fair value of plan assets at the beginning of the year</b>	<b>64.19</b>	<b>43.27</b>
Interest income	4.90	3.32
Contributions	0.35	11.60
Mortality charges and taxes	-	(0.35)
Benefits paid	-	(0.55)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(1.26)	(0.01)
<b>Fair value of Plan assets at end of the year</b>	<b>68.19</b>	<b>57.28</b>
Actual return on plan assets	<b>3.65</b>	<b>3.30</b>

Amount recognised in the statement of other comprehensive income

Particulars	As at 31 March 2023	As at 31 March 2022
Re-measurement for the year - obligation (gain) / loss	3.43	4.15
Re-measurement for the year - plan assets (gain) / loss	-	-
<b>Total re-measurements cost / (credit) for the year recognised in other comprehensive income</b>	<b>3.43</b>	<b>4.15</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## Net Defined Benefit Liability/(Asset) for the year

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation	78.61	66.69
Fair value of plan assets	68.19	57.28
<b>Closing net defined benefit liability/(asset)</b>	<b>10.42</b>	<b>9.41</b>
<b>Current</b>	9.67	9.03
<b>Non-Current</b>	0.75	0.69

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	As at 31 March 2023	As at 31 March 2022
Funds managed by insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

### Assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
	%	%
Mortality table	IALM (2012- 14)	IALM (2012- 14)
Discount rate	7.30%	7.00%
Rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	7.00%	6.80%
Withdrawal rate #	0.00%	0.00%
Age up to 30 years	3.00%	3.00%
Age 31 - 40 years	1.00%	2.00%
Age 41 - 50 years	1.00%	1.00%
Age above 50 years	1.00%	1.00%
Expected average remaining working lives of employees (in years)	16.55 *	18.93 *

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

# Assumption has been revised by the Company based on their past experience and future expectations

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

A quantitative sensitivity analysis for significant assumption is shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2023		As at 31 March 2022	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
<b>Discount Rate</b>				
Discount Rate	8.30%	6.30%	8.00%	6.00%
Amount	68.00	91.48	77.62	57.71
<b>Salary increment Rate</b>				
Salary increment Rate	6.00%	4.00%	6.00%	4.00%
Amount	90.41	68.59	59.28	75.41
<b>Impact of change in withdrawal Rate</b>				
Withdrawal Rate	4.00%	2.00%	4.00%	2.00%
Amount	78.66	78.57	69.13	63.89

#### Expected contribution for the next Annual reporting period.

The Company intends to contribute Rs. 9.67 towards its gratuity fund in next year

#### Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year ending 31 March 2023	Expected benefit payment rounded of to nearest thousand
0 to 1 Year	2.76
1 to 2 Year	1.74
2 to 3 Year	1.79
3 to 4 Year	1.85
4 to 5 Year	4.62
6 to 10 Year	15.31

## 44 Revenue from contracts with customers

### A. Revenue streams

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
<b>Revenue from operations</b>		
Sales of goods	8,355.18	8,321.08
Sale of services (Labour charges)	564.17	606.26
<b>Other non-operating income</b>		
Sale of Scrap	366.64	396.52
Cash Discount received	37.75	47.65
	<b>9,323.74</b>	<b>9,371.51</b>

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
<b>Timing of revenue recognition</b>		
At point in time	8,759.57	8,765.25
Over the period in time	564.17	606.26
<b>Total revenue</b>	<b>9,323.74</b>	<b>9,371.51</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 45 Leases

### A. As a lessee

As a lessee, the group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the group. Under Ind AS 116, the group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The group decided to apply recognition exemptions to short-term leases. For leases of other assets, which were classified as operating under AS 19, the group recognised right-of-use assets and lease liabilities.

### B. As a lessor

The group are not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The group accounted for its leases in accordance with Ind AS 116 from the date of initial application.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1st April 2020. The weighted-average rate applied is 11.75%.

### C. Impacts on financial statements

On transition to Ind AS 116 - Leases, the group has not recognised any right-of-use asset and lease liabilities, as all the leases are in the nature of short-term leases.

#### A1. Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Current	70.20	77.79
Non Current	200.19	270.38
<b>Total</b>	<b>270.39</b>	<b>348.17</b>

Maturity Analysis - Contractual undiscounted cash flow	As at 31 March 2023	As at 31 March 2022
Less than 1 Year	96.54	112.44
More than 1 Year	229.68	326.21
<b>Total</b>	<b>326.22</b>	<b>438.65</b>

#### A2. Interest expenses on lease liabilities

Interest expenses on lease liabilities	As at 31 March 2023	As at 31 March 2022
Interest on lease liabilities	34.65	21.28

Expenses on short-term leases / low value assets	As at 31 March 2023	As at 31 March 2022
Short-term lease	4.95	6.60
Low value assets	-	-

Amounts recognised in the statement of cash flow	As at 31 March 2023	As at 31 March 2022
Principle Amount	(77.79)	(61.64)
Unwinding of interest on lease liabilities	(34.65)	(21.28)
<b>Total cash outflow for leases</b>	<b>(112.44)</b>	<b>(82.92)</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

### 46 Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Ratios	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Kranti Industries Limited	90.01%	2,431.17	40.70%	206.38	99.60%	2.48	40.99%	208.86
<b>Subsidiaries</b>								
<b>Indian</b>								
Wonder Precision Private Limited	9.99%	269.76	59.30%	300.68	0.00%	-	59.01%	300.68
<b>Associates</b>								
Kranti SFCI Private Limited	0.00%	-	0.00%		0.00%	-	0.00%	-
Non-controlling interests in all subsidiaries	0.00%		0.00%		0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>2,700.93</b>	<b>100.00%</b>	<b>507.05</b>	<b>99.60%</b>	<b>2.49</b>	<b>100.00%</b>	<b>509.54</b>
Adjustments arising out of consolidation		41.14		14.94		(0.01)		14.93
<b>As at 31 March 2023</b>		<b>2,742.07</b>		<b>521.99</b>		<b>2.48</b>		<b>524.47</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

Ratios	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Kranti Industries Limited	101.46%	2,222.32	93.88%	210.36	100.00%	3.00	93.96%	213.36
<b>Subsidiaries</b>								
<b>Indian</b>								
Wonder Precision Private Limited	-1.55%	(34.01)	4.32%	9.68	0.00%	-	4.26%	9.68
<b>Associates</b>								
Kranti SFCI Private Limited	0.00%	-	1.71%	3.84	0.00%	-	1.69%	3.84
Non-controlling interests in all subsidiaries	0.10%	2.10	0.08%	0.19	0.00%	-	0.08%	0.19
<b>Total</b>	<b>100.00%</b>	<b>2,190.41</b>	<b>100.00%</b>	<b>224.07</b>	<b>100.00%</b>	<b>3.00</b>	<b>100.00%</b>	<b>227.07</b>
Adjustments arising out of consolidation		29.75		(1.41)		-		(1.41)
<b>As at 31 March 2022</b>		<b>2,220.16</b>		<b>222.66</b>		<b>3.00</b>		<b>225.66</b>

## 47 Investment in Equity accounted - Investees

Set out below are the associates of the group.

Name of the company	Relation	Country of incorporation	% of ownership interest as on 31 March 2023	% of ownership interest as on 31 March 2022
Kranti SFCI Private Limited	Associate	India	30%	30%

The tables below provide summarised financial information for those associates that are material to the group.

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## Kranti SFCI Private Limited

Summarised Balance Sheet	31 March 2023	31 March 2022
<b>Current asset</b>		
Financial assets	20.11	27.61
Inventories	17.10	9.64
Other current assets	33.36	34.91
<b>Total Non-current asset</b>	260.08	259.91
<b>Current liabilities</b>		
Total financial liabilities	317.43	194.67
Other current liabilities	0.15	24.33
Provisions	-	-
<b>Total Non-current liabilities</b>	46.36	128.39
Equity	(33.30)	(15.34)
Proportion of the group's ownership interest	-	-
Carrying amount of the group's interest	-	-

## Reconciliation to carrying amounts

	31 March 2023	31 March 2022
Opening carrying value	-	4.95
Profit for the year	-	(4.95)
OCI for the year	-	-
Investment in additional equity issued / (Stake sale)	-	-
<b>Closing carrying amount</b>	-	-

Summarised statement of profit and loss	31 March 2023	31 March 2022
Revenue	177.47	141.46
Other income	-	-
Cost of material consumed	91.38	44.57
Changes in inventories of finished goods and work-in-progress	-	-
Employee benefit expenses	48.61	51.19
Finance cost	23.83	20.87
Depreciation and amortisation	29.42	31.67
Other expenses	29.61	36.58
<b>Profit before tax</b>	<b>(45.39)</b>	<b>(43.42)</b>
Deferred tax (income)/Expense	(24.49)	(3.85)
<b>Profit/Loss for the year</b>	<b>(20.90)</b>	<b>(39.57)</b>
<b>Other comprehensive (income)/Loss</b>	-	-
<b>Total comprehensive income/(loss)</b>	<b>(20.90)</b>	<b>(39.57)</b>
Group's share of total comprehensive income for the year	-	(4.95)

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 48 Additional Regulatory Information

### Details of Benami Property held

The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

### Details of Loans and advances

The Group has not granted any loans and advances to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment.

### Wilful Defaulter

The Group has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

### Relationship with Struck off Companies

The Group do not have any transactions with companies struck off.

### Registration of charges or satisfaction with Registrar of Companies (ROC)

The Group has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

### Compliance with number of layers of companies

The Group has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

### Compliance with approved Scheme(s) of Arrangements

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

### Discrepancy in utilization of borrowings

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

### Utilisation of Borrowed funds and share premium:

- (A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).
- (B) the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 49 Additional Information

### Undisclosed income

The Group has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

# Notes to the consolidated financial statements

for the year ended 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)

## Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency.

## 50 Ratios analysis & it's elements

Particulars	March 31, 2023	March 31, 2022	% change from March 31, 2022 to March 31, 2023	Reasons if % change is 25% or more
Current Ratio	83.19	60.21	38.18%	Improvement in Current asset position over liability resulted as change in this ratio
Debt-Equity Ratio	108.45	107.93	0.47%	Changes is less than 25 %
Debt Service Coverage Ratio	125.85	135.11	-6.85%	Changes is less than 25 %
Return on Equity Ratio <sup>{(2)}</sup>	23.51	10.03	134.43%	Due to profit on sell of asset increase in current years profit
Inventory turnover ratio	662.03	729.43	-9.24%	Changes is less than 25 %
Trade Receivables turnover ratio	1,099.71	1,463.01	-24.83%	Changes is less than 25 %
Trade payables turnover ratio	611.58	734.88	-16.78%	Changes is less than 25 %
Net capital turnover ratio	340.03	422.11	-19.45%	Changes is less than 25 %
Net profit ratio (3)	5.60	2.33	139.76%	Due to profit on sell of asset increase in current years profit
Return on Capital employed	16.39	11.04	48.48%	Due to profit on sell of asset increase in current years profit
Return on investment (5)	19.13	10.16	88.18%	Due to profit on sell of asset increase in current years profit

## 51 Operating Segment

### A. Description of segments and principal activities

The Group's is engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies. This is considered as the single reportable segment.

### B. Information about major customers

Revenues from two customers of the Company's automobile segments represented approximately Rs. 6446.96 Lakhs (31 March 2022: Rs. 6846.70 lakhs) of the Company's total revenues.

52 Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation.

### For and on behalf of A D V Associates

Chartered Accountants  
Firm Registration No - 128045W

#### Pratik Kabra

Partner  
Membership no - 611401  
UDIN: 23611401BGUOFK8223

Place : Mumbai  
Date : May 27, 2023

### For and on behalf of the board of directors of Kranti Industries Limited

#### Sachin Vora

Managing Director  
DIN-02002468

#### Sheela Dhawale

Chief Financial Officer

Place : Pune  
Date : May 27, 2023

#### Sumit Vora

Director  
DIN-02002416

#### Bhavesh Selarka

Company Secretary

Place : Pune  
Date : May 27, 2023

