

**THE KOLHAPUR STEEL LIMITED**

Annual Report 2022-23

# Charging forward with metal's tenacity!



Annual Report for the Financial Year ended as on 31<sup>st</sup> March 2023.

#### BOARD OF DIRECTORS

Chittaranjan Mate	Chairman
Ravindra Samant	Managing Director
Ravi Sinha	Director
K. Taranath	Independent Director
Achyut Dhadphale	Independent Director
Suresh Deshpande	Independent Director
Rundrappa Mahajan	Independent Director

#### CHIEF FINANCIAL OFFICER

Deepak Khot

#### COMPANY SECRETARY

Siddhesh Mandke (Up to December 23, 2022)

#### AUDITORS

P. G. Bhagwat LLP, Chartered Accountants, Pune

#### BANKERS

ICICI Bank Limited

#### REGISTERED OFFICE AND FACTORY

At & Post : Pune Bangalore Highway,  
Shiroli (Pulachi), Taluka - Hatkanangale,  
Kolhapur – 416 122  
Tel. No. (0230) 2468061 / 62 / 63  
Website : [www.kolhapursteel.com](http://www.kolhapursteel.com)

#### REGISTRAR AND TRANSFER AGENT

M/s. Link Intime India Private Limited  
(Unit : The Kolhapur Steel Limited)  
Block No. 202, 2<sup>nd</sup> Floor, Akshay Complex,  
Near Ganesh Temple, off Dhole-Patil Road,  
Pune - 411 001  
Tel. No. : (020) 26160084 / 26161629  
Fax No. : (020) 26163503  
E-mail : [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

Information for shareholders	Contents	Page No.
Annual General Meeting	Notice	2
Day and Date : Tuesday, July 18, 2023	Boards' Report	6
Time : 11:00 am	Auditor's Report	13
Venue : The Kolhapur Steel Limited	Balance Sheet	21
Pune - Bangalore Highway	Profit and Loss Statement	22
Shiroli (Pulachi)	Cash Flow Statement	23
Taluka - Hatkanangale	Notes to the Accounts	25
Kolhapur – 416122	Profit and Loss Statement in Marathi	66

## NOTICE

Notice is hereby given that the 58<sup>th</sup> Annual General Meeting of the Members of **THE KOLHAPUR STEEL LIMITED** will be held at the Registered Office of the Company at Pune-Bangalore Highway, Shiroli (Pulachi), Taluka-Hatkanangale, Dist. Kolhapur - 416 122 on Tuesday, 18<sup>th</sup> day of July, 2023 at 11.00 a.m. to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the audited Financial Statements as at March 31, 2023 and Boards' Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Ravi Sinha (DIN 07430157) who retires by rotation and being eligible, offers himself for re-appointment and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT Mr. Ravi Sinha** (DIN 07430157) Director of the Company who retires by rotation at this Annual General Meeting and being eligible, be and is hereby re-appointed as a Director liable to retire by rotation."

### SPECIAL BUSINESS:

3. 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 Section 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the sanction of the Petition (No. 753 of 2019) filed by the Company with the National Company Law Tribunal, Mumbai Bench, with respect to consolidation of the Issued, Subscribed and Paid-up Equity Share Capital from Rs. 26,70,00,000/- (Rupees Twenty Six Crores and Seventy Lakhs only) divided into 26,70,00,000 (Twenty Six Crores and Seventy Lakhs) Equity Shares of face value of Re.1/- (Rupee One only) each to 26,700 (Twenty Six Thousand Seven Hundred) Equity Shares of face value of Rs. 10,000/- (Rupees Ten Thousand only) each, in order to give effect to the consolidation of equity shares in the Authorised Share Capital of the Company, as aforesaid, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following Clause:

"V. The Authorized Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty- Five Crores Only) comprising of 40,000 (Forty Thousand) Equity Shares of Rs. 10,000/- (Rupees Ten Thousand Only) each and 15,00,00,000 (Fifteen Crores) Preference Shares of Re. 1/- (Rupee One only) each with power to increase or reduce, the capital of the Company for the time being into several classes, to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors (which expression shall include a Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any one of its Directors or any other officers.

**RESOLVED FURTHER THAT** any Director and Company Secretary of the Company be and are hereby severally authorized to issue certified true copies of this resolution to various authorities."

By the order of the Board of Directors  
For **THE KOLHAPUR STEEL LIMITED**

Sd/-  
**Chittaranjan Mate**  
**Chairman**  
(DIN 07399559)

Place : Pune  
Date : April 20, 2023

**NOTES :****1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for another person or shareholder. An authorised representative of a body corporate, holding shares in the Company, may appoint a proxy under his signature. An instrument of proxy duly filled, stamped, dated and signed should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting (AGM). Proxy form which does not state the name of the Proxy shall not be considered valid. During the period beginning 24 hours before the time fixed for the commencement of AGM and ending with the conclusion of AGM, Member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided written notice is given to the Company at least 3 (three) days before the commencement of AGM. The proxy holder shall bring his/her ID-proof for the purpose of identification at the time of attending the AGM.

2. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 (Act) and Register of Contracts or Arrangements in which the directors are interested, as maintained under Section 189 of the Act, will be available for inspection by the Members at the time of the AGM.
3. In case, Members wish to ask for any information about the accounts or operations of the Company, they are requested to send their queries, in writing at least 7 (seven) days before the date of the AGM, so that the information can be made available at the time of the AGM.
4. Members of the Company and / or their proxies only will be allowed to attend the AGM. Before entering the meeting hall, Members and/ or proxies are requested to sign the Attendance Slip in the prescribed form and leave it at the counter.

Members are requested to carry their Folio No. / Client Id and DP Id for easy identification.

5. Since the Company's shares are available for dematerialisation, to ensure better investor service and elimination of risk of holding shares in physical form, it is requested that the Members holding shares in physical form to get their shares dematerialised at the earliest. As per the Ministry of Corporate Affairs vide Notification dated November 30, 2018, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository with effect from April 01, 2019. Shareholders holding shares in physical form shall get their shares dematerialized and credited in their demat account before undertaking any transaction(s) for transfer of shares.

6. Members who hold shares in physical form are requested to notify any change in their address to the Company / Registrar & Transfer Agents (R&T Agent) at the address mentioned below. Members, having multiple folios, are requested to intimate to the Company / R&T Agent such folios, to consolidate all shareholdings into one folio.

Therefore, all correspondence relating to transfer and transmission of shares, issue of duplicate share certificates, change of address, dematerialisation of shares, payment of unclaimed dividend etc. will be attended and processed at the office of the R&T Agent at the following address:-

Link In time India Private Limited

(Unit: The Kolhapur Steel Limited)

Block No. 202, 2<sup>nd</sup> Floor, Akshay Complex,

Near Ganesh Temple, Off Dhole Patil Road,

Pune – 411 001.

Tel. No. (020) 26160084

Fax No. (020) 26163503

E-mail: [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

7. The unclaimed dividend of Rs. 79,314/- for the Financial Year 2012-13 and the underlying 59,237 (number) shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more have been transferred to Investor Education and Protection Fund (IEPF) pursuant to the applicable provisions of Section 124 and 125 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules").

The Company has not declared any dividend after the Financial Year 2012-13.

In terms of the IEPF (uploading of Information regarding unpaid dividend amount lying with the Companies) Rules, 2012, the details of the unclaimed dividend up to the Financial Year 2012-13 have been uploaded on the Company's website at [www.kolhapursteel.com](http://www.kolhapursteel.com). Further, names of shareholders along with their folio number or DP ID – Client ID, whose shares were transferred to IEPF are also available on the website.

In terms of the provisions under the IEPF Rules, the said shares and the dividend transferred to IEPF can be claimed by the shareholders or his /her legal heir subject to submission of prescribed documents and compliance of certain conditions as mentioned in the IEPF Rules.

8. Authorisations in respect of representatives of the Bodies Corporate shall be sent to the Company before the commencement of AGM. Representative attending the AGM in person to vote thereat, shall submit the Board Resolution / authorisation, as the case may be before the commencement of AGM.
9. The result of the resolutions shall be declared by the Chairman at the end of the AGM.
10. The notice has been uploaded on the website of the Company
11. Statement Pursuant to section 102 of the companies Act 2013 and details on Director Pursuant to secretarial standards on General Meetings (SS-2) are annexed here with.

By the order of the Board of Directors  
For **THE KOLHAPUR STEEL LIMITED**

Place : Pune  
Date : April 20, 2023

Sd/-  
**Chittaranjan Mate**  
**Chairman**  
(DIN 07399559)

## ANNEXURE TO THE NOTICE

### I. Details of Directors Seeking Appointment/ Re-Appointment as required under Secretarial Standards (SS-2)

#### Item No. 2

Mr. Ravi Sinha (age-52) (DIN 07430157) retires by rotation and being eligible, offers himself for re-appointment. He will be re-appointed without payment of any remuneration and on such other terms and conditions as may be decided by the Board of Directors of the Company. No remuneration has been drawn by him till date.

Mr. Sinha has done Master of Business Administration in Human Resource from Xavier Institute, Ranchi and he is also a Law graduate. He is having 28 years of rich experience in the field of Human Resource Management. Currently, he is working as Vice President & Head - CHRM & C of Kirloskar Brothers Limited for the last 10 years. Before joining Kirloskar Brothers Limited, he was working with Praj Industries Limited.

He is not holding any shares in the Company. He is a Director of the Company since 2016. He is also a member of the Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Board of Directors of the Company and not holding any other Directorships or Chairmanship of the Committees of other Boards.

Except Mr. Sinha, none of the other Directors and Key Managerial Personnel including their relatives is concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

The approval of Members is sought for the appointment Mr. Ravi Sinha, who is retiring by rotation and offers himself for re-appointment. The Board recommends the passing of this resolution as an Ordinary Resolution.

### II. STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 3

Pursuant to the approval granted by the shareholders on April 8, 2019, by way of Postal Ballot dated October 19, 2018, the Company had filed a petition with National Company Tribunal, Mumbai Bench (NCLT) for consolidation of its Issued, Subscribed and Paid up Equity Share Capital of Rs. 26,70,00,000/- (Rupees Twenty Six Crores and Seventy Lakhs only) divided into 26,70,00,000 (Twenty Six Crores and Seventy Lakhs) Equity Shares of face value of Re.1/- (Rupee One only) each into 26,700 (Twenty Six Thousand Seven Hundred) Equity Shares of face value of Rs. 10,000/- (Rupees Ten Thousand only) each.

Subsequently, the shareholders at the 55th Annual General Meeting held on 15th September, 2020, approved re-classification of Authorised Share Capital of the Company of Rs. 55,00,00,000/- (Rupees Fifty Five Crores Only) as Rs. 40,00,00,000/- (Rupees Forty Crores Only) as Equity Share Capital divided into 40,00,00,000 (Forty Crores) Equity Shares of Re. 1/- (Rupee One only) each and Rs. 15,00,00,000/- (Rupees Fifteen Crores only) as Preference Share Capital divided into 15,00,00,000 (Fifteen Crores) Preference Shares of Re. 1/- (Rupee One only) each, for the issuance of preference shares.

As per the Petition (No. 753 of 2019) filed by the Company with NCLT for consolidation of equity share capital from face value of Re. 1/- per share into shares of Rs. 10,000/- each and in order to give its effect in the Authorised Share Capital, the shareholders' approval is being sought for re-classification of Authorised Share Capital into 40,000 (Forty Thousand) Equity Shares of Rs. 10,000/- (Rupees Ten Thousand Only) each and 15,00,00,000 (Fifteen Crores) Preference Shares of Re. 1/- (Rupee One only) each.

None of the directors or key managerial personnel or the relatives of directors or key managerial personnel is concerned or interested in the proposed resolutions.

The Board recommends the resolution for approval of shareholders of the Company by way of Special Resolution.



## BOARDS' REPORT

To,

The Members of the Company,

Your Directors present the 58<sup>th</sup> Annual Report and Audited Financial Statements of the Company for the year ended on March 31, 2023 together with the Reports of the Auditors' and Board thereon.

### FINANCIAL PERFORMANCE

The financial results of the Company for the Financial Year 2022-23 as compared with the previous Financial Year are as under: -

	<b>Year ended March 31, 2023 (Amt. Rs. in Thousands)</b>	<b>Year ended March 31, 2022 (Amt. Rs. in Thousands)</b>
Revenue from Operations	<b>4,56,125.75</b>	3,14,305.92
Other Income	<b>7,560.92</b>	2,351.26
Total	<b>4,63,686.67</b>	3,16,657.18
Profit (Loss) before tax	<b>(1,90,767.98)</b>	(1,57,213.35)
Exceptional items	<b>(42,417.39)</b>	-
Tax Expense	<b>(397.99)</b>	(315.90)
Profit (Loss) for the period	<b>(2,33,583.36)</b>	(1,57,529.25)
Other Comprehensive Income	<b>(1298.81)</b>	1361.43
Surplus in Profit & Loss Account brought from previous year	<b>(7,88,272.96)</b>	(6,32,105.13)
Available surplus	<b>(10,23,155.13)</b>	(7,88,272.96)

### STATEMENT OF AFFAIRS

The Company's sales have increased due to orders from new customers and regaining of lost customers in the Financial Year. Also the Company is having strong order board book position as on 31st March 2023.

The Company witnessed rise in major input prices, part of which could not be passed on to the customers as we had fixed priced orders. This adversely affected profitability of the Company.

The Company has initiated several measures to control the operating cost. Steps are being taken to pass on the rise of input costs to customers.

### DIVIDEND

Due to the financial position of the Company, no dividend is recommended for the Financial Year ended on March 31, 2023.

### RESERVES

No amount is proposed to be carried to any reserves.

### STATUTORY DISCLOSURES

#### 1. EXTRACT OF THE ANNUAL RETURN

As per the provisions of Section 92(3) read with Section 134 of the Companies Act, 2013 (the Act), the Annual Return of the Company for the Financial Year ended March 31, 2023 is placed on the website of the Company at <http://www.kolhapursteel.com/we-are-tksl-investors.aspx>

## 2. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022-23, the Board of Directors met 6 (Six) times on 29th April, 2022, 28th May, 2022, 13th July, 2022, 14th October, 2022, 13th January, 2023 and 7th March, 2023.

## 3. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors report that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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 loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had 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) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 4. INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors of the Company have given declarations under sub-section (7) of Section 149 of the Companies Act, 2013 that they meet the criteria laid down in Section 149 (6) of the Act.

## 5. DISCLOSURE REQUIRED UNDER SECTION 134 (3) (e)

Your Company follows the standards of corporate governance set up by Kirloskar Brothers Limited, Holding Company. The Board comprises of an optimum combination with appropriate balance of skill, experience, background, and other qualities required for effective functioning of the Board.

The Remuneration Policy provides for appointment and remuneration to be paid to the Directors, Key Managerial Personnel and Senior Management as recommended by the Nomination and Remuneration Committee and approved by the Board.

The Remuneration Policy is available on the website of the Company at <http://www.kolhapursteel.com/we-are-tksl-investors.aspx>.

The salient features of this policy are as follows:

- Philosophy: The Company strongly believes that the system of Corporate Governance protects the interest of all stakeholders by inculcating transparent business operations and accountability from management towards consistently fulfilling the high standard of Corporate Governance in all facets of the Company's operations.
- Objective: Transparent process of determining remuneration at the Board and Senior Management level of the Company and appropriate balance between the elements comprising the remuneration.
- Coverage: The policy covers remuneration to Executive, Non-Executive Directors, Key Managerial Personnel and Senior Managerial Personnel.

The Independent Directors of the Company are entitled to receive sitting fees for every meeting of Board and Committee thereof attended by them.

## 6. REPORT OF AUDITORS

During the Financial Year under review, there is no qualification, reservation or adverse remarks or disclaimer made by the Statutory Auditor of the Company in their Audit Report.



**7. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS**

During the Financial Year under review, there were no frauds reported by auditors' under sub-section (12) of Section 143 under the Companies Act, 2013.

**8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

There were no Loans, Guarantees and Investments made during the Financial Year covered under the provisions of Section 186 of the Companies Act, 2013.

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Disclosure relating to the particulars of contract or arrangement with related parties referred in sub-section (1) of Section 188 in Form AOC-2 is as below:

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

i. Details of contracts or arrangements or transactions not at arm's length basis: All the transactions with related parties are at arm's length.

ii. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Amount paid as advances, if any
Kirloskar Brothers Limited- Holding Company	Purchase / sale of goods and services	N. A.	Purchase / sale of goods and services on arm's length basis	Kirloskar Brothers Limited is the major customer of the Company	-

**10. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND DATE OF THE REPORT - NIL****11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo given in **Annexure I**.

**12. BUSINESS RISK MANAGEMENT**

Senior Management team periodically reviews the working conditions affecting the Company and reports the same to the Board. In the opinion of the Board, none of the identified risks threaten the existence of the Company.

**13. CORPORATE SOCIAL RESPONSIBILITY REPORT**

The provisions of Section 135 of the Companies Act, 2013 read with Schedule VII are not applicable to the Company.

**14. BOARD EVALUATION**

The Board has formulated a Board Evaluation Policy for evaluation of individual directors as well as the entire Board for its performance and that of its committees thereof. The evaluation framework is divided into parameters based on the various performance criteria to be done annually. The evaluation for the Financial Year ended on March 31, 2023 has been completed.

The Board Evaluation Policy of the Company is available on the website of the Company on following link: [www.kolhapursteel.com/pdf/BoardEvaluationPolicy](http://www.kolhapursteel.com/pdf/BoardEvaluationPolicy)

In compliance with the requirements under Schedule IV of the Companies Act, 2013, a meeting of the Independent

Directors was held on 30th March, 2023 primarily to discuss the matters mentioned under Schedule IV of the Companies Act, 2013. Three out of Four Independent Directors of the Company attended the same.

**15. HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY DURING THE PERIOD UNDER REPORT : Not Applicable**

**OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

**(i) Financial summary/highlights are already included elsewhere in the Report.**

**(ii) Change in the nature of the business during the year under review:** There has been no change in the nature of the business during the year under review.

**(iii) Details of Directors and Key Managerial Personnel who were appointed or have resigned during the year:**

During the year under review, Mr. Suresh Deshpande and Mr. Rudrappa Mahajan, were appointed on the Board of the Company w. e. f. 21st April, 2022 and 19th May, 2022 respectively.

Mr. Ravi Sinha (DIN 07430157), Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Ravindra Samant was re-appointed as a Managing Director of the Company for a period of 3 years w. e. f. 30th August, 2022.

Mr. Siddhesh Mandke resigned as Company Secretary and Key Managerial Personnel of the Company w. e. f. 23rd December, 2022.

**(iv) Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year : Not Applicable**

**(v) Details relating to Deposits :**

Your Company has not accepted any deposits within the meaning of Section 2(31) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**(vi) The details of Deposit which are not in compliance with the requirement of Chapter V of the Act : Not Applicable**

**(vii) Details of Significant and material orders passed by the Regulators or Court or Tribunals impacting the going concern status and Company's operations in future : None**

**(viii) Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statement :**

The Company has Internal Financial Control Systems which commensurate with the size, scale, nature and complexity of its operations. Corporate Internal Audit Department (CIA) of Kirloskar Brothers Limited are Internal Auditors of the company. Based on the report of Internal Auditors the Company undertakes corrective action and further strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Board.

**(ix) Maintenance Of Cost Records**

During the year under review, the Company was not required to maintain the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

**(x) Disclosure Under The Sexual Harassment Of Women At Workplace (prevention, Prohibition And Redressal) Act, 2013 :**

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the "**Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**".

In terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule 2013, the report for the year ended on March 31, 2023 :

No. of complaints received in the year	Nil
No. of complaints disposed off in the year	Nil
Cases pending for more than 90 days	Nil
No. of workshops and awareness programmes conducted in the year	01
Nature of action by employer or District Officer, if any	Nil

**(xi) The details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year: NIL**

**(xii) The details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from Banks or Financial Institutions along with the reasons thereof: NIL**

#### **OTHER DISCLOSURES REQUIRED UNDER COMPANIES ACT, 2013 AS MAY BE APPLICABLE:**

**- Composition of Audit Committee :**

As required under Section 177 of the Companies Act, 2013, the Board has constituted the Audit Committee comprising of following Directors:

Mr. K. Taranath - Chairman

Mr. Achyut Dhadphale - Member

Mr. C. M. Mate - Member

Mr. S. B. Deshpande - Member

**- Particulars of Employee :**

The requirement to publish information as prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

**- HOLDING COMPANY :**

Kirloskar Brothers Limited is the Holding Company.

#### **DISCLOSURE AS PER SECRETARIAL STANDARD :**

Your Board of Directors confirm the compliance with the applicable Secretarial Standards (SS-1) for the Financial Year under review.

#### **CASH FLOW**

A Cash Flow Statement for the Financial Year ended on March 31, 2023 is attached to the Financial Statements.

#### **CONSOLIDATION OF SHARE CAPITAL**

The Company has submitted an application to National Company Law Tribunal (NCLT) Mumbai Bench to consolidate the Issued, Subscribed and Paid up equity shares in the share capital of the Company by increasing the face value of the equity shares from Re. 1/- (Rupee One Only) each to Rs. 10,000/- (Rupees Ten Thousand Only) each by consolidating existing 10,000 equity shares of Re. 1/- each into new 1 equity share of Rs. 10,000/- (Rupees Ten Thousand only) each. The matter is in process.

#### **SAFETY, HEALTH AND ENVIRONMENT**

- Your manufacturing plant is certified for Environment Management System (ISO 14001:2015). Periodic internal audits of our manufacturing unit is being conducted to ensure legal compliance as per ISO 14001:2015 requirements.
- Apart from compliance with external or internal audits, our manufacturing unit is internally audited by cross-plant Safety team for verification of EHS compliance and as per standard industrial safe practices.

- To percolate and motivate the Safety culture at bottom level, involvement of top management is ensured. To ensure involvement of top management in improving Safety culture, Plant Safety Rounds by Senior Management are conducted every month. Employee participation is ensured through Yellow Tag System(SaY), and safety stewards.
- 151 incidents of unsafe acts and conditions at the workplace have been registered through the various initiatives for reporting the incidents and 89.9% of reported incidents are closed. It helped in reducing unsafe acts and conditions at the workplace.
- Measuring Plant safety performance system is introduced, considering leading indicators and lagging indicators.
- National Safety Week, World Environment Day, Fire Safety Day, Road Safety Day etc. are celebrated to increase awareness among the employees and motivating for safety culture.

As a result of above initiatives, we have achieved 1,317 working days with out re-portable accidents as on 31st March, 2023.

#### **AUDITORS**

M/s. P. G. Bhagwat LLP - Chartered Accountants (Firm Registration No. 101118W) were appointed as Statutory Auditors for a period of 5 (five) years in the 54th Annual General Meeting held on July 18, 2019.

#### **ACKNOWLEDGMENTS**

Your Directors wish to place on record their appreciation for the co-operation given by the banks for their extended support and also to vendors and contractors of the Company, for their valuable support extended to the Company from time to time. Your Directors would further like to record their appreciation for the sincere efforts of every employee and their contribution in the Company's progress..

For and on behalf of the Board of Directors  
For **THE KOLHAPUR STEEL LIMITED**

Place : Pune  
Date : April 20, 2023

Sd/-  
**Chittaranjan Mate**  
**Chairman**  
DIN : 07399559  
1896, Anamika Bunglow,  
S. M. Mate Path, Sadashiv Peth,  
Pune - 411 030

## ANNEXURE - I

### The report on conservation of energy, technology absorption, foreign exchange earnings and outgo as per Rule 8 (3) of the Companies (Accounts) Rules, 2014

#### (A) CONSERVATION OF ENERGY :

##### (i) The steps taken or impact on conservation of energy :

- Replacement of fix speed Air compressor with Variable speed air compressor 75 kW which direct saving of 350 kWh/day also reduce auxiliary power consumption.
- HSD (Diesel) & LPG replaces with Piped Natural gas (PNG) which directly saves 40% of energy cost as well as safe in operation.
- Installation of SVG (Static VAR generator) is able to improve power factor for a lagging or leading displacement power factor, which improve power factor from 0.984 to 0.996
- Replacement of 11 KV MOCB breaker with CT /PT installed 11 KV PCVCB with CT/PT (Qty-2 nos) to avoid sudden power failure& better high voltage tripping facility.
- New building for pattern storage shed with related infrastructure for storage of patterns.
- TKSL build building with related infrastructure for in house RT facility approved by AERB.

##### (ii) The steps taken by the Company for utilizing alternate sources of energy:

###### Replacement of fuel from alternate sources- Piped Natural Gas (PNG)-

1. For Heat treatment furnace And ladle heating application replace HSD (Diesel) into PNG.
2. For other gas cutting & heating application LPG is replaced with PNG.
3. PNG is Continuous & uninterrupted supply and safe to use.
4. Higher energy saving than any other conventional fuel.
5. Environment friendly as well as No storage is required.

##### (iii) The capital investment on energy conservation equipment's:

- Rs.17.50 Lakh were spent for Piped natural gas (PNG) internal pipeline f or uses of gas into all company and payback is almost 6 months completed.
- Rs. 7.50 lacs we are spent for SVG (Static VAR generator) panel for improve power quality and payback is almost 9 month is already completed.
- Rs 16.50 Lakh were spent on Replacement of air screw compressor and pack payback is 14 months.

#### (B) TECHNOLOGY ABSORPTION:

##### (i) The efforts made towards technology absorption : NIL

##### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution : NIL

##### (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) : Not Applicable

(a) the details of technology imported: NA

(b) the year of import: NA

(c) Whether the technology been fully absorbed: NA

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons there of : NA

##### (iv) Expenditure incurred on Research and Development: Nil

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

- Imported: Foreign exchange outgo towards import of Raw Material- NIL
- Export : Foreign exchange inflow towards Export sales of pattern and casting - Rs. 8,03,81,000.00

For and on behalf of the Board of Directors

For **THE KOLHAPUR STEEL LIMITED**

Place : Pune

Date : April 20, 2023

Sd/-  
**Chittaranjan Mate**  
**Chairman**

DIN : 07399559

1896, Anamika Bunglow,  
S. M. Mate Path, Sadashiv Peth,  
Pune - 411 030

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE KOLHAPUR STEEL LIMITED**

**Report on the Indian Accounting Standards (Ind AS) Financial Statements**

**Opinion**

We have audited the Financial Statements of The Kolhapur Steel Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as “the Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 41 of the financial statements which indicates that the Company’s net worth has got eroded as of March 31, 2023 and the Company’s current liabilities exceeded its current assets. These conditions, along with other matters as stated in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

Based on our discussions with the management of the Company as well as the Holding Company, the Holding Company (Kirloskar Brothers Limited) is fully committed to support the Company to meet all its financial liabilities and in this regard the management of the Holding Company has issued a comfort/support letter.

Our report is not modified in respect of this matter.

**Other Information**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s report, but does not include the Financial Statements and our auditor’s report thereon.

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

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

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.

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

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



design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

#### **We also:**

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
- e) On the basis of the written representations received from the directors as on March 31, 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) We have significant doubt on material uncertainty relating to Going Concern. Kindly refer Note No.41 along with "Material uncertainty on going concern" paragraph reported below "Basis of opinion" paragraph for further details.
- g) 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 B".
- h) Company has not given any remuneration to its directors during the period under audit. Consequently provisions of Section 197 of the Act are not applicable.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in 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 Financial Statements– Refer Note 28 to the Financial Statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2023.
  - (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 to us that, to the best of its knowledge and belief, other than as disclosed in the note no 40(h) to the accounts to the financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) the management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the noteno. 40(h) to the accounts to the Financial Statements, if any, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.
- (v) The Company has not declared or paid dividend during the year.
- (vi) The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

**For P G BHAGWAT LLP**  
**Chartered Accountants**

Firm's Registration No. : 101118W/W100682

**Akshay B. Kotkar**  
**Partner**

Membership No. 140581  
UDIN : 23140581BGWBDE8678

Place : Pune 20<sup>th</sup> April, 2023

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:**

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.  
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Property, Plant & Equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of four years and also as per policy of the company, 100% physical verification to be done from external agencies. Which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, 100% verification of the Property, Plant & Equipment is done by external agency during the year and no material discrepancies have been reported by agency on such verification.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note No.3 & 4 on Property, Plant & Equipment and Investment Property, respectively to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.
- (ii) (a) The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not in aggregate 10% or more for each class of inventory.
- (b) According to the information and explanations provided to us, the company has not been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the order is not applicable.
- (iii) The company during the year has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence reporting under Clause (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f), of the said Order are not applicable to the Company
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at 31st March, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In thousands)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Central Excise Duty	550.26	1986-87 and 2002-03	Central Excise and Service Tax Appellate Tribunal (CESTAT)

- (viii) In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.
- (ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date.  
(b) According to the information and explanations given to 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 company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.  
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.  
(e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.  
(f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.  
(b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.  
(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.  
(c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.  
(b) The company did not have an internal audit system for the period under audit. Hence reporting under clause 3(xiv)(b) is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the Order are not applicable to the Company.  
(b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore reporting under clause 3(xvi)(b) of the order is not applicable.  
(c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.  
(d) Based on information and explanation given to us and as represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group.

- (xvii) The Company has incurred cash losses of Rs. 1,76,983.77 (in thousands) during current financial year and had incurred cash losses of Rs. 1,44,142.50 (in thousands) during immediately preceding financial year.
- (xviii) There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion and according to the information and explanations given to us during the course of the audit, material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, holding company has given us comfort letter for extending support in meetings its liabilities/obligations existed at the balance sheet date as and when they fall due. Refer Para "Material Uncertainty relating to Going Concern" in our Independent Auditors Report
- (xx) Company has incurred loss during the year so provisions of section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly reporting under clause 3(xx)(a) and 3(xx)(b) of the order is not applicable.

**For P G BHAGWAT LLP**

**Chartered Accountants**

Firm Registration No. : 101118W/W100682

**Akshay B. Kotkar**

**Partner**

Membership No. 140581

UDIN : 23140581BGWBDE8678

Place : Pune

Date : 20<sup>th</sup> April, 2023



## **ANNEXURE - B TO THE AUDITOR'S REPORT**

**Referred to in paragraph 2 (g) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:**

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

We have audited the internal financial controls with reference to the Financial Statements of The Kolhapur Steel Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that 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 with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Financial Statements.

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

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

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

Because of the inherent limitations of internal financial controls with reference to the Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the



Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

**For P. G. BHAGWAT LLP**

**Chartered Accountants**

Firm Registration No. : 101118W/W100682

**Akshay B. Kotkar**

**Partner**

Membership No. 140581

UDIN : 23140581BGWBDE8678

Place : Pune

Date : 20<sup>th</sup> April, 2023

## Balance Sheet as at 31 March 2023

(Amounts in Thousand Rupees)

Particulars	Notes	31 March 2023	31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	<b>2,58,865.52</b>	104,067.85
Right of Use Assets	3	<b>1,789.14</b>	-
Capital work-in-progress		<b>14,075.76</b>	24,336.57
Investment Property	4	<b>1,931.37</b>	2,037.50
Goodwill		-	-
Other Intangible assets	3	<b>438.36</b>	79.98
Intangible assets Under Development		-	-
<b>Financial Assets</b>			
Investments		-	-
Trade receivables	5	-	-
Loans		-	-
Others	6	<b>706.25</b>	3.50
Deferred tax assets (net)	18	<b>4,908.13</b>	4,869.30
Other non-current assets	7	<b>2,460.99</b>	3,525.33
<b>Total non-current assets</b>		<b>285,205.52</b>	138,920.03
<b>Current assets</b>			
Inventories	9	<b>161,093.21</b>	142,801.07
<b>Financial Assets</b>			
Investments	-	-	-
Trade receivables	5	<b>33,098.84</b>	35,615.83
Cash and cash equivalents	10 a	<b>56.15</b>	105.14
Other bank balances	10 b	-	540.51
Loans	-	-	-
Others	6	<b>1,434.42</b>	431.69
Other current assets	8	<b>39,672.42</b>	29,350.43
<b>Total current assets</b>		<b>235,355.04</b>	208,844.67
<b>TOTAL ASSETS</b>		<b>520,560.56</b>	3,47,764.70
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	<b>267,001.56</b>	267,001.56
Other equity	12	<b>(862,803.78)</b>	(627,921.60)
<b>Total equity</b>		<b>(595,802.22)</b>	(360,920.04)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	13	<b>147,595.96</b>	199,317.60
Lease Liability	15	<b>1,616.99</b>	-
Trade payables -	14	-	-
- Dues of Micro and Small Enterprises		-	-
- Dues of other than Micro and Small Enterprises		-	-
Other financial liabilities	15	-	-
Provisions	16	<b>26,492.38</b>	26,713.11
Deferred tax liabilities (net)	18	-	-
Other non-current liabilities	17	-	-
<b>Total non-current liabilities</b>		<b>175,705.33</b>	226,030.71
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	<b>269,194.56</b>	57,653.86
Lease Liability	15	<b>217.30</b>	-
Trade payables	14	-	-
- Dues of Micro and Small Enterprises		<b>42,565.78</b>	20,569.70
- Dues of other than Micro and Small Enterprises		<b>509,161.26</b>	294,083.75
Other financial liabilities	15	<b>25,711.07</b>	19,533.06
Provisions	16	<b>11,041.75</b>	12,114.01
Current tax liabilities (net)	-	-	-
Other current liabilities	17	<b>82,765.73</b>	78,699.65
<b>Total current liabilities</b>		<b>940,657.45</b>	482,654.03
<b>Total liabilities</b>		<b>1,116,362.78</b>	708,684.74
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>520,560.56</b>	347,764.70

Corporate Information

1

Summary of significant accounting policies

2

See accompanying notes to financial statements

3-43

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 the Board of Directors

**For P. G. BHAGWAT LLP**

Chartered Accountants

FRN- 101118W/W100682

**Akshay B. Kotkar**

Partner

Membership No. 140581

UDIN 23140581BGWBDE8678

Pune - Date : 20<sup>th</sup> April, 2023

**Ravindra Samant**

Managing Director

DIN : 07002226

**Deepak Khot**

Chief Finance Officer

**C. M. Mate**

Chairman

DIN : 07399559

## Statement of Profit &amp; Loss for the Year Ended 31 March 2023

(Amounts in Thousand Rupees)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from Operations	19	<b>456,125.75</b>	314,305.92
Other Income	20	<b>7,560.92</b>	2,351.26
<b>Total Income</b>		<b>463,686.67</b>	316,657.18
<b>Expenses</b>			
Cost of materials consumed	21 a	<b>284,866.47</b>	185,693.19
Purchases of Stock-in-Trade	21 b	<b>11,357.00</b>	6,695.65
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	<b>(20,389.16)</b>	(24,795.38)
Employee benefits expense	23	<b>94,701.52</b>	90,883.36
Finance costs	24	<b>36,732.71</b>	20,461.14
Depreciation and amortization expense	25	<b>13,784.21</b>	13,070.85
Other expenses	26	<b>233,401.90</b>	181,861.72
<b>Total expenses</b>		<b>654,454.65</b>	<b>473,870.53</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(190,767.98)</b>	(157,213.35)
Exceptional items		<b>(42,417.39)</b>	-
<b>Profit / (loss) before tax</b>		<b>(233,185.37)</b>	(157,213.35)
<b>Tax expenses</b>	18		
(1) Current tax		-	-
(2) Deferred tax		<b>(397.99)</b>	(110.40)
(3) Short provision of earlier years		-	(205.50)
<b>Total Tax expenses</b>		<b>(397.99)</b>	(315.90)
<b>Profit/(loss) for the year</b>		<b>(233,583.36)</b>	(157,529.25)
<b>Other Comprehensive Income</b>	27		
Items that will not be reclassified to profit or loss		<b>(1,735.63)</b>	1,819.32
Income tax relating to items that will not be reclassified to profit or loss		<b>436.82</b>	(457.89)
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(1,298.81)</b>	1,361.43
<b>Total Comprehensive Income for the year</b>		<b>(234,882.17)</b>	(156,167.82)
<b>Earnings per equity share</b>			
(1) Basic		<b>(0.87)</b>	(0.59)
(2) Diluted		<b>(0.56)</b>	(0.38)

Corporate Information 1  
Summary of significant accounting policies 2  
See accompanying notes to financial statements 3-43  
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 the Board of Directors

**For P. G. BHAGWAT LLP**  
Chartered Accountants  
FRN- 101118W/W100682

**Ravindra Samant**  
Managing Director  
DIN : 07002226

**C. M. Mate**  
Chairman  
DIN : 07399559

**Akshay B. Kotkar**  
Partner  
Membership No. 140581  
UDIN : 23140581BGWBDE8678  
Pune - Date : 20<sup>th</sup> April, 2023

**Deepak Khot**  
Chief Finance Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

(Amounts in Thousand Rupees)

Sr. No.	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>A</b>	<b>Cash flows from Operating Activities</b>		
	Net Profit before taxation and extraordinary items	(233,185.37)	(157,213.35)
	Adjustments for :		
1	Depreciation / Amortization	13,784.21	13,070.85
2	Fixed Assets written off and reversal of Impairment	258.38	-
3	Profit on sale of Fixed Assets	(4.04)	(70.86)
4	Bad debts written off	152.83	0.04
5	Provision for doubtful debts, advances and claims	1,085.40	648.97
6	Interest Income	(18.04)	(23.40)
7	Interest Expenses	36,626.20	20,427.86
8	Interest Expenses - Lease	106.51	33.28
	<b>Operating Profit Before Working capital changes</b>	<b>(181,193.92)</b>	<b>(123,126.60)</b>
	Adjustments for :-		
1	(Increase)/ decrease in inventories	(18,292.14)	(50,328.24)
2	(Increase)/ decrease in trade receivables	1,278.77	18,980.91
3	(Increase)/ decrease in financial assets	540.51	(32.05)
4	(Increase)/ decrease in non-financial assets	(11,263.63)	(11,982.06)
5	Increase/ (decrease) in trade payable	237,073.60	158,201.92
6	Increase/ (decrease) in financial liabilities	8,012.30	1,260.21
7	Increase/ (decrease) in non-financial liabilities	4,066.08	31,137.17
8	Increase/ (decrease) in provisions	(3,028.62)	(881.39)
9	Increase/ (decrease) in Bank Overdraft	(5,404.77)	13,541.12
	<b>Cash Generated from Operations</b>	<b>31,788.18</b>	<b>36,770.99</b>
10	Income Tax (Paid) / Refunded net of provision	(343.80)	(263.70)
	<b>Net Cash Flow from Operating Activities</b>	<b>31,444.38</b>	<b>36,507.29</b>
<b>B</b>	<b>Cashflows from Investing Activities</b>		
1	Purchase of Fixed Assets	(159,843.90)	(54,332.66)
2	Sale of Fixed Assets	4.04	70.86
3	Interest Received	18.04	23.40
4	Investment in Right of Use assets	(269.16)	(612.00)
	<b>Net Cash Flow from Investment Activities</b>	<b>(160,090.98)</b>	<b>(54,850.41)</b>
<b>C</b>	<b>Cash Flows from Financing Activities</b>		
1	Proceeds from borrowing	29,946.04	51,667.60
2	Repayment of borrowing	(24,722.22)	(13,300.00)
3	Issue of Shares Capital	-	-
4	Proceeds from borrowing from KPML	160,000.01	-
4	Interest Paid	(36,626.20)	(20,427.86)
	<b>Net Cash Flow from Financing Activities</b>	<b>128,597.62</b>	<b>17,939.74</b>
	Net Increase/(decrease) in Cash and Cash Equivalents	(48.98)	(403.38)
1	Cash & Cash Equivalents at beginning of year	105.14	508.53
2	Cash & Cash Equivalents at end of the year (refer note 10 a)	56.15	105.14

Note :- 1. Previous year's figures are regrouped wherever necessary to make them comparable with the Current Year.

2. Cash flow is prepared using indirect method.

As per our report of even date attached

For and on behalf of the Board of Directors

**For P. G. BHAGWAT LLP**  
Chartered Accountants  
FRN- 101118W/W100682

**Ravindra Samant**  
Managing Director  
DIN : 07002226

**C. M. Mate**  
Chairman  
DIN : 07399559

**Akshay B. Kotkar**  
Partner  
Membership No. 140581  
UDIN : :23140581BGWBDE8678  
Pune - Date : 20<sup>th</sup> April, 2023

**Deepak Khot**  
Chief Finance Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts in Thousand Rupees)

## A. Equity Share Capital

Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
267,000	-	267,000
Balance as at 31 March 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
267,000	-	267,000

## B. Other Equity

	Reserves and Surplus				Total
	6% Non-Cumulative Convertible Preference Share	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1 April 2021	150,000.00	2,523.56	7,827.80	(632,105.14)	(471,753.78)
Issued during the year	-	-	-	-	-
Profit for the year	-	-	-	(157,529.25)	(157,529.25)
Other comprehensive income	-	-	-	1,361.43	1,361.43
Dividends Paid	-	-	-	-	-
Transfer to / from retained earnings	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>150,000.00</b>	<b>2,523.56</b>	<b>7,827.80</b>	<b>(788,272.96)</b>	<b>(627,921.60)</b>
Issued during the Year	-	-	-	-	-
Profit for the year	-	-	-	(233,583.36)	(233,583.36)
Other comprehensive income	-	-	-	(1,298.81)	(1,298.81)
Dividends Paid	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>150,000.00</b>	<b>2,523.56</b>	<b>7,827.80</b>	<b>(1,023,155.13)</b>	<b>(862,803.77)</b>

## As at March 2023

Shares held by Promoters at the end of the year				%Change during the year
No.	Promoter Name	No. of Shares held	% of Total Shares	
	Equity Shares (of Re. 1 each)			
1	Kirloskar Brother Ltd	266,315,115	99.74%	No Change
	<b>Sub Total</b>	<b>266,315,115</b>		
	Preference Shares (Of Re. 1 each)			
1	Kirloskar Brother Ltd	150,000,000	100.00%	No Change
	<b>Sub Total</b>	<b>150,000,000</b>		

## As at March 2022

Shares held by Promoters at the end of the year				%Change during the year
No.	Promoter Name	No. of Shares held	% of Total Shares	
	Equity Shares (of Re. 1 each)			
1	Kirloskar Brother Ltd	266,315,115	99.74%	No Change
	<b>Sub Total</b>	<b>266,315,115</b>		
	Preference Shares (Of Re. 1 each)			
1	Kirloskar Brother Ltd	150,000,000	100.00%	No Change
	<b>Sub Total</b>	<b>150,000,000</b>		

As per our report of even date attached

## For P. G. BHAGWAT LLP

Chartered Accountants  
FRN- 101118W/W100682

## Akshay B. Kotkar

Partner

Membership No. 140581

UDIN : :23140581BGWBDE8678

Pune - Date : 20<sup>th</sup> April, 2023

For and on behalf of the Board of Directors

## Ravindra Samant

Managing Director

DIN : 07002226

## Deepak Khot

Chief Finance Officer

## C. M. Mate

Chairman

DIN : 07399559

## NOTES TO ACCOUNTS

### 1. Corporate information

The Kolhapur Steel Limited (TKSL), a subsidiary Company of Kirloskar Brothers Limited, established in the year 1965. TKSL is manufacturing of Mild Steel and Stainless Steel castings for various industries, viz. Power sector, Pumps and Valve, Mining, Cement, Heavy engineering application, Sugar, etc.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared to comply in all material respects with Companies (Indian Accounting Standards) Rules, 2015 with section 133 of the Companies Act 2013 as amended on time to time.

The financial statements were authorised for issue by the Board of Directors on 20<sup>th</sup> April, 2023.

#### 2.2 Basis of measurement

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

Items	Measurement basis
Defined benefit Obligation	Fair Value

#### 2.3 Functional and presentation currency

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

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

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

The preparation of 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. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods.

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

#### Critical estimates and judgments

The areas involving critical estimates or judgments are :

##### 1. Estimation of defined benefit obligation - Refer note 32

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

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



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

Further details about gratuity obligations are given in Note 32.

2. Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Estimation of provision for warranty claims – Refer note 2.15 Provisions

4. Estimated useful life of intangible assets - Refer note 2.9 Intangible asset and amortization.

**Current versus non-current classification**

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

An asset as current when it is :

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

**2.5 Inventories**

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows :

- Raw materials and stores spares : cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost is calculated on moving weighted average method.
- Finished goods and work in progress : cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods : Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

**2.6 Cash and short-term deposits**

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

## 2.7 Property, plant and equipment

- **Recognition and measurement**

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment under construction are disclosed as capital work-in-progress.

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

- **Subsequent costs**

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

- **Disposal**

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

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the Management of the Company based on technical evaluation.

## 2.8 Investment Property

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

Investment properties are depreciated using straight-line method over their estimated useful lives as prescribed in Schedule II of the Companies Act 2013.

## 2.9 Intangible assets and amortization

- **Recognition and measurement**

Intangible assets are recognized 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.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

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

- **Amortization**

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets which is 3 years from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

## **2.10 Revenue recognition**

Company recognizes revenue when it transfers control over a good or service to a customer i.e. when it has fulfilled all 5 steps as given by Ind AS 115.

Revenue is measured at transaction price i.e. Consideration to which a company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component.

For contracts with multiple performance obligations, transaction price is allocated to different obligations based on their standalone selling price. In such case, revenue recognition criteria are applied for each separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognized separately for each obligation as and when the recognition criteria for the component is fulfilled.

GST is not received by the Company on its own account. Accordingly, it is excluded from revenue.

### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, and goods and service tax.

### **Rendering of services**

Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognised is assessed based on surveys of work performed.

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Company sells the services in separate transactions.

### **Other income**

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

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

## **2.11 Finance costs**

Finance costs comprises of interest expense on borrowings, and foreign currency loss on financial assets and liabilities. Interest expenditure is recognised as it accrues in the statement of profit and loss, using the effective interest method.

## **2.12 Foreign currencies transactions**

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

### **Transactions and balances**

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the

transaction first qualifies for recognition.

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

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

## **2.13 Employee Benefits**

### **Short Term Employee Benefits**

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

### **Post-Employment Benefits**

#### **Defined Contribution Plans**

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

#### **Defined Benefit Plans**

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

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

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

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

### **Long Term Employee Benefit**

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

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

## **2.14 Income Taxes**

### **Current income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based

on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

### **Deferred tax**

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

Deferred tax liabilities are 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

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 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 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.

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

### **2.15 Provisions**

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

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.

Contingent liability is disclosed in case of –

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

Contingent assets are neither recognized, nor disclosed.

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

### **Warranty provisions**

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

## **2.16 Leases**

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

### **As a Lessee**

The company recognizes 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 re-measurements 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, 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 amortized 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 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.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

### **As a lessor**

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

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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules,



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

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

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

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

## **2.18 Fair value measurement**

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

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

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

- Level 1 : Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

## **2.19 Financial instruments**

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

### **Financial assets**

#### **Initial recognition and measurement**

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



### **Subsequent measurement**

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

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

### **Derecognition**

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

### **Impairment of financial asset**

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

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

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

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

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. However, if credit risk has increased significantly, lifetime ECL is used.

### **Financial liabilities**

#### **Initial recognition and measurement**

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

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

#### **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, 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 recognized in the statement of profit or loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **2.20 Earnings per share**

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

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

### **2.21 Borrowing**

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

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

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



**5) Capital Work In Progress****As at March 2023**

CWIP	CWIP for a period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects In Progress	14,075.75	-	-	-	14,075.75
Projects Temporarily Suspended	-	-	-	-	-

**As at March 2022**

CWIP	CWIP for a period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects In Progress	24,336.57	-	-	-	24,336.57
Projects Temporarily Suspended	-	-	-	-	-

The above capital work in progress is not overdue or has not exceeded its cost compared to its original plan

**6) Title Deeds of Immovable Properties****As at March 2023**

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	TD holder promoter Director or relative of P/D Or employee of P/D	Property Held Since which date	Reason for not being held in the name of the company (also indicate if in dispute)
PPE	Land & Building	-	-	-	-	-
Investment Property	Land & Building	-	-	-	-	-
PPE retired from active use and help for disposal	Land & Building	-	-	-	-	-
PPE - Other		-	-	-	-	-

**As at March 2022**

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	TD holder promoter Director or relative of P/D Or employee of P/D	Property Held Since which date	Reason for not being held in the name of the company (also indicate if in dispute)
PPE	Land & Building	-	-	-	-	-
Investment Property	Land & Building	-	-	-	-	-
PPE retired from active use and help for disposal	Land & Building	-	-	-	-	-
PPE - Other		-	-	-	-	-

**7) Intangible assets under development****As at March 2023**

Intangible Assets under development	Intangible Assets under development for a period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects In Progress	-	-	-	-	-
Projects Temporarily Suspended	-	-	-	-	-

**As at March 2022**

Intangible Assets under development	Intangible Assets under development for a period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects In Progress	-	-	-	-	-
Projects Temporarily Suspended	-	-	-	-	-

## NOTES TO ACCOUNTS (contd...)

### Note 4 : Investment Property

(Amounts in Thousand Rupees)

Particulars	Building
<b>Gross Block</b>	
<b>As at 31 March 2021</b>	<b>2,780.29</b>
Additions	-
Disposals	-
<b>As at 31 March 2022</b>	<b>2,780.29</b>
Additions	-
Disposals	-
<b>As at 31 March 2023</b>	<b>2,780.29</b>
<b>Depreciation and Impairment</b>	
<b>As at 31 March 2021</b>	<b>636.66</b>
Charge for the year	<b>106.13</b>
Depreciation on disposals	-
<b>As at 31 March 2022</b>	<b>742.79</b>
Charge for the year	<b>106.13</b>
Depreciation on disposals	-
<b>As at 31 March 2023</b>	<b>848.92</b>
<b>Net block</b>	
<b>At 31 March 2023</b>	<b>1,931.37</b>
<b>At 31 March 2022</b>	<b>2,037.50</b>

#### Fair Value Table

Particulars	Building
Opening balance as at 01 April 2021	<b>7,187.88</b>
Fair value difference	<b>1,378.28</b>
Purchases / Transfer from PPE	-
Closing balance as at 31 March 2022	<b>8,566.16</b>
Fair value difference	<b>1,489.36</b>
Purchases / transfer from PPE	-
<b>Closing balance as at 31 March 2023</b>	<b>10,055.52</b>

#### Information regarding income and expenditure of investment property

Particulars	31 March 2023	31 March 2022
Rental Income derived from investment property	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from investment properties before depreciation</b>	-	-
Less - Depreciation	<b>106.13</b>	<b>106.13</b>
<b>Profit / (Loss) arising from investment properties After depreciation</b>	<b>(106.13)</b>	<b>(106.13)</b>

**NOTES TO ACCOUNTS****Note 5 : Financial Assets : Trade receivables**

(Amounts in Thousand Rupees)

Particulars	31 March 2023	31 March 2022
<b>Non-current</b>		
Trade Receivable - Others	-	-
Trade Receivable from Related Party ( Ref. : Note 33)	-	-
Less : Loss Allowance	-	-
<b>Total</b>	-	-
<b>Break-up of Security Details</b>		
Trade Receivable Considered Good - Secured	-	-
Trade Receivable Considered Good - Unsecured	-	-
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - Credit	-	-
Less : Loss Allowance	-	-
<b>Total</b>	-	-
<b>Current</b>		
Trade Receivable - Others	<b>30,732.58</b>	37,721.92
Trade Receivable from Related Party ( Ref. : Note 33)	<b>5,557.74</b>	-
Less : Loss Allowance	<b>3,191.48</b>	2,106.09
<b>Total</b>	<b>33,098.84</b>	35,615.83
<b>Break-up of Security Details</b>		
Trade Receivable Considered Good - Secured	-	-
Trade Receivable Considered Good - Unsecured	<b>33,098.84</b>	35,615.83
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - Credit Impaired	<b>3,191.48</b>	2,106.09
	<b>36,290.48</b>	37,721.92
Less : Loss Allowance	<b>3,191.48</b>	2,106.09
<b>Total</b>	<b>33,098.84</b>	35,615.83
<b>Total trade receivables</b>	<b>33,098.84</b>	35,615.83

**Disclosure requirement for non current trade receivable**

Sr no.	Particular	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
	<b>As at march 2023</b>							
1a	Undisputed Trade receivables- considered good (external parties)	-	-	-	-	-	-	-
1b	Undisputed Trade receivables- considered good (related parties)	-	-	-	-	-	-	-
2	Undisputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
3a	Undisputed Trade Receivables - credit impaired (external parties)	-	-	-	-	-	-	-
3b	Undisputed Trade Receivables - credit impaired (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-



## NOTES TO ACCOUNTS

(Amounts in Thousand Rupees)

Sr no.	Particular	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	
	<b>As at march 2022</b>							
1a	Undisputed Trade receivables- considered good (external parties)	-	-	-	-	-	-	-
1b	Undisputed Trade receivables- considered good (related parties)	-	-	-	-	-	-	-
2	Undisputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
3a	Undisputed Trade Receivables - credit impaired (external parties)	-	-	-	-	-	-	-
3b	Undisputed Trade Receivables - credit impaired (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Disclosure requirement for current trade receivable

Sr no.	Particular	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	
	<b>As at march 2023</b>							
1a	Undisputed Trade receivables- considered good (external parties)	7,477.72	19,012.72	916.58	45.91	88.17	-	<b>27,541.09</b>
1b	Undisputed Trade receivables- considered good (related parties)	5,557.74	-	-	-	-	-	<b>5,557.74</b>
2	Undisputed trade Receivable - which have significant increase in credit risk	-	382.87	293.81	45.91	263.16	2,205.74	<b>3,191.48</b>
3a	Undisputed Trade Receivables - credit impaired (external parties)	-	-	-	-	-	-	-
3b	Undisputed Trade Receivables - credit impaired (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
	<b>Total</b>	<b>13,035.46</b>	<b>19,395.59</b>	<b>1,210.39</b>	<b>91.81</b>	<b>351.33</b>	<b>2,205.74</b>	<b>36,290.32</b>

## NOTES TO ACCOUNTS

(Amounts in Thousand Rupees)

Sr no.	Particular	Outstanding for following periods from due date of payment					Total	
		Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years		More Than 3 Years
	<b>As at march 2022</b>							
1a	Undisputed Trade receivables- considered good (external parties)	19,111.99	16,029.22	-0.09	175.66	299.07	-	<b>35,615.83</b>
1b	Undisputed Trade receivables- considered good (related parties)	-	-	-	-	-	-	-
2	Undisputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
3a	Undisputed Trade Receivables - credit impaired (external parties)	-	23.42	0.32	175.67	897.20`	1,009.48	<b>2,106.09</b>
3b	Undisputed Trade Receivables - credit impaired (related parties)	-	-	-	-	-	-	-
4	Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	<b>Total</b>	<b>19,111.99</b>	<b>16,052.64</b>	<b>0.23</b>	<b>351.33</b>	<b>1,196.26</b>	<b>1,009.48</b>	<b>37,721.92</b>

## Note 6 : Financial Assets : Others

Particulars	31 March 2023	31 March 2022
<b>Non-current</b>		
(a) Security deposits	3.50	3.50
(b) Other	702.75	-
	<b>706.25</b>	3.50
Less : Loss Allowance	-	-
<b>Total</b>	<b>706.25</b>	3.50
<b>Current</b>		
(a) Security deposits	1,258.74	431.69
(b) Other	175.69	-
	<b>1,434.42</b>	431.69
Less : Loss Allowance	-	-
<b>Total</b>	<b>1,434.42</b>	431.69
<b>Total Financial Assets Others</b>	<b>2,140.67</b>	435.19

## NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

### Note 7 : Other non-current assets

Particulars	31 March 2023	31 March 2022
<b>(a) Capital advances</b>	<b>1,495.90</b>	2,140.19
	<b>1,495.90</b>	2,140.19
<b>(b) Advances to supplier and others</b>		
Unsecured, considered good	-	-
Doubtful	-	-
Less : Provision for doubtful advances	-	-
<b>(c) Prepaid expenses</b>	<b>147.53</b>	911.38
<b>(d) Gross amount due from customer</b>	-	-
<b>(e) Retention</b>	-	-
<b>(f) Advance income tax (net of provision)</b>	<b>817.56</b>	473.76
<b>Total other Non current asset</b>	<b>2,460.99</b>	3,525.33

### Note 8 : Other current assets

Particulars	31 March 2023	31 March 2022
<b>(a) Advances to supplier and others</b>		
Unsecured, considered good	-	-
Advances to related parties	-	-
Others	<b>121.95</b>	351.28
	<b>121.95</b>	351.28
<b>(b) Prepaid expenses</b>	<b>1,768.57</b>	2,361.69
<b>(c) Claims receivable</b>		
Deposits and receivables from Custom and Service Tax	<b>542.21</b>	542.21
GST Receivable	<b>37,206.72</b>	26,095.25
Sales Tax Receivable	-	-
Insurance	<b>32.97</b>	-
	<b>39,550.47</b>	28,999.15
<b>(d) Employee advances</b>	-	-
	-	-
<b>Total other current asset</b>	<b>39,672.42</b>	29,350.43

**NOTES TO ACCOUNTS (contd...)****Note 9 : Inventories**

(Amounts in Thousand Rupees)

Particulars	31 March 2023	31 March 2022
(a) Raw Materials	<b>38,948.79</b>	46,115.24
(b) Work-in-progress	<b>67,138.49</b>	48,115.72
(c) Finished goods	<b>20,597.00</b>	5,544.95
(d) Finished goods - Stock in Transit	-	17,376.00
(e) Stock-in-trade	<b>9,676.67</b>	5,986.33
(f) Stores and spares	<b>24,732.26</b>	19,662.83
(Mode of valuation refer note 2.5 of Notes to Accounts)		
<b>Total Inventories</b>	<b>161,093.21</b>	1,42,801.07

**Amounts recognised in profit or loss**

Write-down of inventories to net realisable value amounted to (net of reversal) Rs. (0) on Finished Goods and Rs. (734.55) on Stores and Spares, (31 March 2022 Rs. (0) on Finished Goods and Rs. (1,622.38) on Stores and Spares). These were recognized as an expenses during the year and included in 'material consumption'.

Refer note 13 for details of inventory pledged as security

**Note 10 a : Cash and cash equivalents**

Particulars	31 March 2023	31 March 2022
<b>(a) Balances with bank</b>		
In current account	<b>7.81</b>	2.82
Other bank deposits	-	-
<b>(b) Cash on hand</b>	<b>48.34</b>	102.32
<b>(c) Cheques on hand</b>	-	-
<b>Total Cash and cash equivalents</b>	<b>56.15</b>	105.14

**Note 10 b : Other bank balances**

Particulars	31 March 2023	31 March 2022
(a) Fixed Deposit with banks having original maturity more than 3 months but less that 12 months	-	540.51
(b) Earmarked balances with bank Unpaid dividend accounts	-	-
<b>Total Other bank balances</b>	-	540.51

**Note 11: Equity share capital**

Particulars	31 March 2023	31 March 2022
<b>Authorised</b>		
40,00,00,000 (40,00,00,000) equity shares of Re 1/- each (Re 1/-) each	<b>400,000.00</b>	400,000.00
<b>Issued, subscribed &amp; fully paid up</b>		
26,70,00,000 (26,70,00,000) equity shares of Re 1/- each (Re 1/-) each	<b>267,000.00</b>	267,000.00
Forfeited Shares	<b>1.56</b>	1.56
	<b>267,001.56</b>	267,001.56

## NOTES TO ACCOUNTS (contd...)

### a) Terms/rights attached to equity shares

(Amounts in Thousand Rupees)

The company has only one class of equity shares, having par value of Re. 1/- per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### b) Reconciliation of share capital

Particulars	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	267,000,000	267,000,000	267,000,000	267,000.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	267,000,000	267,000,000	267,000,000	267,000.00

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

Name	31 March 2023		31 March 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Ltd.	266,315,115	99.74	266,315,115	99.74

### d) Shares Held by Holding Company

Name	31 March 2023		31 March 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Ltd.	266,315,115	99.74	266,315,115	99.74

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

As per share holders approval the Company had submitted the application to consolidate the Issued, Subscribed and Paid up equity shares in the share capital of the Company by increasing the face value of the equity shares from Re. 1/- (Rupee One Only) each to Rs. 10,000/- (Rupees Ten Thousand Only) each by consolidating existing 10000 equity shares of Re.1/- each into new 1 equity share of Rs. 10,000/- (Rupees Ten Thousand only) each at National Company Law Tribunal (NCLT) Mumbai (order awaited)

### Note 12 : Other equity

Particulars	31 March 2023	31 March 2022
<b>(a) 6 % Non-Cumulative Convertible Preference Shares</b>	<b>150,000.00</b>	150,000.00
<b>(b) Securities premium</b>		
Opening balance	2,523.56	2,523.56
Add : Securities premium credited on shares issue	-	-
	<b>2,523.56</b>	2,523.56
<b>(c) General reserves</b>		
Opening balance	7,827.80	7,827.80
Add : Transfer from any surplus	-	-
	<b>7,827.80</b>	7,827.80
<b>(d) Retained Earning</b>		
Opening balance	(788,272.96)	(632,105.14)
Add : Total comprehensive income for the year	(234,882.17)	(156,167.82)
Balance available for appropriation	(1,023,155.13)	(788,272.96)
Less : Appropriations :		
Final dividend paid including tax	-	-
Interim dividend including tax	-	-
Transfer to general reserve	-	-
Sub total	-	-
<b>Sub Total</b>	<b>(1,023,155.13)</b>	(788,272.96)
<b>Closing balance</b>	<b>(862,803.78)</b>	(627,921.60)

**NOTES TO ACCOUNTS (contd...)****Nature and purpose of Other Reserves :****(Amounts in Thousand Rupees)**

- 1) Securities Premium : Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
- 2) General Reserves : General Reserves are the retained earnings of the Company which are kept aside out of company's profits to meet future (known / unknown) obligations. The reserve is utilised in accordance with the provisions of the Act.

**3) 6 % Non-Cumulative convertible Pref. Share Capital**

Particulars	31 March 2023	31 March 2022
<b>Authorised :</b>		
15,00,00,000 (15,00,00,000) 6 % Non-Cumulative convertible Pref. Share Capital of Re. 1 each	<b>150,000.00</b>	150,000.00
<b>Issued, subscribed &amp; fully paid up :</b>		
15,00,00,000 (15,00,00,000) 6 % Non-Cumulative convertible Pref. Share Capital of Re. 1 each	<b>150,000.00</b>	150,000.00

**a) Terms / rights attached to Preference Shares**

- 1) 6 % Non-Cumulative Convertible Preference shares : Company has issued 6 % non-cumulative convertible preference shares of Re. 1 each. The same is convertible into equity shares of equal amount, as the company deems fit after six months and within 3 years from the date of allotment.
- 2) In the event of liquidation of the company, the holders of preference shares will be entitled to receive remaining assets of the company before distributing any amount to equity share holders.

**b) Reconciliation of Preference share capital**

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	<b>15,00,00,000</b>	<b>150,000.00</b>	15,00,00,000	150,000.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>15,00,00,000</b>	<b>150,000.00</b>	15,00,00,000	150,000.00

**c) Details of shareholder holding more than 5 % shares**

Name	31 March 2023		31 March 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Ltd.	<b>150,000,000</b>	<b>100</b>	<b>150,000,000</b>	<b>100</b>

**d) Shares Held by Holding Company**

Name	31 March 2023		31 March 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Ltd.	<b>150,000,000</b>	<b>100</b>	<b>150,000,000</b>	<b>100</b>



## NOTES TO ACCOUNTS (contd...)

### Note 13 : Financial Liabilities : Borrowings

(Amounts in Thousand Rupees)

Particulars	31 March 2023	31 March 2022
<b>Non-current</b>		
<b>Secured</b>		
Working capital term loan from banks (ref. note no. 42) terms of loan	-	6,250.00
l) Secured against hypothecation of immovable property and		
ii) Loan Carries Interest @ Mclr + 2.30 %		
iii) To be repaid in 16 quarterly instalments of Rs. 3,125 thousand starting from june 2018. company has availed 6 months (2 instalments) additional moratorium period allowed by bank for the impact of covid 19.		
Less - current maturities of non current borrowing disclosed under this head separately	-	6,250.00
	-	-
<b>Secured</b>		
Term loan from bank (ref note no. 42)	<b>81,613.63</b>	51,667.60
Terms of loan		
i) Secured against hypothecation of immovable property and corporate guarantee by holding company		
ii) Loan Carries Interest @ MCLR (1y) + 2.15%		
iii) To be repaid in 22 quarterly instalments of Rs. 3,886.36 thousand starting from march 2023.	<b>15,545.45</b>	2,350.00
Less - current maturities of non current borrowing disclosed under this head separately	<b>66,068.18</b>	49,317.60
	<b>1,31,527.77</b>	150,000.00
<b>Unsecured</b>		
1) Loan from holding company		
l) Loan of rs. 150000 thousand carries interest @ 8.50 % and payment on quarterly basis.		
ii) To be repaid after 3 years in 36 equal monthly installments, starting from end of moratorium period for each disbursement separately. Lender has right to ask for pre-payment by giving 90 days prior notice to the borrower.		
Less- Current maturities of non current borrowings disclosed under this head Separately	<b>50,000.00</b>	-
<b>Total Non Current Borrowing</b>	<b>147,595.95</b>	199,317.60
<b>Current</b>		
<b>Loans Repayable On Demand From Bank</b>		
Working Capital Demand Loans	<b>34,035.07</b>	39,439.84
Terms Of Loans :		
i) Loan Carries Interest @MCLR+ 1.75 %.		
ii) Secured against hypothecation of stock & receivables and mortgage of plant & machinery		
<b>Current Maturities of long term loan</b>	<b>65,545.45</b>	8,600.00
<b>Unsecured</b>		
1) Interest free loan from holding company as per order of BIFR	<b>9,614.02</b>	9,614.02
2) Loan from Fellow Subsidiary - Karad Projects & Motors Ltd.		
i) Loan of Rs 160000 Thousand carries interest @ 9.50% and interest payment on quarterly basis.	<b>160,000.00</b>	-
<b>Total Current Borrowing</b>	<b>269,194.56</b>	57,653.86
There has been no continuing default on the balance sheet date in repayment of any of the above borrowing & interest thereon		
<b>Total Borrowing</b>	<b>416,790.51</b>	256,971.46

**NOTES TO ACCOUNTS (contd...)****Note 14 : Financial Liabilities : Trade Payables**

(Amounts in Thousand Rupees)

Particulars	31 March 2023	31 March 2022
<b>Non-current</b>		
Total outstanding dues of creditors other than micro enterprises & small enterprises	-	-
<b>Current</b>		
<b>Dues of micro and small enterprises (refer note 38)</b>		
Related Parties	-	-
Others	<b>42,565.78</b>	20,569.70
	<b>42,565.78</b>	20,569.70
<b>Dues of other than micro and small enterprises</b>		
Related Parties	<b>449,453.51</b>	2,33,477.39
Others	<b>59,707.76</b>	60,606.36
	<b>509,161.26</b>	2,94,083.75
<b>Total Trade Payable</b>	<b>551,727.05</b>	3,14,653.45

**Disclosure requirement for Non current Trade payables**

Sr. No.	Particular	Not Due	Outstanding for following periods from due date of payment				
			Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
	<b>As at March 2023</b>						
1	MSME	-	-	-	-	-	-
2a	Other (external Parties)	-	-	-	-	-	-
2b	Other (related parties)	-	-	-	-	-	-
3	Disputed Dues - MSME	-	-	-	-	-	-
4	Dispute Dues - Other	-	-	-	-	-	-
5	Unbilled Dues	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>As at March 2022</b>						
1	MSME	-	-	-	-	-	-
2a	Other (external Parties)	-	-	-	-	-	-
2b	Other (related parties)	-	-	-	-	-	-
3	Disputed Dues - MSME	-	-	-	-	-	-
4	Dispute Dues - Other	-	-	-	-	-	-
5	Unbilled Dues	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO ACCOUNTS (contd...)

### Disclosure requirement for Current Trade payables

(Amounts in Thousand Rupees)

Sr. No.	Particular	Not Due	Outstanding for following periods from due date of payment				Total
			Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>As at March 2023</b>							
1	MSME	12,853.52	29,712.26	-	-	-	<b>42,565.78</b>
2a	Other (external Parties)	23,667.35	34,385.58	510.96	30.33	-	<b>58,594.22</b>
2b	Other (related parties)	91,047.30	183,760.49	118,269.31	56,376.41	-	<b>449,453.51</b>
3	Disputed Dues - MSME	-	-	-	-	-	-
4	Dispute Dues - Other	-	-	-	-	-	-
5	Unbilled Dues	1,113.54	-	-	-	-	<b>1,113.54</b>
	<b>Total</b>	<b>128,681.70</b>	<b>247,858.33</b>	<b>118,780.27</b>	<b>56,406.74</b>	-	<b>551,727.05</b>
<b>As at March 2022</b>							
1	MSME	14,218.90	6,350.80	-	-	-	<b>20,569.70</b>
2a	Other (external Parties)	28,624.99	29,896.72	436.72	-	326.11	<b>59,284.53</b>
2b	Other (related parties)	43,519.11	1,33,581.87	56,376.41	-	-	<b>233,477.39</b>
3	Disputed Dues - MSME	-	-	-	-	-	-
4	Dispute Dues - Other	-	-	-	-	-	-
5	Unbilled Dues	1,321.83	-	-	-	-	<b>1,321.83</b>
	<b>Total</b>	<b>87,684.83</b>	<b>1,69,829.39</b>	<b>56,813.13</b>	-	<b>326.11</b>	<b>3,14,653.45</b>

#### Terms and conditions of the above financial liabilities :

- 1) Trade Payables Are Non-interest Bearing And Are Normally Settled On 60-day Terms
- 2) For Explanations On The Group's Credit Risk Management Processes. (refer Note 36)

#### Note 15 : Other Financial Liabilities

Particulars	31 March 2023	31 March 2022
<b>Non Current</b>		
(a) Lease Liability	<b>1,616.99</b>	-
<b>Total other financial liabilities - Non Current</b>	<b>1,616.99</b>	-
<b>Current</b>		
(a) Investor Education & Protection fund (will be credited as and when due). - Unpaid dividends	-	-
(b) Lease Liability Payable within one year	<b>217.30</b>	-
<b>Total other financial liabilities - Current</b>	<b>217.30</b>	-
(c) Others		
Trade deposits	<b>1,583.72</b>	1,518.94
Salary & Reimbursements	<b>10,009.17</b>	8,338.00
Payables on account of purchases of fixed assets	<b>2,915.26</b>	8.30
Payables on account of purchases of fixed assets-MSME	-	-
Provision for expenses*	<b>11,202.92</b>	9,667.80
	<b>25,711.07</b>	19,533.04
<b>Total other financial liabilities - Current</b>	<b>25,711.07</b>	19,533.04
<b>Total other financial liabilities</b>	<b>27,328.06</b>	19,533.04

\* includes amounts payable to directors Rs

32.50

-

#### Terms and conditions of the above financial liabilities:

- 1) Other payables are non-interest bearing and have an average term of one month
- 2) For explanations on the Group's credit risk management processes. (refer note 36)

**NOTES TO ACCOUNTS (contd...)****Note 16 : Provisions**

(Amounts in Thousand Rupees)

Particulars	31 March 2023	31 March 2022
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Compensated absences	1,890.14	3,152.21
Gratuity (refer note 32)	24,602.24	23,560.90
	<b>26,492.38</b>	26,713.11
	<b>26,492.38</b>	26,713.11
<b>Current</b>		
<b>Provision for employee benefits</b>		
Compensated absences	3,966.88	4,841.66
Gratuity (refer note 32)	6,413.24	6,251.40
	<b>10,380.12</b>	11,093.06
<b>Other provision (refer note 34)</b>		
Provision for product warranty	661.64	1,020.95
	<b>661.64</b>	1,020.95
	<b>11,041.75</b>	12,114.01
<b>Total provisions</b>	<b>37,534.13</b>	38,827.12

**Note 17: Other Current Liabilities**

Particulars	31 March 2023	31 March 2022
<b>Current</b>		
(a) <b>Advance from customer</b>		
- Related Parties	72,147.17	69,758.91
- Others	1,286.12	1,667.47
(b) Contribution to PF and others	1,047.04	1,183.83
(c) Statutory dues	8,285.39	6,089.44
	<b>82,765.73</b>	78,699.65
<b>Total other current liabilities</b>	<b>82,765.73</b>	78,699.65

**Note 18 : Income Tax****(1) The major components of income tax expense for the period ended 31 March 2023 and 31 March 2022 are :****(a) Profit or loss**

Particulars	31 March 2023	31 March 2022
<b>Current income tax :</b>		
Current income tax charge		
Adjustments in respect of income tax of previous years	-	(205.50)
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	(397.99)	(110.40)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(397.99)</b>	<b>(315.90)</b>

**(b) Other Comprehensive Income**

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

Particulars	31 March 2023	31 March 2022
<b>Income tax charged to OCI</b>	<b>436.82</b>	(457.89)

**NOTES TO ACCOUNTS (contd...)**

(Amounts in Thousand Rupees)

**(2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022 :**

Particulars	31 March 2023	31 March 2022
Accounting profit / (loss) before tax	(233,185.37)	(157,213.35)
<b>At India's statutory income tax rate of 25.168% ( P Y@25.168%) (a)</b>	<b>(58,688.09)</b>	<b>(39,567.46)</b>
<b>Adjustments</b>		
<b>Add: Exempt income</b>		
Dividend		
<b>Subtotal (b)</b>	-	-
<b>Add: Accelerated deduction</b>		
Allowance of TDS on payment basis		
<b>Subtotal (c)</b>	-	-
<b>Less : Non deductible expenses</b>		
Penalties and fines	-	-
Provision for Advances	-	-
Donation	-	-
<b>Subtotal (d)</b>	-	-
<b>Sub total (e) = (b+c-d)</b>	-	-
Tax impact of above adjustments	-	-
Rate difference on opening DTA/ DTL		
C / f losses on which DTA was not recognised	(58,726.93)	(38,793.67)
<b>Total (f)</b>	<b>(58,726.93)</b>	<b>(38,793.67)</b>
<b>Tax expenses at effective rate (a-f)</b>	<b>38.83</b>	<b>(773.79)</b>
<b>Tax expenses recorded in books</b>	<b>38.83</b>	<b>(773.79)</b>

**(3) Movement in deferred tax**

(a) Deferred tax relates to the following: (DTL)/DTA	31 March 2023	31 March 2022
Property, plant and equipment, Right of use and Intangible Assets	(6,114.65)	(5,438.80)
Employee benefits - compensated absences	1,474.10	1,584.98
Provision for doubtful debts and advances	803.23	-
Employee benefits - Gratuity	7,805.97	7,503.16
Employee benefits - Bonus	698.91	689.90
Lease Liabilities	461.66	-
Defferred Borrowing Cost	(176.87)	-
Ind as Borrowing cost	(44.22)	-
Expenses Disallowed	-	530.06
Net deferred tax (liabilities)/assets	<b>4,908.13</b>	<b>4,869.30</b>

Particulars	31 March 2023	31 March 2022
Property, plant and equipment (Depreciation)	(675.86)	521.59
Employee benefits - compensated absences	(110.88)	(792.38)
Provision for doubtful debts and advances	803.23	-
Employee benefits - Gratuity	302.82	(323.26)
Employee benefits - Bonus	9.02	16.86
Lease Liabilities	461.66	(145.65)
Defferred Borrowing Cost	(176.87)	-
Ind as Borrowing cost	(44.22)	-
Expenses Disallowed	(530.06)	154.56
<b>Deferred tax (expense) / income</b>	<b>38.83</b>	<b>(568.29)</b>

(b) Reflected in balance sheet as	31 March 2023	31 March 2022
Deferred tax asset	4,908.13	10,308.10
Deferred tax liability	-	(5,438.80)
Net Deferred tax asset	4,908.13	4,869.30
<b>Net Deferred tax asset</b>	<b>4,908.13</b>	<b>4,869.30</b>

**NOTES TO ACCOUNTS (contd...)****Note 19 : Revenue From Operations**

(Amounts in Thousand Rupees)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) <b>Sale of products</b>	<b>424,950.91</b>	2,92,736.86
(b) <b>Sale of services</b>	<b>15,630.05</b>	14,039.67
(c) <b>Sales of Patterns</b>	<b>12,904.25</b>	1,074.80
(d) <b>Other operating revenues</b>		
Sales of Scrap	<b>1,289.75</b>	4,377.22
Others	<b>758.48</b>	1,787.65
Export Incentive	<b>592.32</b>	289.73
	<b>2,640.55</b>	6,454.60
<b>Total Revenue from Operations</b>	<b>456,125.75</b>	3,14,305.92

**Note 20 : Other Income**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) <b>Interest Income on financial assets at amortised cost</b>		
From Bank	<b>18.04</b>	23.40
From Others	<b>24.86</b>	42.54
	<b>42.90</b>	65.93
(b) <b>Foreign exchange difference (net)</b>	<b>44.90</b>	-
(c) <b>Other non-operating income</b>		
Excess provision written back	<b>5,998.40</b>	1,097.29
Hall booking receipt	-	-
Miscellaneous receipt	<b>202.55</b>	186.73
Profit on Sale of Assets	<b>4.04</b>	70.86
Weighing scale receipts	<b>1,268.13</b>	930.46
	<b>7,473.13</b>	2,285.33
<b>Total Other Income</b>	<b>7,560.92</b>	2,351.26

**Note 21 : Cost of materials consumed**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) <b>Raw materials consumed</b>	<b>284,866.47</b>	185,693.19
(b) <b>Purchases of Stock-in-Trade</b>	<b>11,357.00</b>	6,695.65

**Note 22 : Changes in inventories of finished goods, Stock-in -Trade and work-in-progress**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Opening Stock</b>		
Finished goods	<b>5,544.95</b>	2,684.40
FG - Stock In Transit	<b>17,376.00</b>	-
Work-in- progress	<b>48,115.72</b>	47,763.22
Stock in trade	<b>5,986.33</b>	1,780.00
	<b>77,023.00</b>	<b>52,227.62</b>
<b>Closing Stock</b>		
Finished goods	<b>20,597.00</b>	5,544.95
FG - Stock In Transit	-	17,376.00
Work-in- progress	<b>67,138.49</b>	48,115.72
Stock in trade	<b>9,676.67</b>	5,986.33
	<b>97,412.16</b>	<b>77,023.00</b>
<b>Total Changes in inventories of finished goods, Stock-in -Trade and work-in-progress</b>	<b>(20,389.16)</b>	<b>(24,795.38)</b>



## NOTES TO ACCOUNTS (contd...)

### Note 23 : Employee benefits expense

(Amounts in Thousand Rupees)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) <b>Salaries, wages and bonus</b>	<b>83,355.56</b>	79,458.43
(b) <b>Defined contribution plans</b> Contribution to provident fund and E.S.I	<b>5,639.98</b>	5,626.99
(c) <b>Defined benefit plans</b> Gratuity	<b>1,714.28</b>	1,916.17
(d) <b>Welfare expenses</b>	<b>3,991.69</b>	3,881.77
<b>Total Employee benefits expense</b>	<b>94,701.52</b>	90,883.36

### Note 24 : Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) <b>Interest expense</b> (calculated using effective rate of interest)	<b>33,845.89</b>	17,657.51
(b) <b>Other borrowing costs</b> (includes bank guarantee commission, LC charges, loan processing charges)	<b>866.79</b>	827.66
(c) <b>Interest Exp-Lease Liability</b>	<b>106.51</b>	33.28
(d) <b>Net interest expenses on defined benefit obligation</b>	<b>1,913.52</b>	1,942.69
<b>Total Finance costs</b>	<b>36,732.71</b>	20,461.14

### Note 25 : Depreciation and amortization expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Depreciation on property, plant and equipment	<b>13,453.81</b>	12,414.03
(b) Amortization of intangible assets	<b>61.62</b>	27.28
(c) Depreciation on investment property	<b>106.13</b>	106.13
(d) Depreciation on Right of Use assets	<b>162.65</b>	523.42
<b>Total Depreciation and amortization expense</b>	<b>13,784.21</b>	13,070.85

**NOTES TO ACCOUNTS (contd...)****Note 26 : Other expenses**

(Amounts in Thousand Rupees)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Stores and spares consumed	<b>64,727.24</b>	44,744.00
Processing charges	<b>60,757.44</b>	44,174.96
Power & fuel	<b>79,617.24</b>	58,672.60
Repairs and maintenance		
Plant and machinery	<b>5,310.36</b>	5,001.12
Buildings	<b>1,421.85</b>	259.88
Other	<b>348.88</b>	161.19
Rates and taxes	<b>1,286.02</b>	7,166.98
Travel and conveyance	<b>1,693.42</b>	666.60
Insurance	<b>747.15</b>	648.09
Directors' sitting fees	<b>187.50</b>	100.00
Freight and forwarding charges	<b>836.95</b>	2,333.37
Brokerage and commission	<b>742.00</b>	744.99
Provision for product warranty	<b>2,201.92</b>	1,464.74
Provision for doubtful debts, advances and claims	<b>1,085.39</b>	648.97
Bad debts written off	<b>152.83</b>	0.04
Auditor's remuneration (refer note 30)	<b>552.19</b>	523.98
Professional, consultancy and legal expenses	<b>3,392.67</b>	3,696.67
Security services	<b>4,227.31</b>	3,853.64
Foreign exchange difference (net)	-	251.76
Management Consultants Expenses	-	3,629.84
Other miscellaneous expenses	<b>4,113.54</b>	3,118.30
<b>Total Other expenses</b>	<b>233,401.90</b>	<b>181,861.72</b>

**Note 27 : Other Comprehensive Income**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements gains and losses on post employments benefits	<b>(1,735.63)</b>	1,819.32
Tax on remeasurements gains and losses	<b>436.82</b>	(457.89)
<b>Net Other Comprehensive Income</b>	<b>(1,298.81)</b>	1,361.43

Particulars	2022-23	2021-22
<b>28 Contingent liabilities</b>		
<b>(a) Claims against the company not acknowledged as debt</b>		
i) Disputed excise duty dues (Matter Subjudice) (Against these demands, an amount of Rs. 542.21(Previous year Rs.542.21 ) has been paid under protest.) The Company has filed Appeal in Tribunal Mumbai for CENVAT credit on scrap sales	<b>1,092.47</b>	1,092.47
<b>(b) Other money for which the company is contingently liable</b>		
Disputed matters under labour law	<b>2,204.34</b>	10,206.57
(Seven labour cases pending in district court of Kolhapur)(Five in Previous Year)	<b>3,296.82</b>	11,299.04

Particulars	2022-23	2021-22
<b>29 Commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	<b>2,915.78</b>	7,199.51

## NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

Particulars	2022-23	2021-22
<b>30 Remuneration to Auditors</b>		
Statutory Auditors :		
a) Audit Fees	<b>400.00</b>	400.00
b) Tax Audit Fees	<b>50.00</b>	50.00
c) Other services	<b>62.00</b>	58.00
d) Expenses reimbursed	<b>40.19</b>	15.98
	<b>552.19</b>	523.98

Particulars	2022-23	2021-22
<b>31 Earning per Share ( Basic and diluted )</b>		
<b>I - Basic and Diluted</b>		
a) Profit for the year before tax	<b>(233,185.37)</b>	(157,213.35)
Less : Attributable Tax thereto	<b>(397.99)</b>	(315.90)
Profit after Tax	<b>(233,583.36)</b>	(157,529.25)
b) Weighted average number of equity shares used as denominator	<b>267,000,000</b>	2,67,000,000
c) Weighted average number of Diluted equity shares used as denominator	<b>417,000,000</b>	4,17,000,000
d) Basic earning per share of nominal value of Re 1/- each in Re.	<b>(0.87)</b>	(0.59)
e) Diluted earning per share of nominal value of Re 1/- each in Re.	<b>(0.56)</b>	(0.38)

### 32 Employee Benefits :

#### i Defined Contribution Plans :

Amount of Rs. 5,624.98 (Previous year Rs. 5,626.99) is recognised as an expense and included in "Employees benefits expense" (Note-23) in the Profit and Loss Statement.

#### ii Defined Benefit Plans :

##### a) The amounts recognised in Balance Sheet are as follows:

Particulars	As at 31 March 2023 Gratuity Plan (Non Funded)	As at 31 March 2022 Gratuity Plan (Non Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	<b>31,015.48</b>	29,812.30
Less: Fair Value of Plan Assets	-	-
Amount to be recognised as liability or (asset)	<b>31,015.48</b>	29,812.30
B. Amounts reflected in the Balance Sheet		
Liabilities	<b>31,015.48</b>	29,812.30
Assets		
Net Liability / (Assets)	<b>31,015.48</b>	29,812.30

**NOTES TO ACCOUNTS (contd...)****b) The amounts recognised in the Profit and Loss Statement are as follows:** (Amounts in Thousand Rupees)

Particulars	2022-23 Gratuity Plan (Non Funded)	2021-22 Gratuity Plan (Non Funded)
1 Current Service Cost	1,714.28	1,916.17
2 Acquisition (Gain)/ loss	-	-
3 Past Service Cost	-	-
4 Net Interest (income)/expenses	1,913.52	1,942.69
5 Actuarial Losses/(Gains)	-	-
6 Curtailment (Gain)/ loss	-	-
7 Settlement (Gain)/loss	-	-
Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note -23)	3,627.80	3,858.86

**c) The amounts recognised in the statement of other comprehensive income (OCI)**

Particulars	2022-23 Gratuity Plan (Non Funded)	2021-22 Gratuity Plan (Non Funded)
1 Opening amount recognised in OCI outside profit and loss account	-	-
2 Remeasurements for the year - Obligation (Gain)/loss	1,356.32	(1,819.32)
3 Remeasurement for the year - Plan assets (Gain) / Loss	-	-
4 Total Remeasurements Cost / (Credit ) for the year recognised in OCI	1,735.63	(1,819.32)
5 Less: Accumulated balances transferred to retained earnings	1,735.63	(1,819.32)
Closing balances (remeasurement (Gain)/loss recognised OCI	-	-

**d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :**

Particulars	As at 31 March 2023 Gratuity Plan (Non Funded)	As at 31 March 2022 Gratuity Plan (Non Funded)
1 Balance of the present value of obligation as at beginning of the period	29,812.30	31,096.73
2 Acquisition adjustment	-	-
3 Transfer in/ (out)	-	-
4 Interest expenses	1,913.52	1,942.69
5 Past Service Cost	-	-
6 Current Service Cost	1,714.28	1,916.17
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	(4,160.25)	(3,323.98)
10 Remeasurements on obligation - (Gain) / Loss	1,735.63	(1,819.32)
Present value of obligation as at the end of the period	31,015.48	29,812.30

**e) Net interest (Income) / expenses**

Particulars	Gratuity Plan (Non Funded) As at 31 March 2023	Gratuity Plan (Non Funded) As at 31 March 2022
1 Interest ( Income) / Expense – Obligation	1,913.52	1,942.69
2 Interest (Income) / Expense – Plan assets	-	-
3 Net Interest (Income) / Expense for the year	1,913.52	1,942.69

## NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

### f) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

- 1 Discount rate as at 31-03-2023 - 6.40% ( as at 31-03-2022 - 6.90%)
- 2 Salary growth rate : For Gratuity Scheme - Workers @5% and staff @8% (as at 31-03-2022- Workers @5% and staff @8%)
- 3 Attrition rate: For gratuity scheme the attrition rate is taken at 6% ( as at 31-03-2022 - 6%)
- 4 The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### g) The amounts pertaining to defined benefit plans are as follows :

Particulars	As at 31 March 2023 Gratuity Plan (Non Funded)	As at 31 March 2022 Gratuity Plan (Non Funded)
Defined Benefit Obligation	<b>31,015.48</b>	29,812.30
Plan Assets	-	-
Surplus/(Deficit)	<b>(31,015.48)</b>	(29,812.30)

### h) General descriptions of defined plans :

#### Gratuity Plan :

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

### i) Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

Effect on gratuity obligation			
Change in assumption	As at 31 March 2023	Change in assumption	As at 31 March 2022
<b>1 Discount rate (6.4%)</b>		<b>Discount rate (6.9%)</b>	
Increase by 1%	<b>29,549.56</b>	Increase by 1%	28,341.69
Decrease by 1%	<b>32,628.51</b>	Decrease by 1%	31,438.94
<b>2 Salary increase rate (staff-8% and Workers-5%)</b>		<b>Salary increase rate (staff 8% and Workers 5%)</b>	
Increase by 1%	<b>32,354.74</b>	Increase by 1%	31,174.04
Decrease by 1%	<b>29,774.48</b>	Decrease by 1%	28,556.07
<b>3 Withdrawal rate ( 6%)</b>		<b>Withdrawal rate ( 6%)</b>	
Increase by 1%	<b>31,155.69</b>	Increase by 1%	29,919.79
Decrease by 1%	<b>30,865.03</b>	Decrease by 1%	29,697.02

**NOTES TO ACCOUNTS (contd...)****33 Related Party Disclosures****(Amounts in Thousand Rupees)****(A) Names of the related party and nature of relationship where control (including common control) exists and transactions entered into:**

<b>Sr. No.</b>	<b>Name of the related party</b>	<b>Nature of relationship</b>
1	Kirloskar Brothers Limited	Holding Company
2	Karad Projects and Motors Limited	Fellow Subsidiary
3	Kirloskar Corrocoat Private Limited	Fellow Subsidiary
4	Kirloskar Brothers International B V	Fellow Subsidiary
5	SPP Pumps Limited U.K.	Subsidiary of Fellow Subsidiary
6	Kirloskar Brothers(Thailand) Limited	Subsidiary of Fellow Subsidiary
7	SPP Pumps (MENA) L.L.C.	Subsidiary of Fellow Subsidiary
8	Kirloskar Pompen B.V	Subsidiary of Fellow Subsidiary
9	Micawber 784 Proprietary Limited	Subsidiary of Fellow Subsidiary
10	SPP Pumps International Proprietary Limited, South Africa (formerly a.k.a. Kirloskar Brothers International Pty. Ltd ( South Africa)	Subsidiary of Fellow Subsidiary
11	SPP Pumps S A S	Subsidiary of Fellow Subsidiary
12	SPP Pumps Inc	Subsidiary of Fellow Subsidiary
13	SPP Pumps South Africa Proprietary Limited	Subsidiary of Fellow Subsidiary
14	Braybar Pumps (Proprietary)Ltd.	Subsidiary of Fellow Subsidiary
15	Rodelta Pumps International BV	Subsidiary of Fellow Subsidiary
16	Rotaserve B.V. – Netherlands	Subsidiary of Fellow Subsidiary
17	SPP Pumps Real Estate LLC	Subsidiary of Fellow Subsidiary
18	SyncroFlo Inc.Subsidiary of Fellow Subsidiary	
19	SPP Pumps (Asia)Ltd.(Thailand)	Subsidiary of Fellow Subsidiary
20	SPP Pumps (Singapore) Ltd	Subsidiary of Fellow Subsidiary
21	Rotaserve Limited	Subsidiary of Fellow Subsidiary
22	Rotaserve Mozambique	Subsidiary of Fellow Subsidiary
23	Kirloskar Ebara Pumps Limited	Joint venture of Kirloskar Brothers Ltd.

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

1	Chhittaranjan Mate	Chairman
2	Ravindra Samant	Managing Director
3	Ravi Sinha	Director
4	Achyut Dhadphale	Independent Director
5	K.Taranath	Independent Director
6	Suresh Deshpande	Independent Director
7	Rudrappa Mahajan	Independent Director

## NOTES TO ACCOUNTS (contd...)

### (C) Disclosure of related parties transactions

(Amounts in Thousand Rupees)

Sr. No.	Nature of transaction/relationship/major parties	2022-23		2021-22	
		Amount	Amount for Major parties *	Amount	Amount for Major parties *
1	<b>Purchase of goods &amp; services</b>	<b>203,102.86</b>		132,292.16	
	Holding company - Kirloskar Brothers Limited capital goods		<b>191,215.50</b>		-
	Fellow subsidiary - Karad Projects and Motors Ltd. Others		<b>9,236.94</b>		102,322.01
	Joint Venture of Holding Company- Kirloskar Ebara Pumps Limited		<b>187.22</b>		27,029.89
2	<b>Sale of goods/contract revenue &amp; services</b>	<b>274,316.50</b>		214,651.65	
	Holding company - Kirloskar Brothers Limited Services		<b>2,463.20</b>		2,940.25
	Holding company - Kirloskar Brothers Limited - Goods		<b>244,711.92</b>		213,545.67
	Holding company - Kirloskar Brothers Limited - Services		-		-
3	<b>Finance Cost</b>	<b>22,980.71</b>		12,830.29	
	Joint Venture of Holding Company- Kirloskar Ebara Pumps Limited		<b>29,604.59</b>		1,105.98
	Holding company - Kirloskar Brothers Limited Interest		<b>12,572.31</b>		12,750.00
	Holding company - Kirloskar Brothers Limited - Int. on Bill Discounting		<b>2,025.49</b>		80.29
4	<b>Reimbursement of expenses</b>	-		-	
	Fellow subsidiary - Karad Projects and Motors Ltd. Interest		<b>8,382.91</b>		-
	Holding company - Kirloskar Brothers Limited		-		-
5	<b>Remuneration Paid</b>	<b>187.50</b>		100.00	
	<b>Key Management Personnel</b>				
	Directors Sitting fees				
	Mr. Achyut Dhadphale		<b>57.50</b>		50.00
	Mr. K. Taranath		<b>62.50</b>		50.00
	Mr. Suresh Deshpande		<b>30.00</b>		-
	Mr. Rudrappa Mahajan		<b>37.50</b>		-

\* Major parties denote entities who account for 10% or more of the aggregate for that category of transaction

**Terms and conditions of transactions with related parties** - The sales to and purchase from related parties are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.

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

Sr. No.	Nature of transaction/relationship/major parties	31 March 2023		31 March 2022	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	<b>Unsecured Loan payable</b>				
	Holding company (Interest Free)	<b>9,614.02</b>	<b>9,614.02</b>	9,614.02	9,614.02
	Holding company	<b>131,527.78</b>	<b>131,527.78</b>	150,000.00	150,000.00
2	<b>Trade Receivable</b>				
	Fellow Subsidiary	<b>160,000.00</b>	<b>160,000.00</b>	-	-
	Holding company	-	-	-	-
3	<b>Advance Received</b>				
	Joint Venture	-	-	-	-
4	<b>Trade Payable</b>				
	Holding company	<b>37,633.17</b>	<b>37,633.17</b>	69,758.91	69,758.91
	Holding company	<b>440,672.15</b>	<b>440,672.15</b>	214,812.50	2,14,812.50
	Key Management Personnel	-	-	-	-
	Fellow Subsidiary Company	<b>8,558.22</b>	<b>8,558.22</b>	18,664.89	18,664.89
	Joint Venture of Holding Company	<b>233.13</b>	<b>233.13</b>	-	-



**NOTES TO ACCOUNTS (contd...)****Note 34 : Details of provisions and movements in each class of provisions.****(Amounts in Thousand Rupees)**

Particulars	Product Warranty
<b>Carrying amount as at 1 April 2021</b>	985.14
Add: Provision during the year 2021-22	1,464.74
Add: Unwinding of discounts	-
Less: Amount utilised during the year 2021-22	1,428.93
Less: Amount reversed during the year 2021-22	-
<b>Carrying amount as at 31 March 2022</b>	<b>1,020.95</b>
Add: Provision during the year 2022-23	1,988.52
Add: Unwinding of discounts	-
Less: Amount utilised during the year 2022-23	2,347.83
Less: Amount reversed during the year 2022-23	-
<b>Carrying amount as at 31 March 2023</b>	<b>661.64</b>

**Note 35 : Fair Value of financial assets and liabilities**

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments that are recognised in the financial statements

Sr. No	Particulars	Carrying value		Fair Value	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
a)	<b>Financial Assets</b>				
	<b>Carried at amortised cost</b>				
	Trade receivable *	<b>33,098.84</b>	35,615.83	-	-
	Security deposits	<b>2,140.67</b>	435.19	<b>2,140.67</b>	435.19
	Other financial assets	-	-	-	-
	Cash and cash equivalent *	<b>56.15</b>	105.14	-	-
	Other bank balances *	-	540.51	-	-
		<b>35,295.66</b>	36,696.68	<b>2,140.67</b>	435.19
b)	<b>Financial Liabilities</b>				
	<b>Carried at amortised cost</b>				
	Non-current borrowings	<b>147,595.96</b>	199,317.60	<b>147,595.96</b>	199,317.60
	Current borrowings	<b>34,035.07</b>	39,439.84	<b>34,035.07</b>	39,439.84
	Current borrowings - Interest free Loan from Holding Company	<b>9,614.02</b>	9,614.02	<b>9,614.02</b>	9,614.02
	Current Maturities of Non-current borrowings	<b>65,545.45</b>	8,600.00	<b>65,545.45</b>	8,600.00
	Trade payable *	<b>551,727.05</b>	314,653.45	-	-
	Total other financial liabilities	<b>(38,217.42)</b>	10,933.04	<b>(38,217.42)</b>	10,933.04
		<b>770,300.14</b>	582,557.96	<b>218,573.09</b>	267,904.50

\* The company has calculated fair value of financial assets and liabilities except for trade payables, trade receivables, cash and cash equivalents and other bank balances using discounted cash flow model. The company has not disclosed the fair values of trade payables, trade receivables, cash and cash equivalents and other bank balances, since their carrying amounts are reasonable approximation of fair value.

**Note : 36 Financial risk management policy and objectives**

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. Company's principal financial assets comprises trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations. Company is exposed to certain risks which includes market risk, credit risk and liquidity risk. Risk Management committee of the company oversees the management of these risks. This committee is accountable to audit committee of the board. This process provides assurance to the company's senior management that company's financial risk-taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company's policies and risk appetite. The policies for managing these risks are summarised below.

**1) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Company uses expected credit loss model for assessing and providing for credit risk. Refer note 36a for expected credit loss model analysis.

## NOTES TO ACCOUNTS (contd...)

### a) Trade receivable

(Amounts in Thousand Rupees)

Customer credit risk is managed through the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit, Bill discounting (without recourse) or other forms of credit insurance. Trade receivables are non interest bearing and are generally on, 30 days to 90. days credit term. The company has no concentration of risk as customer base is widely distributed both economically and geographically. The ageing analysis of trade receivable as on reporting date is as follows

	Neither past due nor impaired	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 365 days	
31 March 2023	13,035.46	19,012.72	916.58	134.08	33,098.84
31 March 2022	19,111.99	16,029.22	(0.09)	474.72	35,615.83

### b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment company adjust it's exposure to various counterparties. Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount as disclosed in Note 6, 10a and 10b.

### 2) Liquidity risk

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

The table summarizes the maturity profile of company's financial liabilities based on contractual undiscounted payments

As of 31 March 2023						
	Carrying amount	On demand	Less than 180 days	181 to 365 days	above 365 days	Total
Interest bearing borrowing	407,176.49	194,035.07	65,545.45	-	147,595.96	407,176.49
Non Interest bearing borrowing	9,614.02	9614.02	-	-	-	9614.02
Other liabilities	27,328.04	-	27,328.04	-	-	27,328.04
Trade and other payable	551,727.05	128,681.70	247,858.33	118,780.27	56,406.74	551,727.05

As of 31 March 2022						
	Carrying amount	On demand	Less than 180 days	181 to 365 days	above 365 days	Total
Interest bearing borrowing	247,357.44	39,439.84	8,600.00	-	199,317.60	247,357.44
Non Interest bearing borrowing	9,614.02	9614.02	-	-	-	9614.02
Other liabilities	19,533.04	-	19,533.04	-	-	19,533.04
Trade and other payable	314,653.45	87,684.82	169,829.39	56,813.13	326.11	314,653.44

### 3) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments. Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**NOTES TO ACCOUNTS (contd...)****Note 36 : a Impairment of financial assets: Expected credit loss  
Provision for expected credit loss****(Amounts in Thousand Rupees)**

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

**As at 31 March 2023****1) Expected credit loss for loans and security deposits**

Particulars		Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly from inception	Deposit	A	-	0%	-	2,140.67
Loss allowance measured at life time expected credit losses	Financial assets for which credit risk has increased significantly and not credit impaired	Nil	-	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit impaired	Nil	-	-	-	-	-

## NOTES TO ACCOUNTS (contd...)

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

(Amounts in Thousand Rupees)

Particulars	Not due	Past due but not impaired			
		Less than 180 days	181 to 365 days	above 366 days	Total
Gross carrying amount	13,035.46	19,395.59	1,210.39	2,648.88	36,290.32
Expected loss rate	-	1.97	24.27	94.94	8.79
Expected credit losses (Loss allowance provision)	-	382.87	293.81	2,514.81	3,191.48
Carrying amount of trade receivable (Net of impairment)	13,035.46	19,012.72	916.58	134.08	33,098.84

As at 31 March 2022

### 1) Expected credit loss for loans and security deposits

Particulars		Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly from inception	Deposit	A	-	0%	-	435.19
Loss allowance measured at life time expected credit losses	Financial assets for which credit risk has increased significantly and not credit impaired	Nil	-	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit impaired	Nil	-	-	-	-	-

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

Particulars	Not due	Past due but not impaired			
		Less than 180 days	181 to 365 days	above 366 days	Total
Gross carrying amount	19,111.99	16,052.64	0.23	2,557.07	37,721.92
Expected loss rate	-	0.15	141.15	81.43	5.58
Expected credit losses (Loss allowance provision)	-	23.42	0.32	2,082.35	2,106.09
Carrying amount of trade receivable (Net of impairment)	19,111.99	16,029.22	(0.09)	474.72	35,615.83

### Reconciliation of loss provision

	Trade receivables
Loss allowance as at 31 March 2021	1,491.94
Changes in loss allowance	648.97
Loss allowance as at 31 March 2022	2,140.91
Changes in loss allowance	1,050.56
Loss allowance as at 31 March 2023	3,191.48

**NOTES TO ACCOUNTS (contd...)****Note 37 : Capital management****(Amounts in Thousand Rupees)**

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Company's policy is to keep the gearing ratio between 20% and 40%. However, due to adverse scenario in the industry, company is not able to achieve this percentage. Further, company wishes to bring the range between 20% to 40% in the near future. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	31 March 2023	31 March 2022
Loans and borrowings	<b>256,790.51</b>	256,971.46
Less: Cash and Bank Balance	<b>56.15</b>	645.65
Net debt	<b>256,734.35</b>	256,325.81
Equity	<b>(595,802.20)</b>	(360,920.03)
Capital and net debt	<b>(339,067.85)</b>	(104,594.22)
Gearing %	<b>-75.72%</b>	-245.07%

**Note 38 :** The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2023 are as under:

Particulars	2022-23	2021-22
Principal amount due and remaining unpaid	<b>30,013.35</b>	1,944.52
Interest due on above and unpaid interest	<b>1,020.82</b>	36.91
Interest paid	-	-
Payment made beyond appointment day	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

**Note 39 : Segment reporting**

Company operates in single segment as business of Steel and Alloy casting. The Executive Management Committee monitors the operating results of entire company as whole for the purpose of making decisions about resource allocation and performance assessment.

**Note 40 :****a) Corporate social responsibility expenditures**

(a) Amount required to be spent by the Company during the year is Rs. Nil/- (Rs. Nil in F.Y: 2021-22)

(b) Amount spent by the Company during the year is Rs. Nil/- (Rs. NIL in F.Y: 2021-22)

**b) Note on Charge Creation**

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

**c) Foreign Exchange Earnings**

The company does not have any Foreign Exchange Earnings.

## NOTES TO ACCOUNTS (contd...)

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

(Amounts in Thousand Rupees)

#### As at March 2023

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

#### As at March 2022

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

### e) Willful Defaulter

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

### f) Crypto Currency or Virtual Currency

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

### g) Note on Undisclosed Income If any

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

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

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

1) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

**NOTES TO ACCOUNTS (contd...)****40) i) Ratios****(Amounts in Thousand Rupees)**

No.	Ratio	Formula	Numerator	Denominator	31st March 2023	Numerator	Denominator	31st March 2022	Variance	Reason for variance more than 25%
1	Current Ratio	Current Assets / Current Laibilities	235,355.04	940,657.43	0.25	208,844.66	482,654.03	0.43	-42.18	Due to Increase in Trade Payables
2	Debt Equity Ratio	Total Debt / Shareholders Equity	416,790.51	-595,802.20	0.47	256,971.46	-360,920.03	-0.71	-165.49	Increase in Term Loan in Current Year of Rs. 29,946.60 Thousand
3	Debt Service Coverage Ratio	Earnings available for debt service / Debt Service	-183,066.44	61,348.43	-2.98	-123,997.26	33,727.86	-3.68	-18.83	
4	Return on Equity	(Net Profits after taxes – Preference Dividend) / Average Shareholders' equity	-233,583.36	-478,361.12	-0.49	-157,529.25	-282,836.13	-0.56	-12.33	
5	Inventory Turnover Ratio	Cost of goods sold or sales / Average Inventory	453,485.20	151,947.14	2.98	307,851.32	117,636.95	2.62	14.04	
6	Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivable	453,485.20	34,357.33	13.20	307,851.32	45,430.79	6.78	94.78	Due to Increase in Recovery
7	Trade payables turnover ratio	Net Credit Purchases / Average Trade Payable	569,954.16	275,863.52	2.07	260,296.52	157,326.72	1.65	24.88	Due to Increase in Creditors
8	Net capital turnover ratio	Net Sales / Working Capital	456,125.75	36,737.46	12.42	314,305.92	32,669.28	9.62	29.05	Due to Increase in Sales
9	Net profit ratio	Net Profit / Sales	-233,583.36	456,125.75	-0.51	-157,529.25	314,305.92	-0.50	2.18	
10	Return on capital employed	Earnings before Interest & Taxes / Capital Employed	-269,918.08	-183,919.82	1.47	-177,674.49	-108,817.88	1.63	-10.12	
11	Return on investment ROI (current investment)	((Market Value- Cost Price) + Dividend/Other Cash flows) / Cost Price			NA			NA		
	ROI (non-current investment)	((CNW-ONW+ Dividends)/ONW			Na			NA		



## NOTES TO ACCOUNTS (contd...)

### Note 41 : Going Concern

(Amounts in Thousand Rupees)

In current financial year 2022-23 also company has incurred net loss before exceptional item of Rs. 1,90,767.98 (in thousands) resulting into negative net worth of Rs. 5,95,802.22 (in thousands) and as of that date, the company's current liabilities exceeded its total assets by Rs. 4,20,097 (in thousands). Despite of above mentioned facts, company has maintained financial statements on Going Concern basis based on following steps taken as committed to overcome the challenges and turn around its operations,

However, due to outbreak of covid- 19, TKSL faced following problems: -

1. In-house RT facility started and it is in operation.
2. New Pattern Storage Building completed and started storing the patterns. This is for maintaining customer's pattern in appropriate conditions and reduces wastage / rejections on account of faulty patterns.
3. Installed four metric ton heat treatment furnace to reduce cost and lead time.
4. Successfully switched over from diesel to CNG to reduce fuel cost mainly in heat treatment.
5. Installed and commissioned new shot blasting machine to improve surface finish of castings.
6. We have implemented Operational SOPs on all the stages to ensure the process without any deviations.

With the implementation of the above points, we could achieve highest production and highest sale in FY 22-23.

We have booked orders worth Rs. 572 Mn in FY 2022-23, which is the highest booking in any financial year.

On customer front, Finalization of long term contract with one large customer to have steady load for production is in progress and will start sales to them in Q1 for FY 23-24.

We have regained one of our old customers and got good business from them. In the present economic scenario, demand for capital goods is picking up and we expect this would benefit TKSL by having better order position and improved realization.

In view of the above, the company has prepared the financials on Going Concern basis.

**Note 42 : The Company paid Rs. 42.41 Million to Government of Maharashtra as per collector order dated 19-10-22 towards regularization of condition for use of partial land owned by it. This is considered as an exceptional item during financial year ended March 2023.**

**Note 43 : Previous Years figures are rearranged and regrouped.**

As per our report of even date attached

For and on behalf of the Board of Directors

**For P. G. BHAGWAT LLP**  
Chartered Accountants  
FRN- 101118W/W100682

**Ravindra Samant**  
Managing Director  
DIN : 07002226

**C. M. Mate**  
Chairman  
DIN : 07399559

**Akshay B. Kotkar**  
Partner  
Membership No. 140581  
UDIN : 23140581BGWBDE8678  
Pune - Date : 20<sup>th</sup> April, 2023

**Deepak Khot**  
Chief Finance Officer

## द कोल्हापूर स्टील लिमिटेड

५८वा वार्षिक अहवाल सन २०२२-२०२३

## ३१ मार्च २०२३ रोजी संपलेल्या आर्थिक वर्षाचे नफा - तोटा पत्रक

(आकडे हजारांत)

उत्पन्न	परिशिष्ट	३१ मार्च २०२३	३१ मार्च २०२२
विक्रीपासूनचे उत्पन्न	१९	४,५६,१२५.७५	३,१४,३०५.९२
इतर उत्पन्न	२०	७,५६०.९२	२,३५१.२६
<b>एकूण उत्पन्न</b>		<b>४,६३,६८६.६७</b>	<b>३,१६,६५७.१८</b>
<b>खर्च :</b>			
वापरलेल्या मालाची किंमत	२१ अ	२,८४,८६६.४७	१,८५,६९३.१९
व्यापारी मालाची (साचे) खरेदी	२१ ब	११,३५७.००	६,६९५.६५
अधिक / (वजा) : व्यापारी मालाच्या साच्यांच्या शिल्लक साठ्यातील बदल	२२	(२०,३८९.१६)	(२४,७९५.३८)
कर्मचारी खर्च	२३	९४,७०९.५२	९०,८८३.३६
व्याज खर्च	२४	३६,७३२.७९	२०,४६१.१४
घसारा	२५	१३,७८४.२९	१३,०७०.८५
इतर खर्च	२६	२,३३,४०९.९०	१,८१,८६१.७२
<b>एकूण खर्च</b>		<b>६,५४,४५४.६५</b>	<b>४,७३,८७०.५३</b>
असाधारण खर्च, कालावधीपूर्वक खर्च व करपूर्व नफा		(१,९०,७६७.९८)	(१,५७,२१३.३५)
अपवादात्मक खर्च		४२,४१७.३९	-
कालावधीपूर्व नफा		(२,३३,१८५.३७)	(१,५७,२१३.३५)
असाधारण खर्च		-	-
करपूर्व नफा			
<b>कर खर्च</b>	१८	(३९७.९९)	(११०.४०)
मागील वर्षीच्या आयकराचे समायोजन		-	(२०५.५०)
एकूण कर खर्च		(३९७.९९)	(३१५.९०)
<b>चालू घडामोडीतून झालेला नफा (तोटा)</b>		<b>(२,३३,५८३.३६)</b>	<b>(१,५७,५२९.२५)</b>
चालू नसलेल्या घडामोडीतून झालेला नफा / (तोटा)		-	-
चालू नसलेल्या घडामोडीचा कर खर्च		-	-
चालू नसलेल्या घडामोडीतून झालेला नफा / (तोटा) (करानंतरचा)		-	-
<b>निव्वळवार्षिक नफा / (तोटा)</b>			
इतर व्यापक उत्पन्न	२७	-	-
नफा / (तोटा) ला वर्गीकृत न होणारे घटक		(१,७३५.६३)	१,८१९.३२
नफा / (तोटा) ला वर्गीकृत न होणारे आयकरासंबंधित घटक		४३६.८२	(४५७.८९)
नफा / (तोटा) ला वर्गीकृत होणारे घटक		-	-
नफा / (तोटा) ला वर्गीकृत होणारे आयकरासंबंधित घटक		-	-
या वर्षीचे इतर व्यापक उत्पन्न कर वजा करून		(१,२९८.८१)	१,३६१.४३
<b>एकूण व्यापक उत्पन्न ज्यामध्ये त्या कालावधीच्या नफा / (तोटा) आणि इतर व्यापक उत्पन्नाचा समावेश होतो</b>		<b>(२,३४,८८२.१७)</b>	<b>(१,५६,१६७.८२)</b>
प्रत्येक भागासाठी मिळकत (चालू घडामोडीपासून)			
(१) मूलभूत		(०.८७)	(०.५९)
(२) मिश्र		(०.५६)	(०.३८)
प्रत्येक भागासाठी मिळकत (चालू नसलेल्या घडामोडीपासून)			
(१) मूलभूत		-	-
(२) मिश्र		-	-
प्रत्येक भागासाठी मिळकत (चालू असलेल्या आणि नसलेल्या घडामोडीपासून)			
(१) मूलभूत		(०.८७)	(०.५९)
(२) मिश्र		(०.५६)	(०.३८)

कापॉरेट माहिती

१

हिशेब पद्धतीतील महत्त्वाच्या धोरणांची संक्षिप्त माहिती

२

आर्थिक पत्रकांचा भाग असलेली परिशिष्टे पहा

३-४३

वरील परिशिष्ट ही आर्थिक पत्रकांचा अंतर्गत भाग आहेत.

मे. पी. जी. भागवत एल. एल. पी. करिता,

चार्टर्ड अकॉउंटंट्स

फर्म नं. १०१११८W/W१००६८२

अक्षय बी. कोटकर

भागीदार

सभासद नं. १४०५८१

यू. डी. आय. एन. : 23140581BGWBDE8678

पुणे

तारीख : २० एप्रिल २०२३

संचालक मंडळाकरिता व त्यांच्यावतीने

रवींद्र सामंत

सी. एम. माटे

कार्यकारी संचालक

चेअरमन

दिन : ०७००२२२६

दिन : ०७३९९५५९

दिपक खोत

मुख्य वित्तीय अधिकारी



Route Map for Venue of 58<sup>th</sup> Annual General Meeting of The Kolhapur Steel Limited  
Pune Bangalore Highway, Shirol (Pulachi), Taluka - Hatkanangale, Dist. - Kolhapur - 416 122





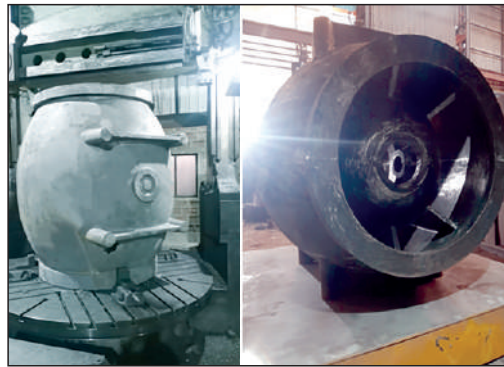
54"Body



54"Disc



Impeller



57"Body



Francis  
Runner



Stern Post

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## THE KOLHAPUR STEEL LIMITED

(A Subsidiary of Kirloskar Brothers Limited)

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District Kolhapur - 416 122, Maharashtra, INDIA.

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### Our Group Companies

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United Kingdom



U.S.A.



South Africa



The Netherlands



Kirloskar Brothers Thailand Limited



India



Karad Projects and Motors Limited



Kirloskar Corrocoat Private Limited