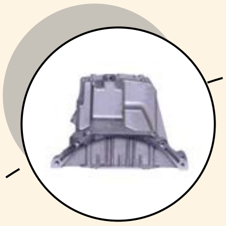
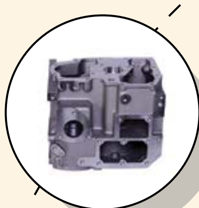
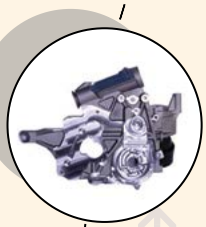
KRANTI GROUP

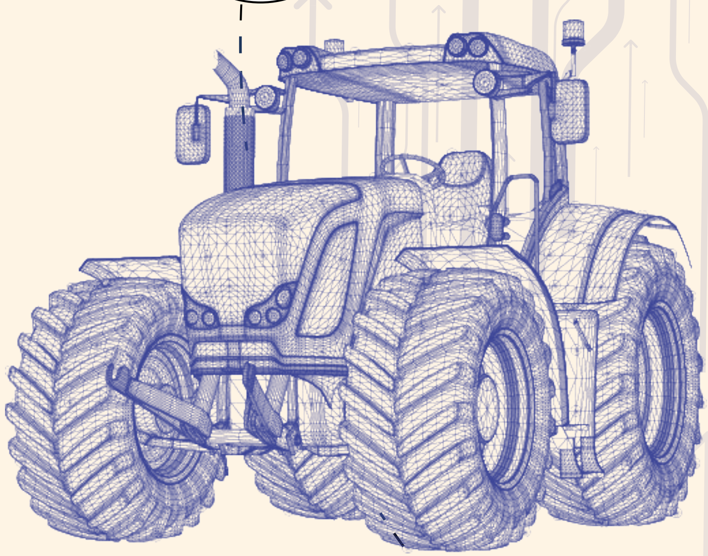
KRANTI INDUSTRIES LIMITED





Progressive and Enduring Sustainability

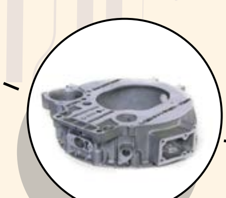




27th

Annual Report

2021-22



Founder

> Work hard with Honesty & Commitment, Growth will follow.....

Late Shri.
Subhash Kundanmal Vora
(1955-2011)

KRANTI, a small machining unit was established by Late Mr. Subhash Vora in 1981 at a small place with one primary Lathe machine to do job work activity for other industrial units. The Company was setup with a vision to revolutionize the definition of accuracy in the automobile industry. It was a small and single step towards an ambitious dream. Late Mr. Vora was a visionary, an entrepreneur to the core and a deadly hard worker.

Within a short span of time Late Mr. Vora expanded the activities, acquired the latest machining platforms and moved the operations to a modern factory set up at Pirangut Industrial Estate. Simultaneously with the tangible expansion, the name KRANTI was getting acceptance and preference from world industrial leaders. They preferred KRANTI because of value based business practices, precision, sticking up to the commitments and cost benefit.

A business that can play on its strengths and overcome hurdles, not just once but continually, winning increasingly greater trust along the way, is one that has endured sustainability.

Contents

About The Report

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

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

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

Scope and Boundary:

This Annual report covers the period from 01st April 2021 to 31st March 2022. The report details the information of our manufacturing facilities, employee and customer data.

Assurance for FY 2021-22:

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

Forward Looking Statements :

Certain statements in this AR regarding our business operations may constitute forward-looking statements that pertain to risks and uncertainties. When used in this context, the words "anticipate", "believe", "estimate", "intend", "will", and "expected" and other similar expressions as they relate to the Company or its businesses are intended to identify such forward-looking statements, whether as a result of new information, future events, or otherwise. The actual results, performances or achievements, and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The important factors that might make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets, raw material prices, changes in governmental regulations, labour negotiations, tax laws, and other statutes, economic development within India and the countries within which the Company conducts its businesses and other incidental factors such as the repercussions of a global pandemic that the world witnessed throughout a major portion of FY 2021-22. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information, or events.

₹ 8.59 Crore
EBITDA

₹ 4.69 Crore
EBIT

₹ 92.00 Crore
Revenue

₹ 2.69 Crore
PBT

₹ 2.10 Crore
PAT

FY 2021-22 highlights

*Figures Mentioned are on Standalone Basis

Understanding Kranti........

At KRANTI, we have proved worthy of our name yet again in a year that presented many challenges for the world, and for India. We faced these challenges, and used them to fire up our innovation, finding new ways to create value. Our strategy, execution, and agility speak for themselves — we finished the year with a performance better than the previous year.

We have achieved this success by working extremely hard to sharpen our competitive edge on all fronts: operational efficiency; optimal use of assets; wider product range; manufacturing excellence; customer base diversification; quality upgrade and improved customer service. Our internal resilience, designed to withstand external shocks, is based on cutting-edge technology; world-class facilities; and a proven reputation for reliability that has made us a preferred end-to-end solution provider for top original equipment manufacturers.

The mindset and process of "first time right" are embedded in our Company culture, ensuring timeliness and cost savings for all stakeholders.

We are a multi-product and advanced auto component manufacturer, driven by new products and technology. We have "State of Art" Machine Shop. We are an end-to-end solutions provider offering precision machined castings for Transmission, axles, chassis, engines and other parts for Automotive Industry.

"We shall endure and grow our business sustainably."

VISION

- To create values & excellence in operations
- To be socially responsible towards people & the environment
- Continuous improvement in process & technology
- To be preferred solution provider for our customers

Mission

- To become industry benchmark in supply chain for our quality, technology & services
- Engage people in creativity & innovation through continuous improvement
- Build relationships on trust & integrity with our employees, customers, suppliers, shareholders & community
- Encourage to do things first time right & every-time

Core Values

Integrity ▸ Be honest & honor all interactions

Teamwork ▸ Embrace unity & collaboration while working

Innovation ▸ Creative thinking with the latest technology

Quality ▸ Build robust process & system to exceed customer expectations

Building Relations ▸ Human & Professional respect while dealing with all stakeholders

Driven by the legacy of the visionary leadership of our Founder Late Shri Subhash K. Vora, we strategically focus on increasing our capacity, maximizing efficiency, and incorporating sustainability into our day-to-day processes. At KRANTI, we uphold the firm belief that businesses have the ability to thrive, even during troubled times if we leverage our innovation capabilities, technological leadership, providing sustainable business solutions and focus on creating long-term value for our stakeholders. As a result, we are taking initiatives to achieve our goal and vision, and in the process, we have attempted to make a positive difference in every life we have reached.

Respect ▸ Thoughtful and show regards for another person

Trust ▸ Confidence in each other's capabilities and intentions

Integrated team work ▸ Each person to work towards larger group objectives

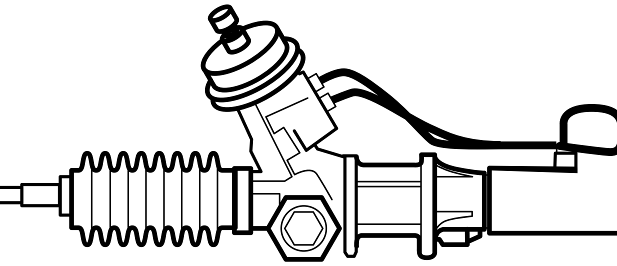
Ownership ▸ Take responsibilities of own decisions and actions

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

Company Profile

Established in 1981, KRANTI Industries Ltd. is a leading precision machining company with presence in Auto ancillary and allied sectors. Company founded by Late Shri Subhash Vora, started its activity of Job Work for Diesel Engine parts with a small center lathe. Slowly and steadily, the company's concrete endeavors drove it to be a distinct precision machined component supplier offering Oil Engine & Tractor Components, and serving industries including Construction, Electric Vehicle, etc. Today, the Company has pulled in world renowned machining centers like Multi Axis Machining Centers, CNC Turning, Vertical Turret Lathes, Horizontal Machining Centers and Vertical Machining Centers.

With close to four decades of experience in precision machining, currently KRANTI has successfully placed the cornerstones of three units across Pune and a joint venture at Rajkot. Starting as a small machining unit, the Company has expanded its horizons to around 7,000 Sq. Mtrs. backed by state-of-art infrastructure. The Company stands tall in being a single source supplier to most of the world-renowned OEMs in its respective industries.



In our efforts to stay ahead of the competition, we create value even amidst challenging times by constantly investing in manufacturing, and technological excellence.

Today, 'KRANTI' is all about "Revolution" and so was the belief of the Founder & Chief Promoter – Late Shri Subhash Vora. The Company has reached the epitome of success by embracing tech-enabled advancements and consistent upgradation. These ahead-of-time investments have paved the pathway for KRANTI Industries to unlock newer opportunities and surpass every challenge with utmost excellence. Living by 'Time is Money', the Company dedicatedly meets the customer requirements and provides them with quality deliverables on-time. Building long-lasting relationships with the customers is strictly followed under KRANTI's roof.

The Company has reached the epitome of success by embracing tech-enabled advancements and consistent upgradation. These ahead-of-time investments have paved the pathway for KRANTI Industries to unlock newer opportunities and surpass every challenge with utmost excellence.

"Our strategy is based on both organic and inorganic growth in order to maximize the potential of current and future footprint"

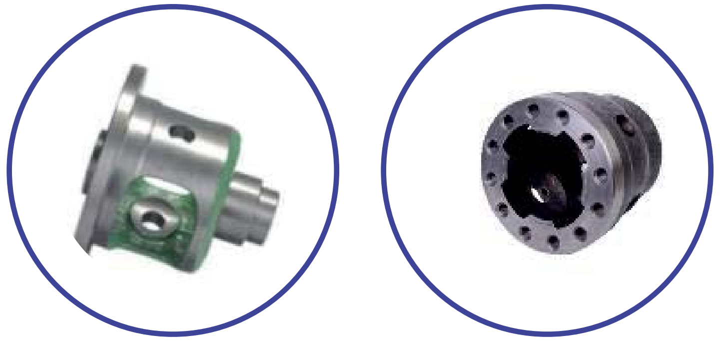
1. State of Art Machining Facility
2. Appropriate HR policies to Train & Sustain Team Members
3. Respecting Brand Image & continuous efforts to raise the Benchmark
4. Developing & Strengthening Relationship with all stakeholders
5. Optimum utilization of all Resources
6. Continuing to expand and increase production capacity with latest Technology
7. Continuing to improve operational efficiencies.
8. Focusing on consistently meeting the quality standards

The Company has a full-fledged ERP system since last 10 years. Looking ahead of future company have already taking steps in Industry 4.0 and have started online OEE and production monitoring system on some machines and have plans to implement this full-fledged across all the production lines in coming years. The Company have also Implemented Online & Realtime MIS reports, so the business KPI's are monitored well.

"Our organizational strength and foresight have helped us endure and acquire new capabilities despite external uncertainties and a slump in the automobile sector during the year.

Product Range

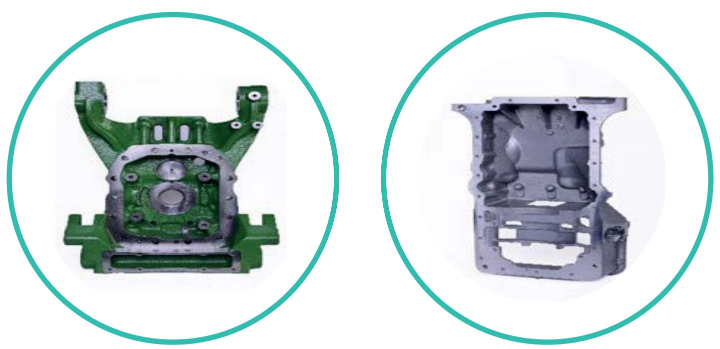
DIFFERENTIAL HOUSING



AXLE COMPONENTS

TRANSMISSION COMPONENTS

AUTOMOTIVE COMPONENTS



Clientele

Using the Brand, the Company leverages relationships with OEMs in India to widen product range with each customer. This helps to mitigate the risk of client concentration and increase wallet share with each of them.

In the changing face of mobility, being a preferred supplier, we participate in OEM's journey towards developing technologically advanced vehicle, including electric and hybrid.

Customer satisfaction is our top priority and one of the key factors behind our steady progress and sustained business. Our approach of Quality, Cost, Delivery, Development and Management (QCDDM) encompasses all the requirements of our OEM clients, helping us to earn their trust.

Milestones

1981
Started Operation with **1** Center Lathe Machine by Late **Mr. Subhash Vora**

1989
Expanded operations to **500 sq.ft.** area in Pune

1993
Expanded Operations to **2500 sq.ft. in Pirangut, Pune**

1999
Installed 1st **CNC Turning Lathe**

2000
Certified with **QS 9000 Certification**

2001
Installed 1st **VMC & 5-Axis Machine**

2003
Expanded Operations to **40,000 sq.ft. in Pirangut, Pune**

2004
Installed 1st **Horizontal Machining Centre**

2008
Expanded customer **Base beyond Pune**

2011
June - Sad Demise of Founder **Mr. Subhash Vora**

Nov - Inaugurated Unit in **Pirangut with 5 New Machines**

2013
Acquisition of **Wonder Precision Pvt. Ltd.**

2016
Installed Automation Machining Line for Differential Case

2019
Incorporated **KRANTI SFCI Pvt Ltd.,** as a JV with RGK group and commenced operation at **Rajkot**

Stock listed on **BSE-SME** through **IPO**

Acquired Land at **Pirangut** for Further Expansion

Installed HMC with Linear Pallet Pool System

2021
Migrated to Main Board of **BSE Ltd**

Corporate Information

BOARD OF DIRECTORS & KMP

Indubala Subhash Vora
Promoter and Non-executive Woman Director

Sachin Subhash Vora
Promoter, Chairman & Managing Director

Sumit Subhash Vora
Promoter and Whole Time Director

Prakash Vasant Kamat
Non -executive and Independent Director

CA Satchidanand Arun Ranade
Non Executive & Independent Director

Pramod Vinayak Apshankar
Non -executive and Independent Director

Sheela Kailash Dhawale
Chief Financial Officer

Shanu Bhandari
Company Secretary & Compliance Officer

REGISTERED OFFICE & WORKS

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

SUBSIDIARY & ASSOCIATE COMPANIES

WONDER PRECISION PRIVATE LIMITED
(SUBSIDIARY COMPANY)
At J-63, Midc Bhosari Pune- 411026.
CIN : U27109PN1986PTC039913

KRANTI SFCI PRIVATE LIMITED
(ASSOCIATE COMPANY)
At Plot No. 104A, GIDC, BAMANBORE,
Surendranagar, Gujarat, India, 360003
CIN : U29113GJ2018PTC105630

ASSOCIATES

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

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

Mr. DILIP DESHPANDE
INTERNAL AUDITOR

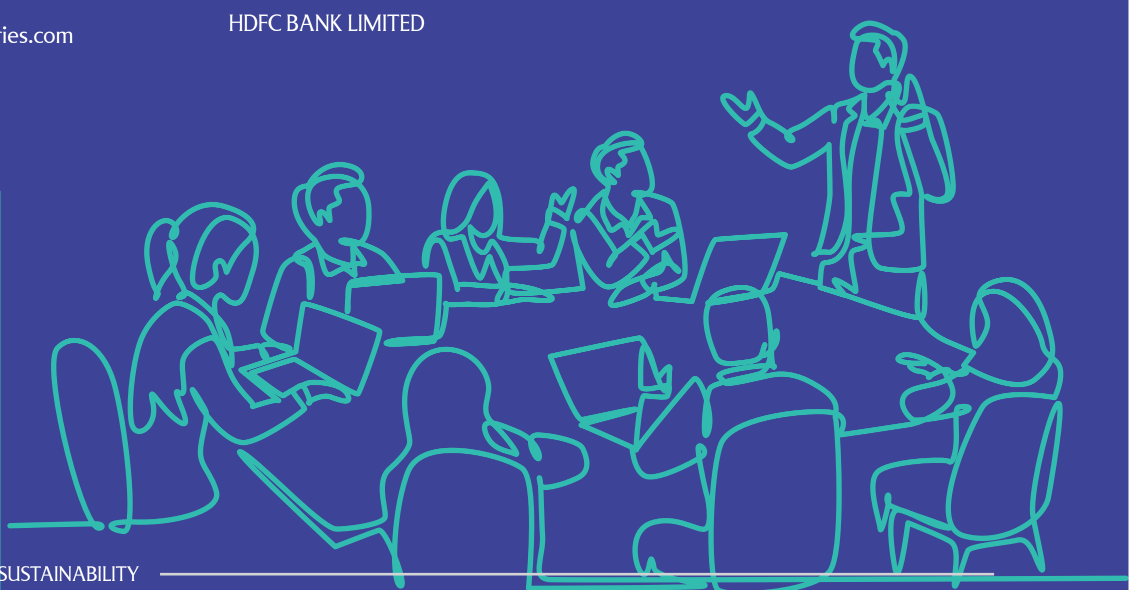
CA SIDDHARTH BOGAWAT
FINANCIAL CONSULTANT

REGISTRAR AND TRANSFER AGENT

M/S LINKINTIME INDIA PRIVATE LIMITED
Mumbai

BANKERS

HDFC BANK LIMITED



Board Of Directors

He has 18+ years of experience in the automobile components industry. He has completed his B.E. (Industrial Electronics) from University of Pune in the year 2002. He is responsible for the development and execution of the company's business strategies in order to attain the goals of the board and shareholders. He leads and implements comprehensive business plans to facilitate achievement by planning cost-effective operations and market development activities. His leadership abilities have been instrumental in the growth and development of the company.

Mr. Sachin Subhash Vora | Promoter, Chairman & Managing Director

He has 18+ years of experience in the automobile components industry. He completed his Diploma in Mechanical Engineering from Maharashtra State Board of Technical Education in the year 2002. He has been awarded by NIIT for Web Centric Computing in the year 2002. He is specialized in leading teams for continues improvement in each function/department leading to the increase in profitability of the business. He is also prudently involved in planning, budgets, reviewing expenses, cutting manufacturing costs, monitoring inventory, human resources. He is also researching and implementing new directives for business growth and prosperity.

Mr. Sumit Subhash Vora | Promoter and Whole Time Director

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

Smt. Indubala Subhash Vora | Promoter and Non-executive Woman Director

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

Mr. Prakash Vasantrao Kamat | Non -executive and Independent Director

He has 41 years of experience in the manufacturing sector. He completed his Bachelors in Engineering (Mechanical) from Nagpur University in the year of 1975. In the past, he was associated with Kirloskar Oil Engines. Currently, he is the Managing Director of Stud Craft (India) Pvt. Ltd. which deals in manufacturing weld studs and other engineering items.

Mr. Pramod Vinayak Apshankar | Non -executive and Independent Director

He is a qualified Chartered Accountant by profession and a Commerce graduate from Pune University. He has a diversified experience of more than 28 years in the field of finance, accounting, taxation etc. He has also obtained various other certifications like Arbitration, Concurrent Audit of Banks CSR & Anti-Money Laundering Laws. He also held the position of 'Independent Director' with Pune Stock Exchange Ltd. for 3 years. Presently, he is serving as Panel Arbitrator on NSE Pune Bench.

CA. Satchidanand Arun Ranade | Non -executive and Independent Director

Message From The Promoters

Dear Shareowners,

We sincerely hope that all of you and your dear ones are safe and in good health. We are delighted to be able to write to you at the end of a year that has certainly been quite turbulent.

The compounded effect of economic strains wrought by the pandemic and the ongoing war conflict has severely hit the global growth prospects. As per IMF, global growth is projected to slow down from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Moreover, consequently, the price of Commodities & Crude oil has spiked precipitously, fueling inflation. Which in turn, have pushed interest rates as central banks tighten policy and exert pressure on emerging market and developing economies. These developments have added to the woes of already staggering businesses and industries worldwide.

As Benjamin Franklin once said, "out of adversity comes opportunity", the recent years gone by have had a significant impact on businesses and communities, but they have also accelerated the adaption of novel ways to become more resilient. The industries around the globe witnessed a massive shift towards more sustainable business practices. In order to stay afloat in such rapidly changing business scenario, the key was to resurrect with agility.

Given such challenging backdrop, the performance of your Company in FY22 demonstrates its capability to adapt with agility and overcome market hurdles successfully. **This fiscal, we registered a strong growth of 69% in revenue, as the onset of auto industry revival.**

Despite being affected by supply-chain bottlenecks and inflationary headwinds, we were able to maintain our EBIDTA margins for FY22. This has been made possible through our prompt and stringent cost optimization efforts across all levels, thus improving overall profitability, which is our utmost priority.

> ***Our facility features state-of-the-art machinery, as well as best-in-class inspection facilities. We are pleased to update you on our new manufacturing facility, the said project is progressing as per plan and the plant will be ready for operations by Q3 of FY 2023.***

This year, we also focused on reassessing our human resource strategy in order to hire, retain and engage the best talent, since the greatest asset of a company is its people. During the year, we conducted numerous employee engagement programs that motivated and rewarded our top talent. We continue to invest in our talent acquisition drive to further enhance our capabilities.

Major Developments FY22

- This year your Company's business performed with record results, achieving its highest quarterly and annual sales in history.
- Your Company was awarded "The Machinist Super Shop Floor Awards 2021" in the category Excellence in Quality -SME Category presented by 'The Machinist Magazine' (The Times of India Group).
- Your Company was recognized as "Best Employer Brands Awards 2021 - Pune" presented by World HRD Congress
- Your Company issued a bonus share in the ratio of 1:5 to its shareholders.
- The company moved up from being listed at SME Platform of BSE to mainboard BSE.
- The Company adopted IND-AS (Indian Accounting Standards) for preparing FY 22 Financial statement and the subsequent prior period figures were restated in accordance with the regulation considering transition date as on April 01st , 2020

The Year under Review

Your Company drove strong growth due to robust product demand and our astute actions. Increased volumes, improved product mix, better pricing and improved realisations led to enhanced revenue growth thus strong profitability. These actions helped us to mitigate the impact of commodity inflation as well.

With over 40 years of experience in precision machining, your Company stands out as a one-stop-solution provider for most world-renowned OEMs in its respective fields. We have achieved this by continuously improving all aspects like competitive edge, operational efficiency, optimal asset use, broader product offering, manufacturing excellence, customer diversification, quality improvement and improved customer service.

We believe that good Corporate Governance is the product of culture and conscience and for us , profitability and growth cannot come at the cost of these. Our focus on compliance and assurance function is unwavering and every aspect of compliance is adhered to with all sincerity and completeness and within requisite timelines. We ensure that every commitment given to our regulators is done on time, in its full form and substance.

As part of our future growth strategy, we will continue to focus on numerous initiatives such as technological advancement, long-term sustainability, environmentally friendly practices, and best corporate governance practices. Sustainability is our commitment that allows us to continuously come up with new ways to be future-ready, focusing not just on growth but also on proactively addressing the challenges of tomorrow. Furthermore, we are looking for growth opportunities in its business segments to strengthen the bottom line.

Financial Overview

Our revenues grew by about 69% to INR 920 million FY22 from INR 544 million FY21. Our EBITDA grew by about 71% to INR 86 million from INR 50 million. EBIDTA margin grew by 10bps y-o-y to 9.3%. Our PAT came in at INR 21 million.

Our product mix serves various industry and the Tractor segment continuous to be our largest market (72.3%), followed by EV (16.5%), Construction Equipment (7.0%), automotive (2.1%) and others (2.1%).

Product category wise, Axle components has the highest contribution of 43.5%, Differential Housing at 32.3%, Transmission Components at 17.0% and Other Components at 7.2%.

Our Capacity utilization stands around 75%.

Customers are the very reason for our existence and are the heart of everything we do, as a key supplier we have always taken pride in our integrity and long term relationship. The Company has entered into a long term agreement with one of its major customer operating in the tractor and construction equipment segment. The said agreement assures a business relationship with the customer until December, 2026.

Growth Drivers

- As per ACMA, exports of auto components grew by 76% to US$ 9.3 billion in the year 2021 and is projected to reach US$ 80 billion by 2026.
- In the global auto component trade, India may be able to increase its share to 4-5% by 2026 due to a shift in supply chains.
- Global OEM sourcing from India is transforming the country into a manufacturing and designing hub for worldwide customers.

Geared for future

Leaving the downturn behind, Indian Automotive Industry is set to create newer benchmarks, now that it has gained further momentum. The steady economic recovery is led by rising industrial and mining activity, higher infrastructure spending, buoyancy in e-commerce, resilient agriculture, reopening of offices and schools as well as marked improvements in consumer sentiment.

Despite near term challenges like increased interest rates, fuel price inflation, and commodity inflation, the path ahead looks encouraging, especially with most macro indicators becoming positive.

We, at KRANTI, are well positioned to continue to strengthen our growth and be future-ready and add value to each stakeholder across the value chain. We are geared up for the exciting future ahead which is full of opportunities to grow and expand.

To conclude, I would like to thank all of our stakeholders, including employees and associates as our joint efforts help us continue on our growth journey. We are entering the new fiscal with optimism that together we can overcome any challenge to ensure growth and sustainability.

Sincerely,

For and on Behalf of Board of Directors
Mr. Sachin Vora & Mr. Sumit Vora

Leadership Team

Sachin Vora
Chairman cum Managing Director

Sumit Vora
Director

Sheela Dhawale
Chief Financial Officer

Shanu Bhandari
Company Secretary & Compliance Officer

Ramdas Gunjal
Operations

Prashant Shetty
Marketing & Development

Mahesh Sarnaik
Human Resource & Administration

Prasad Kulkarni
Quality

Aman Jain
Procurement

Financial Capital

At KRANTI, we fully understand that incorporating operational excellence coupled with judicious allocation of financial resources is fundamental in creating and managing our stakeholders' value in the long run. We have the appropriate tools at our disposal for critical assessment of our financial capital.

We strive to optimize returns for all stakeholders who have invested in our continued growth. This section provides a glimpse into how our management understands and responds to the broader aspects of our business and bring in the necessary financial resources to enable and sustain our value creation process.

Our robust financial management process helps us assess the requirement of funds for sustainable business operations. It also helps us make investments to tackle any untoward situation that may arise in today's highly dynamic and volatile market. Our positive performance during an uncertain year reflects upon the resilience of our business model. While managing material changes that might adversely affect our financial position, we constantly work towards delivering attractive returns to our shareholders.

We are pleased to announce that we disclose our financial parameters in a straightforward and transparent manner, including total income, profit after tax, borrowings, return on invested capital, and share price, among others.

Financial capital is critical to our development and, as a result, has a positive influence on our manufactured, human, and intellectual capitals.

92.00 Cr REVENUE

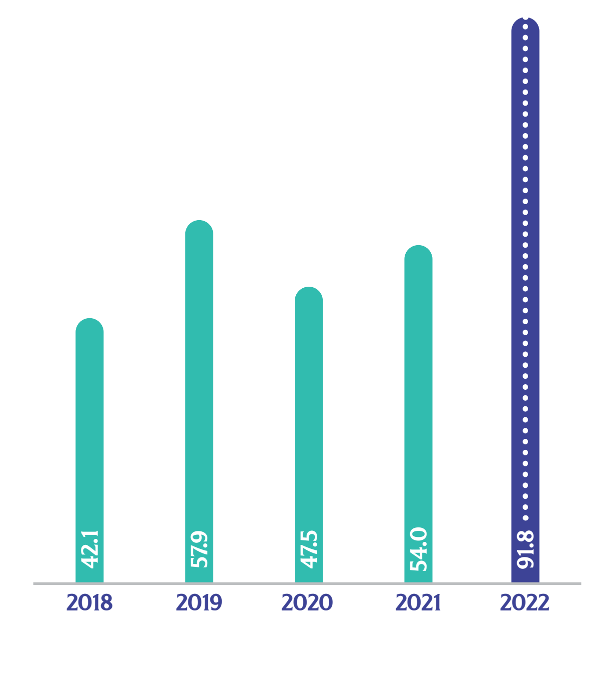
8.59 Cr EBIDTA

22.22 Cr NETWORTH

21.29 Cr BORROWINGS

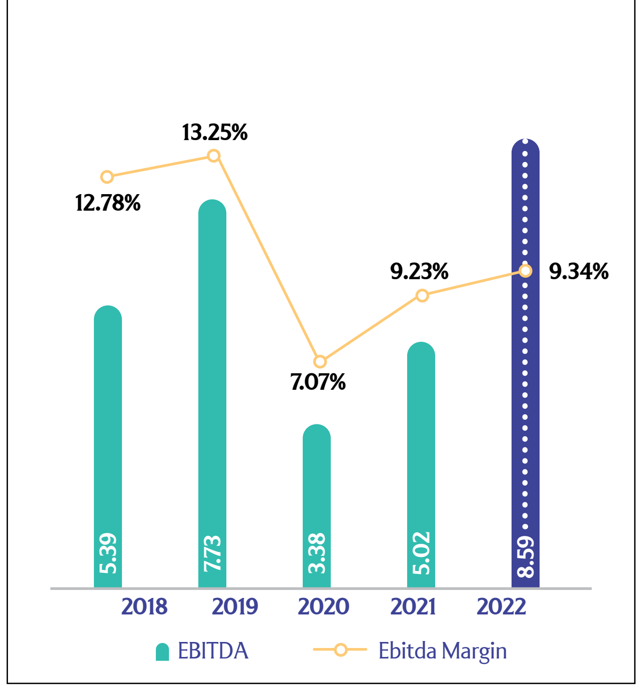
₹ in Cr

Revenue From Operations



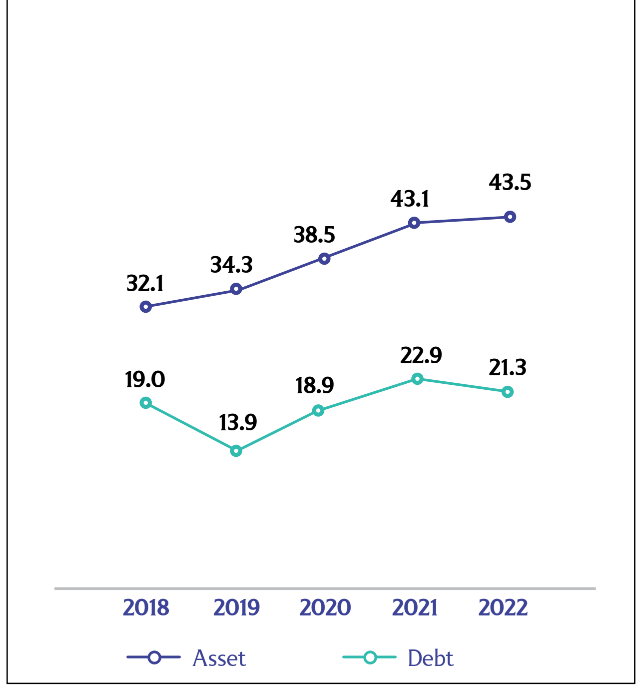
₹ in Cr

EBITDA

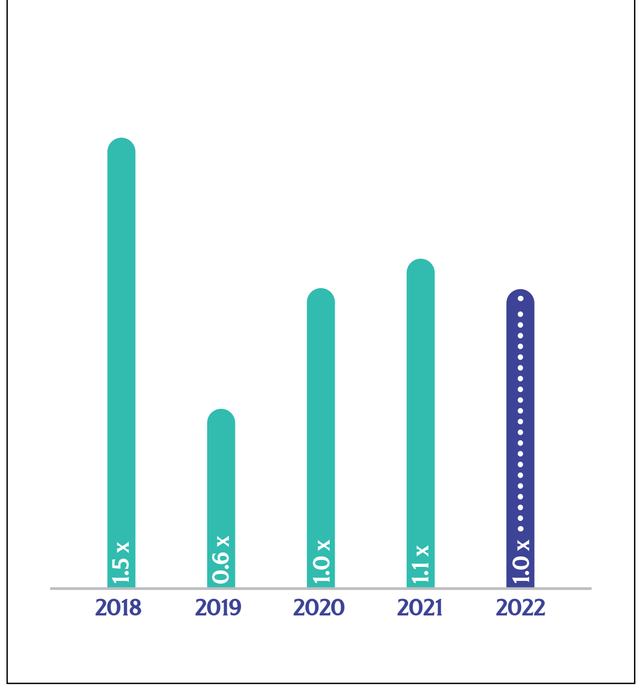


₹ in Cr

Assets vs Borrowings

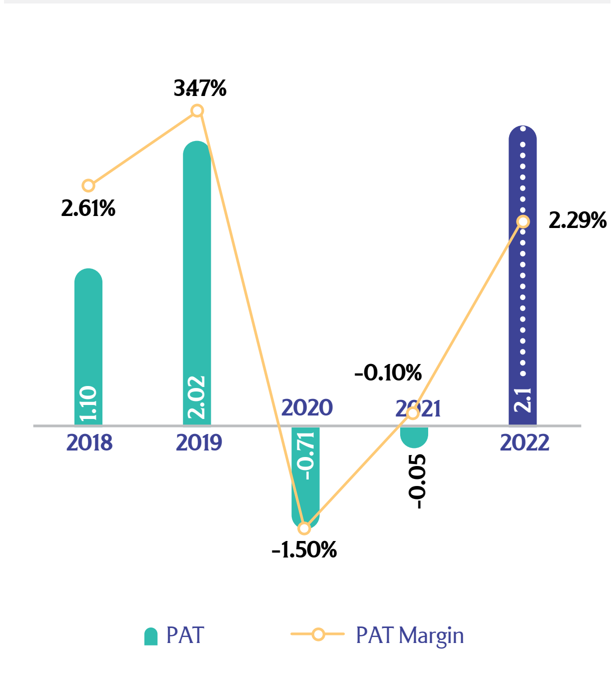


Debt to Equity

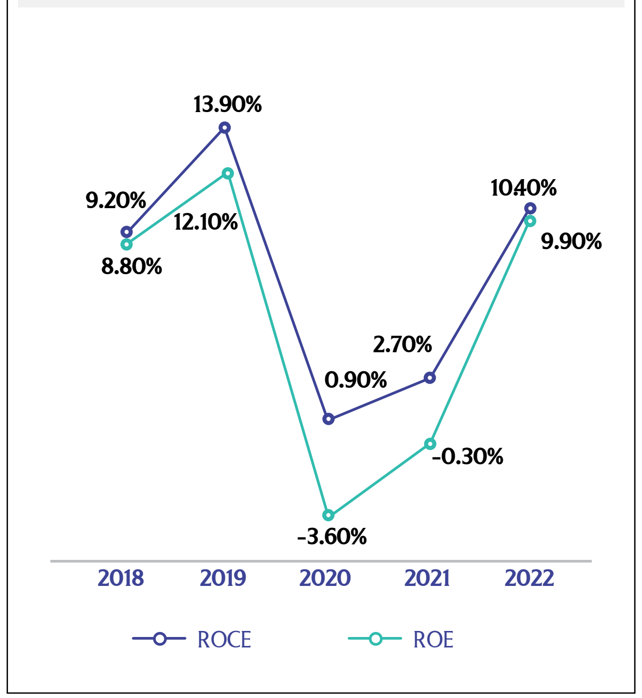


₹ in Cr

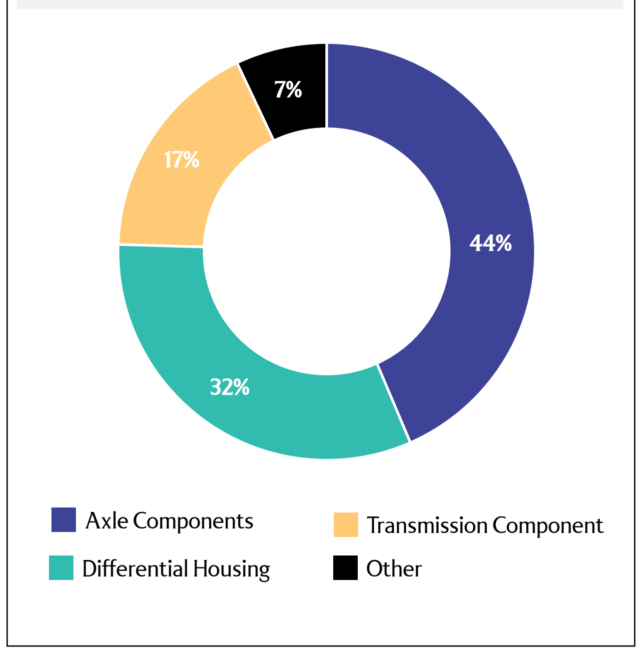
Profit after Tax



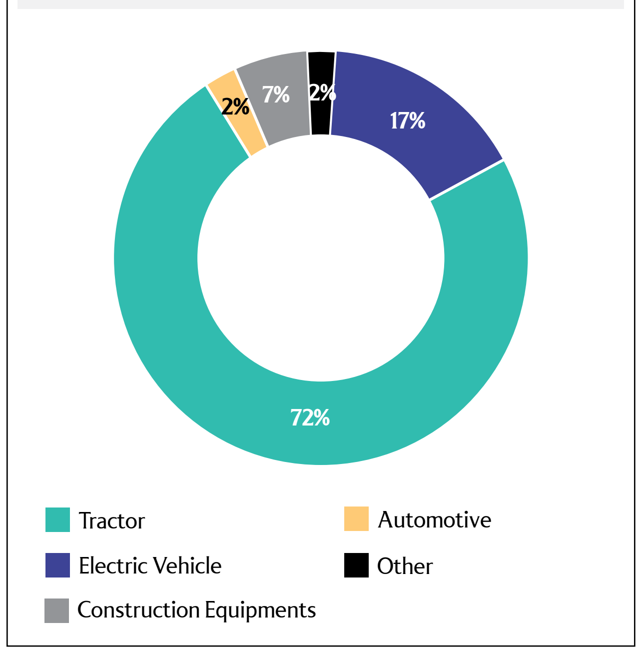
ROE, ROCE



Revenue (Segment wise)



Revenue Segmentation (based on market)



Manufacturing Capital

Our manufacturing capital, which comprises of plants, machinery, equipment, and other physical assets, enable us to deliver innovative and value-added products that cater to the needs and requirements of our ever-growing customer base. We are proud of our world-class facilities.

03	Manufacturing Plants in Pune
58 +	Hi-Tech Production machines
80 Cr +	Fixed Asset Gross Block
8.5 L +	Machined Components Delivered

We aim to make significant investments in our manufacturing plants and equipment to deliver the best-in-class products to our customers. We also ensure that these investments will have least impact possible on our environmental footprint. We have strived to expand our customer base, introduce innovative products and improve on our resource efficiency in compliance with the environmental and regulatory guidelines. This has enabled us to create value for all our stakeholders and also generate reserve cash flow that could come in handy during troubled times. We have, thus, envisioned value addition, quality enhancement and lower production costs as part of our journey towards a sustainable growth.

Our annual capital is allocated based on multiple factors such as technology upgradation, market competitiveness, customer requirements and cost factors. The outcome from our manufactured capital permit us to leverage on delivering value-added products to our customers. We have also set precedence in maintaining and upgrading our equipment within the plants so as to bring in an edge over our competitors.

We have three units located in Pirangut-Pune, Maharashtra and are equipped with various machines and suitable infrastructure and quality control setup to handle the product portfolio. The manufacturing process provides us with the flexibility of manufacturing any part of our products at short notice and delivered within a shorter lead time. All the units are located in close vicinity, thereby increasing the flexibility and reducing the overheads and costs. In these units there are 58+ production machines installed. We have a wide range of CNC turning center, Vertical Machining center (VMC), Vertical Turret Lathe (VTL) Horizontal Machining Centre (HMC) and Multi-Axis Hi-tech Machines from globally renowned manufacturers.

Intellectual Capital

Day-to-day's technological advancements have dramatically reshaped the world that we live in. The manufacturing industry has witnessed a major shift towards technology adoption driven by automation, process innovation and Internet of Things (IoT). This has resulted in attaining higher efficiency and production levels across industries.

We are driving the change, not just adapting to change, by seizing inorganic growth opportunities in the technology space. We are in continuous search of new technology tie-ups and upgradation of existing industry technology. Combining our market leading abilities across process design, engineering, and product deliverable management, we are uniquely positioned to support and improve the competitiveness of our OEM customers. We are also making use of the Industrial Internet of Things (IIoT) to unlock new value in the auto component space.

4 New Products Developed

4 .0 L + Differential Case Machined

35+ Kaizen implemented

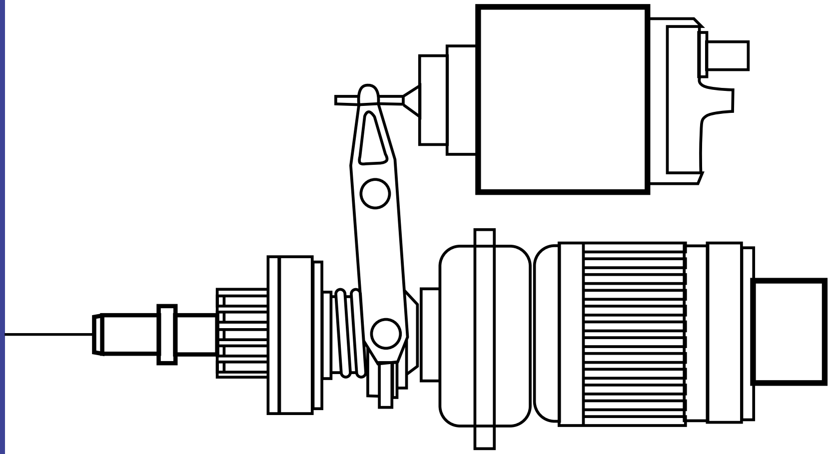
29 VAVE Projects implemented

STRENGTHENED OFFERINGS

We continue to deliver leading edge tech solutions and engineering breakthrough products. Our constant aim is to enhance our product mix through higher-end technology. We have acquired the capability to take on new business with an increased focus on futuristic products. Our product mix has been enriched with more variety, latest technology, and smarter pricing, leading to sustained profitability.

We are constantly outpacing industry growth by leveraging our operational strategy with focus on new product development, enhancing original equipment efficiency, cost optimization, low-cost automation and component cost reduction.

We constantly look for opportunities in high-technology futuristic products. This is based on our strategy to improve our revenue and our endeavors to manufacture "First Time Right" products. We focus on delivering the product as per the customers stated and implied needs.



Human Capital

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

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

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

Building the Right Culture and Capability

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

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

Talent Attraction and Performance Management

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

Goal Setting | **Goal Review** | **Annual Performance Evaluation** | **Feedback Process/ Training Need Identification** | **Annual Compensation Review**

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

Governance

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

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

Key Codes and Policies

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

- **Code of Conduct for Independent Directors**
- **Risk Management Policy**
- **Nomination and Remuneration Policy**
- **Related Party Transaction policy**
- **Whistle Blower Policy & Vigil Mechanism**
- **Policy On Determination of Materiality**
- **Insider Trading Policy**
- **Code for Fair Disclosure of Undisclosed Price Sensitive Information**
- **Prevention of Sexual Harassment at Workplace**
- **Familiarisation Programme for Independent Directors**
- **Policy On Orderly Succession**
- **Policy On Preservation of Documents**
- **Criteria for making payment to Non- Executive Directors**

Sustainability Governance

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

Managing Risk, Maximizing Returns

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

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

TYPE OF RISKS	MITIGATION STRATEGY
1 Raw Material availability & Volatility	• Focus on efficient use of raw material. • Due Diligence & effective management for optimized settlements with raw material suppliers
2 Financial Cost & disciplined Capital cost Allocation	• Targeted deployment of financial funds, meticulous allocation of capital, and making future ready investments. • Efficient capital management thereby deriving the maximum output for each unit of capital disbursed
3 Governance, Compliance & Regulatory Changes	• Dedicated Compliance department directly under the Managing Director with a compliance management framework in place to ensure the highest standards. • Keeping track of changes in the regulatory landscape, coupled with systems and processes to ensure compliance with applicable laws with and other legal standards.
4 Ethical Business Practices	• Ensuring that all employees, including long-term contractors, are trained on the Company's Code of Conduct. • Mechanism of reporting and Investigation of the breaches of the Code of Conduct in place
5 Cyber Security	• Systems are upgraded regularly with the latest security standards. For critical applications, security policies and procedures are updated on a periodic basis. • Periodic security compliance check, firewalls up-gradation and regular patch updates
6 New Product & Process Enhancement	• Focus on developing new, innovative, customer-centric and differentiated products catering to stakeholder expectations. • Building brands and increasing customer reach
7 Digitization/ Automation	• Strategic focus on technology to make processes simpler for all stakeholders. • Uptake of new-age technology to increase operational efficiency, improve processes and provide enhanced customer engagement.
8 Customer Services	• Empowering the staff, the employees, the customer-facing people to make customer success the company culture. • Collaborating with the customers to understand their needs and help them achieve the desired outcome

Management Discussion And Analysis

Global Economy

The onset of year 2021 was markedly subdued due to severe hit of COVID variant Omicron across the globe. The continued lockdowns gravely impacted businesses, trades, manufacturing and employment opportunities globally. The Geo-political tensions that stemmed up from the Russia-Ukraine war added to the woes of already staggering economies. This led to a steep surge in crude oil prices which subsequently gave way to soaring inflation. Widespread supply bottlenecks weighed appreciably on global activity in the latter part of the year. Moreover, the retrenchment of the real estate sector in China and a slower recovery of private consumption limit growth prospects.

In the October World Economic Outlook (WEO), growth is projected to be 4.4% in 2022, down one and a half percent from 5.9% in 2021. Global growth is expected to slow to 3.8 % in 2023 as pent-up demand settles and supportive macroeconomic policies continue to be unwound. The upgrade, while 0.2 percentage points higher than the previous forecast, is largely a result of a mechanical pickup in growth after current drags on growth dissipate by the end of 2022.

	Estimate	Projections	
	2021	2022	2023
World Output	5.9	4.4	3.8
Advanced Economies	5.0	3.9	2.6
Emerging Market and Developing Economies	6.5	4.8	4.7
Emerging Market and Middle-income Economies	6.8	4.8	4.6
Low-income Developing Economies	3.1	5.3	5.5

Growth in advanced economies is estimated to be 3.9% and 2.6% respectively. Although output and investment opportunities in advanced economies are projected to return to pre-pandemic trends next year, in EMDEs they will remain markedly below. Growth in Emerging markets is the key factor for booming global outlook as it has been in recent yesteryears, however, the near-term outlook is seeming mute with 4.8% and 4.7%, weighed down by the pandemic's lasting damage to potential growth.

To combat the overwhelming challenge, governments and central banks across all economies provided unprecedented fiscal and monetary support to protect economies, businesses and support the vulnerable sections of the population. Even then, EMDEs are going through notably weaker and sluggish recoveries compared to those in advanced economies due to slower vaccination progress and torpid revival from pandemic's scarring after effects. Assuming that vaccine rates worldwide improve and therapies become more effective by end-2022, the forecast assumes adverse health outcomes will decline to low levels in most countries.

Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers.
This underscores the importance of strengthening global cooperation to foster rapid and equitable vaccine distribution, calibrate health and economic policies, enhance debt sustainability in the economies who are facing challenges in recovery, and tackle the mounting costs of climate change.

A solid rebound is projected for investment, based on sustained aggregate demand and broadly favorable financing conditions. Global health strategies are more essential than ever as the pandemic continues to grip the world. To counter this, supplies must be increased, in-country delivery systems should be improved, and international distribution must be fairer. To reduce the risk of climate change, investments in climate policies remain crucial. [1]

Indian Economy

The Indian economy maintained its recuperation momentum during the fourth quarter (Q4) of FY2021–22. The recovery is led by a gradual revival in industrial output, growth in core sectors and a push of government initiatives and policies. India has emerged as the fastest-growing economy in the world, its Nominal Gross Domestic Product (GDP) at current prices is estimated to be at Rs. 236.44 lakh crore in 2021-22 as against Rs. 198.01 lakh crore in 2020-21, registering a growth of 19.4 %. Real GDP for the year 2021-22 is forecasted to reach Rs. 147.72 lakh crore, as against Rs. 135.58

[1]https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601-ch01.pdf

lakh crore (the First Revised Estimate of GDP) in 2020-21. The GDP growth for 2021-22 is gauged at 8.9 % as compared to 6.6 % for the year 2020-21.

Recent high frequency indicators show signs of improvement, raising business and consumer confidence. A number of factors, including freight activity, passenger traffic, power consumption, electronic waybills and GST collections, are trending upward. Investment across a range of sectors of the economy has increased due to an improving economic environment and is expected to see a strong growth of 15% in 2021-22. Further revitalization of industrial activities is also anticipated as a result. Industrial sector is to observe a rebound from 7% in the year 2020-21 to 11.8% in 2021-22.

Index for Industrial Production (IIP) for February is 1.7%. The Quick Estimates of IIP with base 2011-12 stands at 132.1. The IIP for manufacturing sector for the month of February 2022 stand at 130.8.

India's overall exports in April-March 2021-22 rose by 34.5 % over the same period last year, reaching USD 669.65 billion. In March 2022, India's exports were up 15.51 % over the same period last year to USD 64.75 billion.

However, widening trade deficit and inflationary pressures remain a cause for concern. Adding to it, oil prices have been steadily rising and are currently hovering over US$100 per barrel. High commodity prices will put pressure on production costs, which in turn will feed inflation. Ministry of Statistics and Programme Implementation reports that Consumer Price Inflation (CPI) remained high in most quarters during the year, as on March 2022 it was 6.95% as against 5.52% on March 2021.

Although, the unemployment rate - which is 7.06% as on March 2022 – declined from 11.8% in May 2021 when there was sharp surge in COVID cases.

As an effort to spur the overall economic activities, the Indian Government has taken various initiatives. Such as supportive monetary policies, major infrastructure projects and plans such as Production Linked Incentive Scheme (PLI) to boost domestic manufacturing & exports. The Government has extended the Foreign Trade Policy 2015-20 till March 31st 2022 to promote international trade and to support sustainable export. The Government promoted 'Atmanirbhar Bharat' in Union Budget 2021-22 with duty hikes to support 'Make in India' initiative, along with augmenting foreign investments. [2]

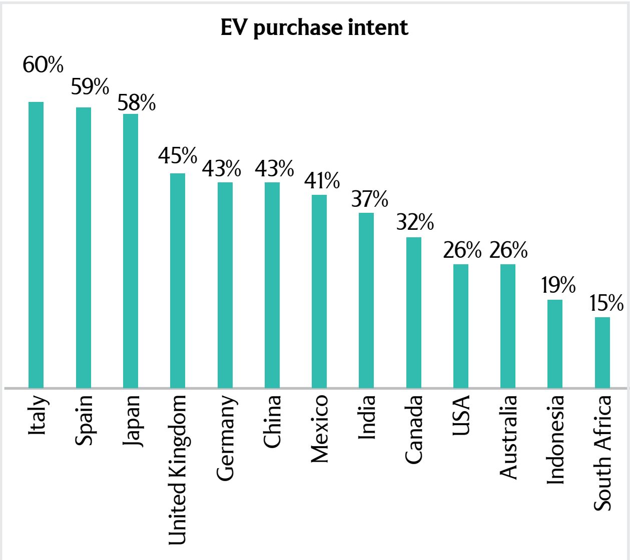
Global Automobile Industry

By 2027, the global automotive motors market is predicted to reach US$ 494 billion, with a compound annual growth rate of 5.2%. Besides the impact of the Russia-Ukraine conflict, the global automobile industry has been adversely affected by a rather sluggish recovery in semiconductor supplies and the long-term effects of high raw materials prices. There have been notable reductions in several markets, with Europe and China experiencing the biggest reductions. Now, with the economy gradually recovering, the automotive industry is undergoing a significant change as it adapts to growing market demands and challenges associated with electric, autonomous, and hybrid vehicles.

Increasing safety and convenience requirements in vehicles are driving market growth. Several product innovations, such as compact and high-efficiency automotive motors, are also contributing to the growth of the market. Furthermore, growing consumer awareness about the environment and the use of renewable energy is positively affecting the growth of the electric vehicle market. Several countries have begun restricting emissions on new vehicle models as a result of global initiatives like the Paris Agreement. Thus, automakers are beginning to expand into electric mobility. By 2025, every third new car sold will be powered or assisted by an electric battery.

[2] http://surl.li/bunbg, http://surl.li/bunxl, http://surl.li/buoah
https://www.ibef.org/economy/indian-economy-overview
https://pib.gov.in/PressReleasePage.aspx?PRID=1793826
http://surl.li/buobe , https://indbiz.gov.in/trade/export-incentives/

EV purchase intent among consumers buying in the next three years



Source:https://www2.deloitte.com/global/en/pages/consumer-business/articles/global-automotive-consumer-study.html

A positive outlook for the market is also created by the introduction of smart automotive motors that perform complex operations and consumers' increasing expenditure capacities. Mobility services and autonomous vehicles are expected to drive yet another revolution in the auto industry over the next decade. [3]

Indian Automobile Industry

The automotive industry in India is the fourth-largest in the world as per 2022 statistics. The Indian auto industry is worth over US$ 100 billion and contributes 8% of the country's total exports and accounts for 2.3% of its GDP. The industry is expected to record strong growth in near future and reach US$ 300 billion by 2026, following the recovery from effects of COVID-19 pandemic.

For the entire FY22, total vehicle retail increased by 7% YoY but fell by -25% as against FY20 which was a pre-covid year. Except Tractors, which fell by -1%, all other categories like 2W, 3W, PV and CV grew by 4%, 50%, 14% and 45% YoY respectively. Two-wheelers and passenger vehicles dominate the domestic market. Passenger car sales are dominated by small and midsized cars. Two-wheelers and passenger cars accounted for 81.2% and 14.6% market shares, respectively, accounting for a combined sale of over 17.8 million vehicles in FY21.

I. Electric Vehicles

Electric vehicles (EV), especially two-wheelers, are likely to witness growth of US$ 7.09 billion by 2025. As per a report by India Energy Storage Alliance, EV market in India is likely to increase at a CAGR of 36% until 2026. Moreover, a study by CEEW Centre for Energy Finance recognised US$ 206 billion opportunity for EV in India by 2030. This will necessitate a US$ 180 billion investment in vehicle manufacturing and charging infrastructure. Furthermore, Indian automotive industry is aiming to increase export by five times by 2026.

i. Opportunities

- Reducing emissions by focusing on electric cars.
- The EV industry is to create five crore jobs by 2030.
- The Government aims to build India into a R&D hub.
- India to lead shared mobility by 2030, providing opportunities for electric and autonomous vehicles.

All India Vehicle Retail Data for March 2022 (Thousand Units)

CATEGORY	MAR 2022	MAR 2021	YoY %
2W	11,57,681	12,06,191	-4.02%
3W	48,284	38,135	26.61%
PV	2,71,358	2,85,240	-4.87%
TRAC	63,920	69,602	-8.16%
CV	77,938	67,828	14.91%
LCV	45,945	38,740	18.60%
MCV	4,188	4,682	-10.55%
HCV	24,169	18,699	29.25%
Others	3,636	5,707	-36.29%
Total	16,19,181	16,66,996	-2.87%

CV is subdivided in the following manner:

a. LCV – Light Commercial Vehicle (incl. Passenger & Goods Vehicle)

b. MCV – Medium Commercial Vehicle (incl. Passenger & Goods Vehicle)

c. HCV – Heavy Commercial Vehicle (incl. Passenger & Goods Vehicle)

d. Others – Construction Equipment Vehicles and others

II. Government Initiatives

The Indian Automotive Industry and the Government of India have jointly developed Automotive Mission Plan 2016-26, which lays down a roadmap for the industry's development.

As a global manufacturing center, India aims to become more competitive.

[3] https://ihsmarkit.com/research-analysis/latest-global-automotive-forecast-changes.html
https://www.statista.com/topics/1487/automotive-industry/#editorialPicks
https://finance.yahoo.com/news/global-automotive-motors-market-2022-144100023.html
https://brandfinance.com/insights/2022-auto-trends

The government announced in its Union Budget 2022-23 that it would allocate more capital expenditures to national highways, and propose a policy regarding EV batteries.

i. NATRIP

- Creating R&D centers at a cost of US$ 388.5 million in order to meet global standards.
- Since 2015, five testing and research centers have been established in the country as part of the National Automotive Testing and R&D Infrastructure Project (NATRIP).

ii. Production-linked Incentive (PLI) Scheme

- The Indian government released a notification in September 2021 regarding a PLI scheme for vehicles and auto components worth US$ 3.49 billion, bringing in investments worth US$ 5.74 billion by 2026.
- Under the Department of Heavy Industries, the Union Cabinet allocated US$ 7.81 billion for the automobile & auto components sector.
- Under the production-linked incentive (PLI) scheme for automobiles, the union government added over 100 advanced technologies, including compressed natural gas (CNG), flex fuel engines compliant with Bharat Stage VI, electronic control units (ECU) for safety, and e-quadricycles.

iii. The Automotive Mission Plan 2016-26 (AMP 2026)

By 2026, AMP 2026 aims to four-fold the automobile sector's growth in India, which includes automobiles, automotive components, and tractors.

iv. AME

- FAME is a government-approved program that covers all vehicle segments and hybrids as well as pure electric vehicles. FAME-I was extended until March 31, 2019.
- For FY20-22, the Government of India approved FAME-II scheme with a fund requirement of US$ 1.39 billion.

v. Clean Tech Scheme

As part of a revamped scheme to promote production and export of clean technology vehicles, the Indian government plans to give US$ 3.5 billion in incentives over a five-year period until 2026.

vi. Flex-fuel Engines

- After getting the required permissions from the Supreme Court of India, Nitin Gadkari, Union Minister for Road, Transport and Highways, announced in September 2021 that the government was planning to mandate that car manufacturers produce flex-fuel engines by the end of 2021.
- The sector will benefit from initiatives such as Make in India, Automotive Mission Plan 2026, and NEMMP 2020.
- The government introduced a battery swap policy in the Union Budget 2022-23, allowing drained batteries to be swapped for charged ones at designated charging stations, making EVs more attractive to potential buyers.
- Infrastructure and components for electric vehicle supply equipment (EVSE) are being developed by various public sector firms, ministries, and railways.

III. Investments

i. Since auto companies in India save 10-25% on operations when compared with those in Europe and Latin America, India has significant cost advantages.

ii. Between April 2000 and September 2021, US$ 30.78 billion worth of equity FDI flowed into the automobile sector.

iii. It is expected that the automobile sector will bring in US$ 8-10 billion in local and foreign investments by 2023, according to the Government of India.

iv. According to the June 2021 report, the FAME-II scheme has budgeted US$ 117 million, supported 87,659 electric vehicles with incentives, and sanctioned 6,265 electric buses to various state and city transportation agencies.

v. To facilitate automotive testing, India inaugurated its national automotive test tracks (NATRAX) in July 2021.

vi. A total of $30.78 billion (5.75%) of equity FDI inflows into India came from the automobile sector between April 2000 and September 2021.

vii. Over the next three to five years, Indian Oil Corporation (IOC) and two other public sector oil firms plan to install 22,000 electric vehicle (EV) charging stations.

viii. In September 2021, eBikeGo announced to install 1 lakh IoT-enabled charging stations in India. IoT-enabled smart charging solution 'eBikeGo Charge' will be the most economical according to the company.

IV. Outlook

As the macroeconomic indicators do not indicate a smooth path for the Indian auto industry, the near-term outlook remains challenging. Fuel price increases will continue to impact sentiments on reducing spending. Additionally, raw material costs have increased, causing OEMs to raise the prices of their vehicles. Despite no dent in demand in PV, it will definitely have an impact on 2W, which is highly price-sensitive [4]

Indian Auto component Industry

The Indian auto components industry contributes 7.1% to the GDP, contributed 49% to its manufacturing GDP and provided employment to 50 lakh people in FY21. The auto components industry is expected to become the third-largest in the world by growing up to US$ 200 billion by FY26.

During FY21, the automobile component industry generated US$ 45.9 billion in turnover, down 3% from FY20. Exports of auto components are expected to reach US$ 80 billion by 2026, growing at 23.9% annually. Indian auto component trade could increase to 4-5% by 2026 owing to a shift in supply chains. Approximately 25% of the industry's production is exported annually, making India a global sourcing hub for auto components.

I. Government Initiatives

Establishing NATRiP centers supports R&D and product development.

In order to promote electric vehicle consumption and manufacturing, an incentive policy named FAME II was lau nched.

For the auto components sector, FDI is allowed at 100% under the automatic route.

Under the Department of Heavy Industries, the Indian government has allocated US$ 7.8 billion to the automobile and auto component sectors.

A PLI scheme worth US$ 349 billion was announced by the Indian government in September 2021. This scheme is expected to bring investments of over US$ 5.74 billion by 2026.

II. Growth Drivers

i. Demand-side Drivers

- Robust growth in domestic automotive industry
- Increase in investment in road infrastructure
- Growth in working population & middleclass income will
- With the Self-Reliant India mission, the auto industry is looking to half its Rs. 1 trillion (~US$ 13.6 billion) worth of auto component imports over the next 4-5 years. This will provide significant opportunities for existing and new auto components players to scale up

ii. Supply-side Drivers

- Competitive advantage facilitating the emergence of outsourcing hub
- Technological shift and focus on R&D

The growth of global original equipment manufacturers' (OEM) sourcing from India & the increased indigenisation of global OEMs is turning the country into a preferable designing and manufacturing base

III. Growth Contributors

In FY21, domestic OEM suppliers contributed 79.6% to the industry's turnover, followed by domestic aftermarket (18.4%) and exports (2.1%).

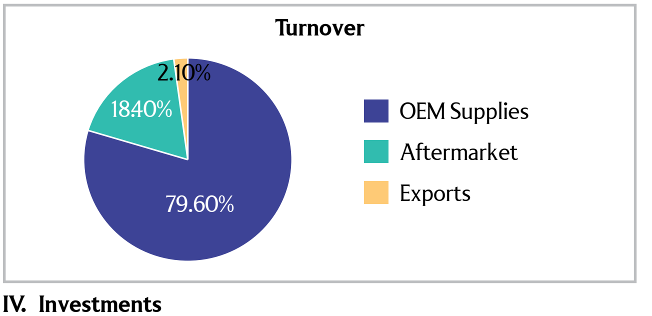
The aftermarket grew by 25% in the first half of FY22, reaching US$ 5.3 billion, from US$ 4.1 billion and is expected to reach US$ 32 billion by 2026.

Exports increased by 76% from US$ 5.2 billion in the first half of FY21 to US$ 9.3 billion in the first half of FY22. Auto components exports are projected to grow at 23.9% to reach US$ 80 billion by 2026.

The 'Drive Transmission and Steering' product category accounted for 21% of the aftermarket share followed by 'Engine Components', and 'Electricals and Electronic Components' with 19% and 18%, respectively.

To support local auto parts suppliers, the auto component sector has tied up with Tesla to manufacture electric vehicles in August 2021.

Share in Turnover of the Auto Components Industry -FY21



IV. Investments

i. By 2030, India's EV ambitions will require US$ 12.5 trillion in vehicle production and charging infrastructure. This is going to promote the demand of auto components from local manufacturers.

ii. Between April 2000 and June 2021, Indian automobiles attracted US$ 30.51 billion in FDI.

iii. Government's "Make in India" initiative is expected to

[4] https://en.wikipedia.org/wiki/Automotive_industry_in_India#:~:text=The%20automotive%20industry%20in%20India,Germany%20in%20terms%20of%20sales.
IBEF, FADA, SIAM

stimulate substantial investment in auto components.

iv. A comprehensive auto sector scheme anticipated to attract US$ 14 billion of investment in the next five years was announced by the government in March 2021.

v. With an investment of US$ 317.96 million, Maharashtra government signed a MoU with UK-based Causis E-Mobility Pvt. Ltd. to establish a zero-emission electric vehicle manufacturing facility near Pune.

vi. The Tamil Nadu government announced at the Investment Conclave - 2021 in Chennai that 49 different companies had committed US$ 3.85 billion in investment. There are 83,482 jobs expected to be created in the state through these investments in electronics, automotive components, industrial parks, information technology, and manufacturing. For new acquisitions and to accelerate growth, India's leading automobile platform CarTrade Tech invested US$ 100 million in December 2021.

V. Opportunities in Engineering Products

i. Engine & Exhaust parts

- A common rail system and turbochargers are new technological developments in this segment.

- The trend of outsourcing in this segment may gain traction over time.

ii. Transmission & steering parts

- With rising traffic density, the replacement market share for sub-segments like clutches is expected to grow.

- In sub segments such as gears & clutches, the entry of global players will intensify competition.

iii. Suspension & braking parts

- With players maintaining diversified customer bases in replacement & OEM segments as well as the export market, replacement demand is expected to be high.

- A global entry into sub-segments such as shock absorbers will likely intensify competition.

iv. Electronics and electricals

- Through its wholly owned subsidiary, Sona Comstar eDrive Private Limited, Sona BLW Precision Forgings Limited entered a collaboration agreement with Israel's IRP Nexus Group Ltd., to develop, manufacture and supply magnetless drive motors and matching controller systems for electric two and three-wheelers.

v. Others (Metal parts)

- Two-wheeler manufacturers are likely to benefit from increased demand for body & chassis, pressure die castings, sheet metal parts, fan belts, and hydraulic pneumatic instruments.

- Customers are constantly being sought by prominent companies in this industry.

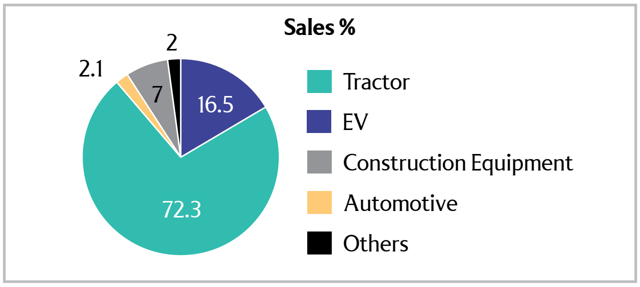
Company Overview

Kranti Industries Limited ("Kranti" / "Company") initiated its operations in the year 1981 with a vision to revolutionize the definition of accuracy in automobile industry. The vision has been very well supported by a group of highly qualified professionals who lead various processes of the company. The Company offers end-to-end solutions in precision machined castings for Transmission, axles, chassis, engines and other parts for Automotive Industry.

After reaching from strengths to strengths, today, Kranti has enhanced the business by increasing its reach and has become globally recognised in the manufacturing of Critical Machined Components as a multi-product and advanced auto component manufacturer. The Company's core strength lies in the systematic functioning of all business processes to achieve the highest quality of the products. Kranti follows stringent manufacturing practices in order to ensure that its manufacturing processes and facilities are certified in accordance with global standards.

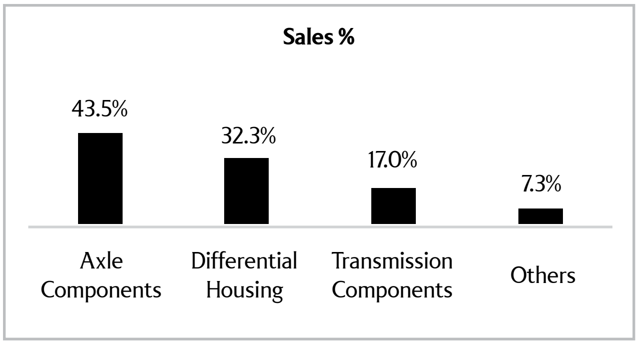
As a precision machining company with over 40 years of experience, KRANTI currently has three units across Pune and a joint venture in Rajkot.

Segment-wise Sales breakup



Product-wise Performance

Despite the challenging business environment in the FY 2021-22, the company's revenue witnessed strong growth of 69% fromFY 2020-21.



Outlook

In addition to continually improving and strengthening the business model, the Company will continue to concentrate on all our segments and product categories along with penetrating newer markets in the target business industries. The Company is confident that its existing capacities and planned capital investments would serve well to expand its business..

Risks & Concerns

1) **Customer concentration**

On a consolidated basis, the top 2 customers account for 72% of the company's total revenue, creating a concentration risk. Our business prospects, financial condition and results of operations may get adversely affected by a reduction or discontinuation in the demand from customers. With more than 15 customers across the globe and tapping new geographies, your company has de-risked its business model, thereby reducing risk.

2) **Competitive risk**

Sales of our products is prone to get affected by the competition from few new entrants in the market with similar product and consequent pricing pressures. We are confident of the quality of our product and capable of managing the risk by maintaining good customer relationship in the market and through constant product monitoring.

3) **Regulatory & Compliance risk**

Risks related to various statutes, laws, and regulations are associated with the Company. Non-compliance, if any, may result in financial loss /penalties. The framework is followed by the Company, as well, wherein the requisite compliances are reviewed periodically by internal auditors and external auditors. For Financial risk management, please refer to Note No. 48 of the Consolidated Financial Statements which form an integral part of this Annual Report.

Opportunities

The company primarily caters to the needs of the automotive and tractor sectors. By providing superior quality products, the company enjoys an unstinted trust from its customers. Automobiles and non-automotive segments in India will benefit greatly from the country's economic growth.

With superior technology, maintaining product quality, and offering a wide range of products for different market segments, the company aims to create sustainable, profitable growth. Export markets and domestic markets are both excellent growth prospects for the company.

There is an interconnected relationship between auto-component demand and the growth of the automotive industry. Thus, OEMs play a critical role in opening doors of opportunity to automotive component manufacturers.

There is an enormous growth potential in India due to the lower vehicle penetration level compared to other countries. With the increasing number of young people and urbanization, this paradigm will change, improving the entire domestic automotive industry.

R&D is a huge focus for Indian auto component makers, which is enhancing their competitiveness globally. An increasing number of automobile makers in India are preferring localization owing to the cost advantage, depreciating rupee, and faster inventory turnaround time. Collaboration with foreign companies Apart from just developing technologies in-house, auto component makers, through their strategic alliance and acquisitions, are gaining access to new technology and new markets, both domestically and internationally. The BS-VI emission standard is on the same level as world's most stringent norms such as 'Euro VI'. Domestic auto component industry conformity to BS-VI will help discover new overseas market, catering the needs of foreign clients.

Threats

1) **Weak consumer sentiments**

There has been a marked decrease in total numbers of vehicle sales owing to the weak consumer sentiments over economic uncertainties posed by the lockdowns and inflation. Job losses and increasing household debt have added to the impact. Moreover, the rise in vehicle acquisition cost owing to the regulatory changes, rising raw material prices and high insurance cost is deterring buyers.

2) **Discretionary nature of the business**

At the time of economic slowdown, the decisions to purchase automobile can be delayed owing to discretionary nature of the business.

Internal Control and Risk Management System

There is an internal control system in place in the Company to ensure the efficiency and effectiveness of the operations. The internal control system is essential to the risk identification and mitigation process. It contributes to compliance with legal requirements. Within the Company, a proper communication channel from top-to-bottom and vice versa safeguards the internal control system by considering both internal and external factors in an appropriate and timely manner. It's Risk Assessment and Management policy is based on the concept that a robust Risk Management system ensures commensurate controls and monitoring mechanisms for smooth and efficient management of the business. Various risks are identified, measured, evaluated, monitored and mitigated in the Policy. A review of the Risk Management framework of the Company has been conducted by the Internal Auditors. Risk mitigation plans are prepared by the concerned departments after identifying the potential risk, if any. Thereafter, the plans are reviewed,on a continuous basis. Evaluation of an internal control system is done by setting targets on a continuous basis, with corrective actions taken in case of any deficiency by comparing them to the actual results. According to its size and nature of operations, the company maintains an appropriate Internal Control System / Internal Financial Control. Internal auditors and Statutory Auditors of the company test and certify the internal control systems of the company.

Material developments in Human Resources / Industrial Relations

Human Resources continue to be a top priority for your Company and you enjoy cordial relations at all levels. Our continuous objective is to invest in people and people processes to improve human capital for the organization and to provide better service to stakeholders. Human Capital is recognized as one of the most important constituents of a successful organization, thus attracting, developing and retaining the right talent remains a key strategic imperative. The Company continues to devote its full attention to that aspect. Due to the growth and execution of new projects within the Company, emphasis has been placed on recruitment and the Company has been successful in attracting professional talent. New talent has been inducted into the organization to fill the gaps at various levels within the organization this year. More than 270 employees work for the company directly and indirectly., The management of the company strives to create a conducive and supportive work environment so that employees can excel through various employee engagement programs. It strengthens human resources by making available better tools, technology, and techniques at the work place to exploit the latent potential as it has always aimed at improving individual and group performance. The Human Resource department constantly organizes training and development programs to sharpen skills, update concepts and gain more knowledge. External technical training was provided to certain critical functional heads so they would be prepared to take on new projects. Occupational safety and health measures are taken care of at work places, manufacturing areas, etc. Human Resources strives to create a culture where learning is an inevitable outcome of every interaction. The Company emphasizes de-stressing techniques and emphasizes the importance of having a 'growth mindset' for learning grows through sharing and helping others. We believe that a happy person always performs well. The Company's industrial relations were cordial throughout the year.

Cautionary Statement

In this Management Discussion and Analysis Report, certain forward-looking statements may be made based on various assumptions about the Company's present and future business strategies, the environment in which it operates and other factors. Risks and uncertainties can cause actual results and information to differ materially from those stated or implied. Among these risks and uncertainties are the effect of economic and political conditions in India and abroad, volatility in interest rates and the securities market, new government regulations and policies that may impact the Company's businesses and its ability to implement its strategies. The information contained herein is as of the date referenced and the Company has no obligation to update it. Market data and other information have been obtained from sources deemed trustworthy by the Company or it has been estimated internally, but the accuracy or completeness can't be guaranteed.






Board Report

To the Members,

Your directors take pleasure in presenting the 27th Annual Accounts on the business and operations of your Company, along with the summary of standalone and consolidated financial statements of the Company for the year ended March 31, 2022.

FINANCIAL HIGHLIGHTS:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2020-21
Revenue from Operations	9,183.28	5,400.77	9,371.51	5,573.19
Other Income	17.43	41.68	16.96	41.21
Total Revenue	**9,200.72**	**5,442.44**	**9,388.47**	**5,614.41**
Cost of Material Consumed	6,072.45	3,336.13	6,088.07	3,355.08
Changes in inventories of finished goods and WIP	23.68	(28.53)	23.68	(21.33)
Employee Benefits expenses	992.65	717.53	1112.22	801.63
Other Expenses	1,252.96	915.04	1,237.37	920.22
Finance Cost	199.47	165.40	224.84	191.60
Depreciation and amortization expenses	389.97	348.71	417.63	379.14
Total Expenditure	**8,931.19**	**5,454.29**	**9,103.81**	**5,626.34**
Profit for the period before share in profit of associate company	-	-	**284.66**	**(11.93)**
Share of profit of equity-accounted investees, net of tax	-	-	3.84	(10.28)
Profit/(Loss) Before Tax	269.52	(11.84)	288.50	(22.21)
Less: Provision for Taxes				
(a) Current Tax	49.53	-	49.53	-
(b) Deferred Tax	59.17	-6.19	59.17	-9.57
(c)Current tax expenses relating to prior years	(49.53)	-	(49.53)	-
Other Comprehensive income / (Loss) for the year	3.00	3.07	2.99	3.06
Total comprehensive income / (loss) for the period Before Minority Interest	213.36	(2.58)	225.66	(12.64)
Minority Interest and Share of Profits (Loss) of Associates	-	-	0.19	-0.01
Total Comprehensive income / (Loss) of the year	**213.36**	**(2.58)**	**225.46**	**-12.64**

In preparing the financial statements for the year ended March 31, 2021 and balance sheet as at April 01, 2020 (date of transition), the company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP. The detailed note explaining the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2020 and the financial statements for the year ended March 31, 2021 is annexed to Financial Statements of the Company which is the part of this Annual Report 2021-22.

PERFORMANCE OF THE COMPANY:

REVENUES-Standalone

During the period under review, your company has registered a total revenue, on a standalone basis, of ₹ 92.00 Crores (approx.) as compared to total revenue of ₹ 54.42 Crores (approx.) made in the previous financial year; whereas EBITDA, on standalone basis, was ₹ 8.59Cr. (approx.) as compared to EBITDA of ₹ 5.02Cr made in the previous financial year.

REVENUES-Consolidated

During the period under review, the total revenue of the Company, on a consolidated basis, is ₹ 93.88 Crores (approx.), as compared to total revenue of ₹ 56.14 Crores (approx.) in the previous year.

Board Report (Contd.)

PROFITS/LOSS-Standalone

During the period under review, the Company earned Net Profit, on standalone basis, of ₹ 2.10 Crores(approx.), as compared to Net Loss of ₹ 0.05 Crores(approx.).

PROFITS/LOSS -Consolidated

In addition to above, COVID-19 pandemic affected its subsidiary Company as well, considering the same the Company reported the net profit, on a consolidated basis, of ₹ 2.88 Crores (approx.), as compare to net loss of ₹ 0.22 Crores (approx.) in the previous year.

DIVIDEND:

With a view to conserve capital the Board of Directors does not recommend any dividend for the current financial year ended on March 31, 2022.

SHARE CAPITAL OF THE COMPANY

During the period under review, there was no change in the Authorised Share Capital of the Company and the same was stood at ₹ 15,00,00,000/- (Rupees fifteen Crores only).

In addition to above, during the year, your Company made Bonus issue of 17,60,400 fully paid-up equity shares of ₹ 10/- each in the ratio of 1:5 (i.e.; 1 equity share for every 5 equity shares held) to the eligible shareholders of the company on record date i.e. on June 16, 2021, for which the necessary approvals of the Board of Directors of the Company and approval of the Members of the Company was also obtained, as and whenever required. Hence considering the same, the Paid-up Equity Share Capital of the Company is increased from ₹ 8,80,20,000/- to ₹ 10,56,24,000/- divided into 1,05,62,400 fully paid equity shares of ₹ 10/- each.

DEPOSITS:

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

Before adoption of IND-AS, there was an unsecured loan amount of Rs. 3,80,00,000 borrowed from the Directors of the Company, whereas post adoption of IND-AS, the said loan amount was restated to its present value of Rs. 3,25,99,088/-.

On the other hand, during the year, the company repaid Rs.55,00,000/- to its respective directors and post adjustment of interest amount, the closing balance of unsecured loan amount is stood to Rs. 2,98,51,944/- at the end of the year on March 31, 2022.

TRANSFER TO RESERVES:

The company has not proposed any amount to be transferred to General Reserve.

LISTING:

Previously, the equity shares of the Company was listed and traded on SME Platform of BSE Limited, and it was then proposed by the Board of Directors to migrate the securities of the Company from SME Platform to Main Board of BSE Limited, for which necessary approvals of the Board of Directors and Members of the Company was also obtained, therefore, after meeting the eligibility criteria related to main board migration and listing, the Company applied and obtained Main Board migration approval from the stock Exchange on November 02, 2021.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Board of Directors:

As reported in the previous year, Mr. Shashikant Vishnupant Bugde (DIN: 01490772) demitted office as an Independent Directors w.e.f. April, 05, 2021 on account of his advanced age and health reasons, and accordingly the Board of Directors, on the recommendation of Nomination and Remuneration Committee (NRC), appointed Mr. Satchidanand Arun Ranade (DIN: 03525423) as an Additional Independent Director on April 06, 2021.

On the other hand, the appointments of all Additional Independent Directors namely Mr. Prakash Vasant Kamat (DIN: 07350643), Mr. Pramod Vinayak Apshankar (DIN: 00019869) and Mr. Satchidanand Arun Ranade (DIN: 03525423) were approved by the Members of the Company at an Extra-Ordinary General Meeting held on May 07, 2021.

Board Report (Contd.)

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Indubala Subhash Vora (DIN: 02018226), Director of the Company retires by rotation at the ensuing AGM, and being eligible offers herself for re-appointment.

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

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

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

Key Managerial Personnel:

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

Sr. No	Name of the KMP	Designation
1	Mr. Sachin Subhash Vora	Chairman & Managing Director
2	Mr. Sumit Subhash Vora	Whole Time Director
3	Mrs. Sheela Kailash Dhawale	Chief Financial Officer
4	Mr. Bhavesh Selarka	Company Secretary and Compliance Officer (Upto May 31,2022)
5	Ms. Shanu Bhandari	Company Secretary and Compliance Officer (w.e.f. June 01, 2022)

Mr. Bhavesh Subhash Selarka has tendered his resignation from the office of Company Secretary and Compliance Officer of the Company with effect from May 31, 2022, due to some personal reasons. The Board places on record its deepest gratitude and appreciation towards his valuable contribution during his tenure.

The Board has, on recommendation of Nomination and Remuneration Committee, has appointed Ms. Shanu Bhandari as a Company Secretary and Compliance Officer of the Company with effect from June 01, 2022.

INDEPENDENT DIRECTORS:

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

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

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

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

During the period under review, Independent Directors met on February 11, 2022 without the presence of non-independent Directors, and all the Independent Directors have attended the said meeting.

Board Report (Contd.)

BOARD PERFORMANCE EVALUATION:

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

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

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

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

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

FAMILIARIZATION PROGRAM FOR THE BOARD MEMBERS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts of the Company on a going concern basis;

e. they have laid down Internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITOR'S REPORT:

STATUTORY AUDITOR'S:

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

M/S A D V & Associates, Chartered Accountants, (FRN: 128045W) has audited the books of accounts of the Company for the financial year ended March 31, 2022 and has issued the Auditors' Report thereto. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do call for any further comments.

Board Report (Contd.)

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

SECRETARIAL AUDITOR:

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. Harsheet Jayesh Patel, Sole Proprietor of H. J. Patel and Co., a Company Secretary in Practice to conduct the Secretarial Audit of the Company for the Financial Year 2021-22. The Report of the Secretarial Audit is annexed herewith as **Annexure ‘I’**. The said Secretarial Audit Report contains One qualification, reservation or adverse remark or disclaimer as follows:

Auditor Qualification 1->

The Company fails to implement the bonus issue within the time period as prescribed under Regulation 295 (1) of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and such compliance was delayed by 20 days. The Company had received a notice via email from the Stock Exchange for such non-compliance and also imposed fine for the same, which was, later on, paid by the Company within the stipulated period as prescribed under SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019.

Management Reply->

The Board of Directors of the Company has approved the issue of Bonus shares in the meeting dated April 06, 2021 which was approved by the members in an Extra-Ordinary General Meeting held on May 07, 2021, subsequently the allotment of Bonus Share was done as on June 16, 2021 and the trading approval for the same was received as on June 24, 2021 which was delayed by 20 days as timeframe stipulated under the Regulation 295 (1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Due to some unavoidable technicalities at the Company’s end, it was delayed and the same was unintentional. The Board further assured to take extra precaution in future.

COST AUDITOR:

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

INTERNAL FINANCIAL CONTROL:

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

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

- Management reviews and control self-assessments.
- Safeguarding assets and their usage.
- Continuous control monitoring by the concern expert officials at team.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

Key elements of the Internal Control Systems are as follows:

- Existence of Authority Manuals and periodical updating of the same for all Functions.
- Existence of clearly defined organizational structure and authority.
- Existence of corporate policies for Financial Reporting and Accounting.
- Existence of Management information system updated from time to time as may be required.
- Existence of Annual Budgets and Long-Term Business Plans.
- Existence of Audit System.
- Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

Board Report (Contd.)

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

Subsequent to migration of Company from SME Platform to Main Board of BSE Limited on November 02, 2021, as per the provisions of Section 133 of Companies Act, 2013 read with rules made there under The Company has adopted Indian Accounting Standard (IND-AS) from Quarter Ended December 31, 2021. And the company has adjusted the amounts reported previously under Indian GAAP for the respective prior period considering the transition date as April 01, 2020. The detailed notes consisting of the assumptions and adjustments done in the previously reported financial statements has been reported in the Financial Statements and is part of the Annual Report 2021-22.

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

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

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

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

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

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange

Board of India ("SEBI"). The report on Corporate Governance as stipulated under the Listing Regulations form part of the Annual Report. Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

MEETINGS OF THE BOARD:

The Board of Directors of your Company met 9 (nine) times to review strategic, operational and financial performance of the company. All the directors were actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time. The requisite quorum was present in all the meetings and the maximum interval between any two meetings did not exceed 120 days, as prescribed by The Companies Act, 2013.

For details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

COMMITTEES OF THE BOARD:

As on March 31, 2022, the Board had 03 (Three) Committees namely:

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

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

BOARD POLICIES:

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

(a) Code of Conduct for Independent Directors

(b) Risk Management Policy

(c) Nomination and Remuneration Policy

Board Report (Contd.)

(d) Related Party Transaction policy

(e) Whistle Blower Policy & Vigil Mechanism

(f) Policy On Determination of Materiality

(g) Insider Trading Policy

(h) Code for Fair Disclosure of Undisclosed Price Sensitive Information

(i) Prevention of Sexual Harassment at Workplace

(j) Familiarisation Programme for Independent Directors

(k) Policy On Orderly Succession

(l) Policy On Preservation of Documents

(m) Criteria for making payment to Non- Executive Directors

All above named policies and codes are available on our website (www.krantiindustries.com)

ANNUAL RETURN:

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2021-22 is available on Company's website at URL: https://krantiindustries.com/annual-return.html.

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

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

A. CONSERVATION OF ENERGY/ RESOURCES:

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

Steps taken or impact on conservation of energy:

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

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

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

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

Capital investment on energy conservation equipment's:

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

Water Management:

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

Board Report (Contd.)

Waste Management:

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

Health, safety and environment:

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

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

B. TECHNOLOGY ABSORPTION:

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

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

The Company is all well equipped with its current quality control machining and will modify itself for any future advancement.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Exchange Earnings during the year under review Foreign Exchange Earning of Rs. 62.44 Lakh.

Foreign Exchange Outgo during the year is given below (In Rs. Lakh)

Particulars	As on March 31, 2022	As on March 31, 2021
Spares for Repairs	2.19	0.00
Travelling Expense	0.00	0.00
Advance for Capital Goods & Material	30.02	0.00
Packaging Material	0.00	0.35

Value of Imports calculated on CIF Basis:

Particulars	As on March 31, 2022	As on March 31, 2021
Capital Goods	0.00	0.76
Raw Material	0.00	2.04

PARTICULARS OF REMUNERATION OF DIRECTORS AND CERTAIN SPECIFIED EMPLOYEES:

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:

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

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

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

Board Report (Contd.)

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts/ arrangements/ transactions entered by the Company during FY 2021-22 with related parties were on an arm's length basis and in the ordinary course of business. There were no material Related Party Transactions (RPTs) undertaken by the Company during the year that requires Shareholders' approval under Regulation 23(4) of the SEBI Listing Regulations or Section 188 of the Act. The approval of the Audit Committee was sought for all RPTs. Certain transactions which were repetitive in nature were approved through omnibus route. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

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

During FY 2021-22, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission and reimbursement of expenses, as applicable.

RISK MANAGEMENT SYSTEM:

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

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

Pursuant to Section 134 (3) (n) of the Companies Act, 2013, a Risk Management Policy has been framed by the Board at its meeting dated May 30, 2016. In terms of the requirement of the Act, the Board has developed and implemented the Risk Management Policy and the Board reviews the same periodically.

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

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

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

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

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

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

STATE OF COMPANY'S AFFAIRS:

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

Board Report (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

VIGIL MECHANISM:

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

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

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

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

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

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY:

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

1. The Company has signed a long-term business agreement with one of its key customer CNH Industrial India Pvt. Ltd. valid up to December 31, 2026.
2. Acquisition of Shares of Wonder Precisions Private Limited (WPPL):

   Kranti industries Limited who was holding 97% bought 3 % (30shares) from promoter group thereby making Wonder Precisions Private Limited (WPPL) as a wholly owned subsidiary of Kranti industries Limited.

DETAILS OF SUBSIDIARIES & ASSOCIATE:

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

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

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

SECRETARIAL STANDARDS:

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

GREEN INITIATIVE:

In compliance with the Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Annual Report 2021-22, the Notice of the 27thAGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

Board Report (Contd.)

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

GENERAL DISCLOSURES:

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

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

E-VOTING/BALLOT VOTING

In terms of requirements of the Companies Act, 2013 and the relevant rules made there under, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Link intime India Pvt. Ltd., for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 27th Annual General Meeting (AGM) of the Company.

GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting	27th AGM of Kranti Industries Limited
Date	Tuesday Sept 13, 2022
Time	03.30 PM onwards
Mode	Video Conferencing or Other Audio- Visual Means
Venue	At Gat No. 267/B/1, Post Pirangut, Taluka Mulshi, District- Pune- 412115
Financial Year Reported	April 1, 2021 to March 31, 2022
Cut-Off date for Notice	Friday, August 12, 2022
Cut-Off date for E voting	September 06, 2022
Date of Book Closure	September 07, 2022 to September 13, 2022
E-voting Period	September 10, 2022 09.00 AM to September 12, 2022 05.00 PM
Event Code for AGM and E-voting	220267
Stock Code	**542459**
ISIN	911T01010
CIN	L29299PN1995PLC095016

Board Report (Contd.)

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

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

CAUTIONARY STATEMENT:

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

ACKNOWLEDGEMENT:

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

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

For and on Behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-	**Sd/-**
SACHIN SUBHASH VORA	**SUMIT SUBHASH VORA**
DIN: 02002468	**DIN: 02002416**
CHAIRMAN & MANAGING DIRECTOR	**EXECUTIVE DIRECTOR**

Date: August 12, 2022
PLACE: PUNE

Secretarial Audit Report

Annexure I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder;

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period); and

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

Board Report (Contd.)

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

(I) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and

(II) Listing Agreements entered into by the Company with BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except to the extent as mentioned below:

The Company fails to implement the bonus issue within the time period as prescribed under Regulation 295 (1) of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and such compliance was delayed by 20 days. The Company had received a notice via email from the Stock Exchange for such non-compliance and also imposed fine for the same, which was, later on, paid by the Company within the stipulated period as prescribed under SEBI Circular SEBI/HO/CFD/ DIL2/CIR/P/2019/94 dated August 19, 2019.

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

I further report that,

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

Adequate notice is given to all directors to schedule the meetings of the Board and Committees of the Board. Except where consent of the directors was received for scheduling meeting at a shorter notice, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period:

The Company issued and allotted 17,60,400 equity shares of Rs.10/- each as fully paid Bonus Shares, in the ratio of 1 equity share for every 5 equity shares held, to eligible equity shareholders of the Company.

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

Harsheet J. Patel
Proprietor
Company Secretary
FCS No. 7948, CP No. 8433
UDIN: F007948D000382311
Peer Review Certificate No.: 1784/2022

Place: Pune
Date: May 25, 2022

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

Annexure to the Secretarial Audit Report

To,

The Members,

KRANTI INDUSTRIES LIMITED

Gat No. 267/B/1, At Post Pirangut

Tal. Mulshi, Pune – 412115

Maharashtra, India

My report of even date is to be read along with this letter:

(1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

(2) I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

(3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

(4) Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

(5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test-check basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Harsheet J. Patel
Proprietor
Company Secretary
FCS No. 7948, CP No. 8433
UDIN: F007948D000382311
Peer Review Certificate No.: 1784/2022

Place: Pune
Date: May 25, 2022

Compliance Report

Annexure II

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

The Members,
Kranti Industries Limited
Gat No. 267/B/1, at Post- Pirangut,
Taluka- Mulshi, District- Pune- 412115.

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

This is to certify that for the financial year ended March 31, 2022:

1. We have reviewed Financial Statement and the Cash Flow Statement for the year as aforesaid to the best of our knowledge and belief.
    a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
    b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the and steps we have taken or propose take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee that:
    a. There have been no significant changes in internal control over financial reporting during the year.
    b. There had been changes in accounting polices during the year the Company has adopted Indian Accounting Standard in compliance with Section 133 of Companies act read with rules made thereunder and
    c. There have been no instances of significant fraud of which we have become aware and the involvement there in if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Kranti Industries Limited

Sd/-	**Sd/-**
Sachin Vora	**Sheela Dhawale**
Chairman & Managing Director	**Chief Financial Officer**

Date: August 12, 2022

Declaration by MD

Annexure III

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

The Members,
Kranti Industries Limited
Gat No. 267/B/1, at Post- Pirangut,
Taluka- Mulshi, District- Pune- 412115.

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

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

For and on Behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

Sachin Vora
DIN: 02002468
(Chairman & Managing Director)

Date : August 12, 2022

Corporate Governance Report

Annexure IV

Company's Corporate Governance Philosophy

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

Code of Conduct

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

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

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

Board of Directors

Size and Composition of the Board

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

Our policy is to have a mix of EDs, NEDs, and IDs to maintain the Board's independence and separate its functions of governance and management. As on year ended on March 31, 2022, the Board Comprised of 06 (Six) Members, including 03 (Three) Independent Directors; 01 (One) Non-Executive Woman Director (Promoter), and 02 (Two) Executive Directors (Promoters) (including 1 Chairman & Managing Director as well as 1 Whole-Time Director). The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website at https://www.krantiindustries.com/board-of-directors.html.

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

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

Corporate Governance Report (Contd.)

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

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management. The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at

https://www.krantiindustries.com/investor/Appointment%20Letter&%20Tand%20C.pdf

During FY 2021-22, none of our directors acted as a Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations. Further, there are no inter-se relationships between our Board Members.

Directors' Attendance Record and Directorships:

Attendance of Directors

Sl. No.	Name of Director	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of Attendance	Whether attended AGM held on August 10, 2021
1.	Sachin Subhash Vora	9	9	100%	Yes
2.	Indubala Subhash Vora	9	9	100%	Yes
3.	Sumit Subhash Vora	9	8	88.89%	Yes
4.	Prakash Vasant Kamat	9	9	100%	Yes
5.	Pramod Vinayak Apshankar	9	9	100%	Yes
6.	Satchidanand Arun Ranade	8	8	100%	Yes

Number of Board of Directorship in Other Companies

Sl. No.	Name of Director	No. of Membership other than this entity	Category of Directorship	Name of Company
1.	Sachin Subhash Vora	3	1. Director 2. Director 3. Director	1. Wonder Precision Private Limited 2. Kranti SFCI Private Limited 3. Lekhapal Fintech Private Limited
2.	Indubala Subhash Vora	1	1. Director	2. Wonder Precision Private Limited
3.	Sumit Subhash Vora	2	1. Director 2. Director	1. Wonder Precision Private Limited 2. Kranti SFCI Private Limited
4.	Prakash Vasant Kamat	0	NIL	NIL
5.	Pramod Vinayak Apshankar	1	1. Managing Director	1. Stud Craft (India) Private Limited
6.	Satchidanand Arun Ranade	0	NIL	NIL

None of Directors are holding membership in another companies Committee.

MEETINGS OF THE BOARD:

The Board of Directors of your Company met 9 (nine) times to review strategic, operational and financial performance of the company. All the directors actively participate in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from

Corporate Governance Report (Contd.)

time to time. The requisite quorum was present in all the meetings and the maximum interval between any two meetings did not exceed 120 days, as prescribed by The Companies Act, 2013.

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

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
1	April06, 2021	5	5
2	June 04, 2021	6	6
3	June 17, 2021	6	6
4	July 09, 2021	6	6
5	August 06, 2021	6	6
6	August 19, 2021	6	6
7	October 30,2021	6	6
8	February 11, 2022	6	5
9	March 15, 2022	6	6

Relationships between directors inter-se

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

Number of Shares held by Non-Executive

Sl. No.	Name of Director	Designation	No. of Equity Shares Held
1	Indubala Subash Vora	Non-Executive Director	20,74,441
2	Satchidanand Arun Ranade	Non-Executive Director Independent Director	NIL
3	Pramod Vinayak Apshankar	Non-Executive Director Independent Director	NIL
4	Prakash Vasant Kamat	Non-Executive Director Independent Director	3600

Familiarization Program for Independent Directors:

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

Key Board Qualifications, Expertise and Attributes

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

Corporate Governance Report (Contd.)

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

Areas of Skills/ Expertise/ Competence	Leadership	Strategy	Operations	Technology	Finance	Governance	Government/ Regulatory Affairs
Indubala Subhash Vora	✔	✔	✔	-	-	✔	-
Sachin Subhash Vora	✔	✔	✔	✔	✔	✔	✔
Sumit Subhash Vora	✔	✔	✔	✔	✔	✔	✔
Satchidanand Arun Ranade	✔	✔	✔	-	✔	✔	✔
Pramod Vinayak Apshankar	✔	✔	✔	✔	✔	✔	✔
Prakash Vasant Kamat	✔	✔	✔	✔	-	-	✔

Changes to Board during FY 2021-22

As reported in the previous year, Mr. Shashikant Vishnupant Bugde (DIN: 01490772) demitted office as an Independent Directors w.e.f. April, 05, 2021 on account of his advanced age and health reasons, and accordingly the Board of Directors, on the recommendation of Nomination and Remuneration Committee (NRC), appointed Mr. Satchidanand Arun Ranade (DIN: 03525423) as an Additional Independent Director on April 06, 2021.

And, appointments of all Additional Independent Directors namely Mr. Prakash Vasant Kamat (DIN: 07350643), Mr. Pramod Vinayak Apshankar (DIN: 00019869) and Mr. Satchidanand Arun Ranade (DIN: 03525423) were approved by the Members of the Company at an Extra-Ordinary General Meeting held on May 07, 2021.

Selection of New Directors and Board Membership Criteria

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

THE COMMITTEES OF THE BOARD:

As on March 31, 2022, the Board had 03 (Three) Committees namely:

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

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

A. AUDIT COMMITTEE:

During the year FY 2021-22, the Audit Committee was duly constituted, and the details are given below:

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

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

During the period under review, Audit Committee members met 4 (Four) times on June 04, 2021, August 06, 2021, October 30, 2021 and February 11, 2022. All the members of the Audit Committee have attended all the meetings.

Corporate Governance Report (Contd.)

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

The present constitution of the Audit Committee meets the requirements of the regulation 18 of the LODR and Section 177 of the Companies Act, 2013.

B. NOMINATION AND REMUNERATION COMMITTEE:

During the year FY 2021-22 the Board of Directors wide its meeting held on February 11, 2022 taking into view that proper diversion of work of Chairperson of the Committees, the Board of Directors reconstituted Nomination and Remuneration Committee which was earlier comprises, Pramod Vinayak Apshankar (Chairman), Prakash Vasant Kamat (Member) and Satchidanand Arun Ranade (Member), which is changed and comprises as follows:

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

During the period under review, Nomination and Remuneration Committee members met on April 06, 2021 and all the members of the Committee were present during the meeting.

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

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

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises

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

During the period under review, Stakeholders Relationship Committee members met on February 11, 2022, and all the members of the Committee have attended the meeting.

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

KRANTI INDUSTRIES LIMITED
At Gat No. 267/B/1, Post Pirangut,
Taluka-Mulshi, District Pune- 412 115
Tel (020) 66755676
E-mail: investor@krantiindustries.com

No complaints were received during the year under review.

Corporate Governance Report (Contd.)

Remuneration of Directors:

Criteria of making payments to Non-Executive Directors

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

Remuneration of Directors:

Sr. No	Name of the Director	Designation	Remuneration
1	Sachin Subhash Vora	Chairman & Managing Director	19,76,667
2	Sumit Subhash Vora	Whole Time Director	19,76,667
3	Indubala Subhash Vora	Non-Executive Director	25,000
4	Pramod Vinayak Apshankar	Non-Executive Independent Director	25,000
5	Satchidanand Arun Ranade	Non-Executive Independent Director	25,000
6	Prakash Vasant Kamat	Non-Executive Independent Director	25,000

General Information for Shareholders

General Body Meetings

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

Financial Year Ended	Date	Time	Venue	Special Resolution Passed
Mach 31, 2021	August 10, 2021	3:30	Due to the Corona Virus Pandemic through video conferencing ('VC') / other audio-visual means ('OAVM')	Re-appointment of MD Sachin Vora Re-appointment of WTD Sumit Vora Migration to Main Board Resolution for 180 (1)(a) mortgage of property - Threshold limit approval
March 31, 2020	September 18,2020	3:30	Due to the Corona Virus Pandemic through video conferencing ('VC') / other audio-visual means ('OAVM')	Approval for granting loans, guarantee or providing security in respect to any loan given to WPPL
March 31, 2019	August 23,2019	3:30	Manohar Mangal Karyalay (Manohar Banquets)	

Details of Extra-ordinary General Meetings held:

Date	Time	Venue	Special Resolution Passed
May 07, 2021	04.00 PM	Due to the Corona Virus Pandemic through video conferencing ('VC') / other audio-visual means ('OAVM)	Regularise the appointment of Additional Independent Director Mr. Prakash Kamat Regularise the appointment of Additional Independent Director Mr. Pramod Apshankar Regularise the appointment of Additional Independent Director Mr. Satchidanand Ranade Approve the issue of Bonus Shares

Corporate Governance Report (Contd.)

Postal Ballot:

Shareholders has passed a Special Resolution through Postal Ballot during 2021-22 on September 23, 2021:

1. Migration of Equity shares of the Company from BSE-SME Platform to Main Board of BSE Limited.

For which Board of Directors appointed Mr. Siddharth Bogawat, Practicing Chartered Accountant as the Scrutinizer of E-voting process.

Summary Special Resolution passed through postal ballot as below:

Sr. No.	Particulars	Schedule
1	Cut-off Date for identification of voting rights of the members.	Friday, August 20 ,2021
2	Date and Time of commencement of remote e-voting	Tuesday, August 24, 2021 & 09.00 A.M.
3	Date and Time of end of remote e-voting	Thursday, September 23, 2021 & 05.00 P.M.
4	Submission of report by the scrutinizer	September 25, 2021
5	Date of Declaration of results of voting	September 25, 2021

MEANS OF COMMUNICATION

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

Financial Results	Name(s) of Newspapers	Date of Publication
Quarter & Nine Months ended 31 December, 2021	Business Standard Samana	February 12, 2022
Quarter & Financial Year ended 31 March, 2022	Business Standard Samana	May 14, 2022

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

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

GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting	**27th AGM of Kranti Industries Limited**
Date	Tuesday September 13, 2022
Time	03.30 PM onwards
Mode	Video Conferencing or Other Audio- Visual Means
Venue	In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs and SEBI vide its relevant circulars, has permitted the holding of the Annual General Meeting through video-conferencing / other audio-visual means ('VC / OAVM'), without he physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. At Gat No. 267/B/1, Post Pirangut, Taluka Mulshi, District- Pune- 412115
Financial Year Reported	April 1, 2021 to March 31, 2022
Cut-Off date for Notice	Friday, August 12, 2022
Cut-Off date for E voting	September 06, 2022
Date of Book Closure	September 07, 2022 to September 13,2022
E-voting Period	September 10, 2022 09.00 AM to September 12, 2022 05.00 PM
Event Code for AGM and E-voting	220267
Stock Code	**542459**
ISIN	911T01010
CIN	L29299PN1995PLC095016

The shares of the Company are currently listed on Main Board of BSE LTD and The Annual Listing Fees for the year 2021-22 has been paid in advance to the aforesaid Stock Exchange.

Corporate Governance Report (Contd.)

Market Price Data:

High and Low prices during each month of Financial Year 2021-22 on BSE Limited are as under:

The Closing Price represents the price on the last trading day of each month of Financial Year 2021-22

Month	High (Rs.)	Low (Rs.)	Closing (Rs.)
April 2021	24.00	18.25	18.25
May 2021	24.00	17.55	23.00
June 2021	38.40	20.50	27.05
July 2021	28.70	24.70	27.50
August 2021	29.50	25.60	26.05
September 2021	30.10	26.45	30.00
October 2021	39.50	29.70	31.50
November 2021	43.70	29.45	38.20
December 2021	48.95	36.05	41.05
January 2022	48.00	37.90	40.40
February 2022	41.45	34.60	38.00
March 2022	38.75	33.05	34.70

*The company has issued Bonus Shares in the ratio of 1:5 on June 16, 2022

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

'Stock price movement of Kranti Industries Limited' versus sensitivity at BSE Sensex, BSE Small Cap and BSE Auto:

Registrar and Transfer Agent:

Link Intime India Private Limited is the Registrar and Transfer agent for handling both the share registry work relating to shares held in physical and electronic form at single point. The Share Transfers were duly registered and returned in the normal course within stipulated period, if the documents were clear in all respects.

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

Link Intime India Private Limited
Address: C 101, 247 Park, LBS Marg, Vikhroli West Mumbai- 400 083.
Tel Ph No. +91 22 4918 6000; Fax: +91 22 4918 6060
Email: mumbai@linkintime.co.in; Website: www.linkintime.co.in

Corporate Governance Report (Contd.)

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

Share Transfer System:

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

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

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

Distribution of Shareholding as on 31 March, 2022:

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Upto 500	960	131966	1.25
501 to 1000	100	81880	0.78
1001 to 2000	60	96032	0.91
2001 to 3000	32	80833	0.77
3001 to 4000	120	430607	4.08
4001 to 5000	9	41172	0.39
5001 to 10000	33	242441	2.30
Above 10001	47	9457469	89.54
Total	1361	10562400	100.00

Plant locations:

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

1. Unit 1 : Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune 412115, MAHARASHTRA INDIA.
2. Unit 2 : Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune 412115, MAHARASHTRA INDIA.
3. Unit 3 : Gat No 411, Plot No 41, Industrial Area Urawade, Tal Mulshi Pune 412108, MAHARASHTRA INDIA.

Addresses for Correspondence:

For Share transfer/ demat / remat of shares or any other query relating to shares: -

Registrar and Transfer Agent

Link Intime India Private Limited,
C 101, 247 Park, LBS Marg,
Vikhroli West Mumbai- 400 083.
Tel Ph No. +91 22 4918 6000
Fax: +91 22 4918 6060
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

For Investor Assistance: -
Ms. Shanu Bhandari,
Company Secretary and Compliance Officer,
Kranti Industries Limited

Corporate Governance Report (Contd.)

Registered Office: Gat no 267/B/1,
At Post Pirangut, Tal. Mulshi,
Pune 412115, MAHARASHTRA INDIA.
Phone: 020-66755676,
Email : investor@krantiindustries.com
Web: www.krantiindustries.com

OTHER DISCLOSURES:

Related Party Transactions:

During the year 2021-22, there were no material individual transactions with related parties, which are not in the normal course of business or are not on an Arm's Length basis in terms of Regulation 23 of the Regulations. The statements in summary form of transactions with Related Parties in the ordinary course of business are placed periodically before the Audit Committee for its consideration and approval. All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters. The details of the Related Party Transactions during the year are given in the Notes forming part of the financial statements. Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Regulation 23 of the Regulations and the same is available on the official website of the Company at https://krantiindustries.com/investor/RELATED%20PARTY%20 TRANSACTION%20POLICY1.pdf In terms of Regulation 23(9) of the Regulations, the Company has filed the disclosures of related party transactions on a consolidated basis with the BSE Limited (BSE) through BSE Listing Centre on a half yearly basis.

Details of non-compliances:

The Secretarial Audit Report for FY 2021-22 contains One qualification, reservation or adverse remark or disclaimer. The observation of Auditor and Management reply for the same has been detailed in the Board's Report of FY 2021-22.

Whistle Blower Policy/Vigil Mechanism:

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

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

No Disqualification Certificate:

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

Consolidated Fees paid to Statutory Auditors

During FY 2021-22, the audit fees paid by the Company and its subsidiaries to the statutory auditors is as below:

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

Corporate Governance Report (Contd.)

Mandatory Requirements:

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

I. Disclosure on website in terms of Listing Regulations

Sr No	Item	Compliance status (Yes/No/NA)
1	Details of business	Yes
2	Terms and conditions of appointment of independent directors	Yes
3	Composition of various committees of board of directors	Yes
4	Code of conduct of board of directors and senior management personnel	Yes
5	Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
6	Criteria of making payments to non-executive directors	NA
7	Policy on dealing with related party transactions	Yes
8	Policy for determining 'material' subsidiaries	NA
9	Details of familiarization programmes imparted to independent directors	Yes
10	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
11	email address for grievance redressal and other relevant details	Yes
12	Financial results	Yes
13	Shareholding pattern	Yes
14	Details of agreements entered into with the media companies and/or their associates	NA
15	Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	NA
16	New name and the old name of the listed entity	NA
17	Advertisements as per regulation 47 (1)	Yes
18	Credit rating or revision in credit rating obtained	NA
19	Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes
20	Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
21	Materiality Policy as per Regulation 30	Yes
22	Dividend Distribution policy as per Regulation 43A (as applicable)	NA
23	It is certified that these contents on the website of the listed entity are correct	Yes

Sr No	Particulars	Regulation Number	Compliance status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1), 17(1A) & 17(1B)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes

Corporate Governance Report (Contd.)

Sr No	Particulars	Regulation Number	Compliance status (Yes/No/NA)
8	Fees/compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes
14	Maximum number of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Composition of nomination & remuneration committee	19(1) & (2)	Yes
18	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20	Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
21	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
23	Meeting of Risk Management Committee	21(3A)	NA
24	Vigil Mechanism	22	Yes
25	Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
26	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
27	Approval for material related party transactions	23(4)	NA
28	Disclosure of related party transactions on consolidated basis	23(9)	Yes
29	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
30	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
31	Annual Secretarial Compliance Report	24(A)	NA
32	Alternate Director to Independent Director	25(1)	Yes
33	Maximum Tenure	25(2)	Yes
34	Meeting of independent directors	25(3) & (4)	Yes
35	Familiarization of independent directors	25(7)	Yes
36	Declaration from Independent Director	25(8) & (9)	Yes
37	D & O Insurance for Independent Directors	25(10)	NA
38	Memberships in Committees	26(1)	Yes
39	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
40	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

Corporate Governance Report (Contd.)

ACKNOWLEDGEMENT:

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

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

For and on Behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-	**Sd/-**
SACHIN SUBHASH VORA	**SUMIT SUBHASH VORA**
DIN: 02002468	**DIN: 02002416**
CHAIRMAN & MANAGING DIRECTOR	**EXECUTIVE DIRECTOR**

Date: August 12, 2022
Place: Pune

Corporate Governance Report (Contd.) Annexure A

No Disqualification Certificate from Company Secretary in Practice

(Pursuant to Regulation 34 (3) and Schedule V Para-C Clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sachin Subhash Vora	02002468	28/01/2008
2	Sumit Subhash Vora	02002416	28/01/2008
3	Indubala Subhash Vora	02018226	05/12/1995
4	Prakash Vasant Kamat	07350643	30/11/2015
5	Pramod Vinayak Apshankar	00019869	30/11/2015
6	Satchidanand Arun Ranade	03525423	06/04/2021

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

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

Harsheet J. Patel
Proprietor
Company Secretary
FCS No. 7948, CP No. 8433
UDIN: F007948D000556012
Peer Review Certificate No.: 1784/2022

Place: Pune
Date: July 02, 2022

Corporate Governance Report (Contd.)

Annexure B

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by **KRANTI INDUSTRIES LIMITED** ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

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

Harsheet J. Patel
Proprietor
Company Secretary
FCS No. 7948, CP No. 8433
UDIN: F007948D000568651
Peer Review Certificate No.: 1784/2022

Place: Pune
Date: July 05, 2022

Disclosure under Sec 197

Annexure V

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

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

Sr. No	Name of the Director	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Indubala S. Vora	Non-Executive Director**	0.08:1
2	Sachin S. Vora	Chairman& Managing Director *	6.50:1
3	Sumit S. Vora	Executive Director*	6.50:1
4	Satchidanand A. Ranade	Independent Director**	0.08:1
5	Prakash V. Kamat	Independent Director **	0.08:1
6	Pramod V. Apshankar	Independent Director **	0.08:1

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

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

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

Sr. No	Name	Designation	Percentage of Increase / Decrease in Remuneration
1	Sachin S. Vora	Chairman & Managing Director	16.42%
2	Sumit S. Vora	Executive Director	16.42%
3	Sheela K. Dhawale	Chief Financial Officer	13.54%
4	Bhavesh S. Selarka	Compliance Officer & Company Secretary	7.79%
5	Median Employee	Jr. Executive HR Department	21.50%
6	Indubala Vora	Non-Executive Director	0.00%
7	Prakash Kamat	Independent Director	0.00%
8	Pramod Apshankar	Independent Director	0.00%
9	Satchidanand A. Ranade	Independent Director	0.00%

REQUIREMENTS	DISCLOSURE
The percentage increase in the median remuneration of employees in the financial year.	**7.44%**
The number of permanent employees on the rolls of the Company.	**196 employees as at March 31, 2022.**
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	**There has been increase in average remuneration of the employees other than managerial personnel by % and average managerial remuneration has increased by 14.98 %**
Affirmation that the remuneration is as per the Remuneration policy of the Company.	**It is affirmed that the remuneration paid is as per the Remuneration Policy applicable for Directors, Key Managerial Personnel, and other employees, adopted by the Company**

Board Report (Contd.)

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

Sr. No	Name of the KMP	Designation	Remuneration	Total Revenue	% to Total Revenue
1	Sachin Vora	Chairman & Managing Director	19,76,667	92,00,71,750	0.21%
2	Sumit Vora	Whole Time Director	19,76,667	92,00,71,750	0.21%
3	SHEELA DHAWALE	Chief Financial Officer	12,45,788	92,00,71,750	0.14%
4	BHAVESH SELARKA	Company Secretary & Compliance Officer	4,99,401	92,00,71,750	0.05%

For and on Behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

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

Sd/-
SUMIT VORA
DIN: 02002416
EXECUTIVE DIRECTOR

DATE : August 12, 2022

Form No. AOC-1

Annexure VI

Statement containing the salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

(Pursuant to Section 129(3) of the Companies Act 2013, read with Rules of the Companies (Accounts) Rules 2014)

Part A – Subsidiary Companies of Kranti Industries Limited.

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

Particulars	Name of Subsidiary
Name of the Subsidiary	**WONDER PRECISION PRIVATE LIMITED**
Reporting period for the subsidiary concerned, if Different from the Holding Company's reporting period.	March 31, 2022
Reporting currency and Exchange rates on the last date of the relevant Financial year in the case of Foreign Subsidiaries	Not applicable
Share capital	₹ 1,00,000/-
Reserves and Surplus	(31,91,325)
Total Assets	₹ 2,55,75,294
Total Liabilities	₹ 2,55,75,294
Investments	₹ 0.00
Turnover	₹ 2,90,22,091
Profit before taxation	₹ 17,83,615
Provision for taxation	₹ 7,96,609
Proposed Dividend	NIL
% of shareholding	97%

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

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

Name of the Associates	KRANTI SFCI PRIVATE LIMITED
Latest Audited Balance Sheet Date	31st March,2022
Shares of Associate/Joint Ventures held by the company on the year end	
a) No. of shares	1,50,000
b) Amount of Investment in Associates/Joint Venture	₹ 15,00,000
c) Extend of Holding%	30%
Description of how there is significant influence	Due to percentage (%) of Share Capital
Reason why the associate/joint venture is not consolidated	Considered in Consolidation as per Equity Method
Net worth attributable to Shareholding as per latest audited Balance Sheet	NIL
Profit/ Loss for the year (attributed to Shareholding)	NIL
Considered in Consolidation	Yes
Not Considered in Consolidation	NA

For and on behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-	Sd/-	Sd/-	Sd/-
Sachin Vora	**Sumit Vora**	**Sheela Dhawale**	**Shanu Bhandari**
Chairman & Managing Director	**Executive Director**	**CFO**	**CS**
DIN-02002468	**DIN-02002416**		

Place: Pune
Date August 12, 2022

NOTICE

Dated: August 12, 2022

Dear Member,

You are cordially invited to attend the **27th Annual General Meeting** of the members of Kranti Industries Limited ('the Company') to be held on **Tuesday, September 13,2022 at 3.30 PM** IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM").

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

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

Sincerely,
By order of the Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

SACHIN SUBHASH VORA
CHAIRMAN AND MANAGING DIRECTOR
(DIN: 02002468)

Enclosures-

1. Notice of the 27th AGM along with Notes
2. Instructions for E-voting & Attending the AGM through VC/OAVM
3. Instructions for Shareholders/Members to speak during the AGM through InstaMeet.
4. Instructions for Shareholders/Members to vote during the AGM through InstaMeet.
5. Guidelines to attend AGM through InstaMeet .
6. Statement pursuant to section 102(1) of the Companies Act, 2013

NOTICE For 27th Annual General Meeting

NOTICE is hereby given that the **27th Annual General Meeting** of **KRANTI INDUSTRIES LIMITED** ("the Company") will be held on **Tuesday, September 13, 2022 at 03.30 P.M.** IST through **VIDEO CONFERENCING (VC) / OTHER AUDIO-VISUAL MEANS ('OAVM')** to transact the following business: -

ORDINARY BUSINESS:

Item No.1 → Adoption of financial statements:

To receive, consider and adopt:

a. The Audited Standalone Financial Statements of the Company for the financial year ended **March 31, 2022** together with the reports of Board of Directors ('the Board') and the Auditors' thereon; and

b. The Audited Consolidated Financial Statements of the Company for the financial year ended **March 31, 2022** together with the report of Auditors' thereon.

Item No.2 → To Re-appoint Smt. Indubala Subhash Vora (DIN:02018226) who retires by rotation as a Director.

SPECIAL BUSINESS:

Item No.3 → To create the mortgage on the assets of the Company:

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

"RESOLVED THAT in supersession of a Special Resolution passed by the shareholders at an Extra-Ordinary General Meeting of the Company held on January 31, 2019 and pursuant to Section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, amendment(s) or reenactment(s) thereof, for the time being in force) and the Memorandum of Association and the Articles of Association of the Company and any rules and regulations made thereunder and subject to other approvals and permissions as may be required, under any statute(s) / rule(s) / regulation(s) or any law for the time being in force or required from any other concerned authorities, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including powers conferred by this resolution) of the Company to create such mortgages and/or charges and/or hypothecation and/or other encumbrances, in addition/supplemental to the existing mortgages and/or charges and/or hypothecation and/ or other encumbrances, if any, created by the Company, on all or any of the movable and/or immovable properties, current and/or fixed assets, tangible or intangible assets, book debts and/or claims of the Company wherever situate, present and future, and in such manner as the Board may deem fit, in favour of the Lender, from whom the Company has/or proposed/proposes to borrow money/sums of moneys by way of loans including without limitation term loans, working capital loans, discounting of bills, inter corporate deposits or such other financial facilities and/or instruments permitted to be issued by the appropriate authorities from time to time together with interest, cost, charges and other incidental expenses in terms of agreement(s) entered/to be entered into by the Board of Directors of the Company, subject to the borrowing limits approved under Section 180 (1) (c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised and empowered to do all acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instruments, securities, loan, debit instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may thing fit, and to execute all such documents, instruments and writings as may be required to give effect to this resolution, and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company.

RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

Item No. 4 → To borrow in excess of Share Capital and Reserves:

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

"RESOLVED THAT in supersession of a Special Resolution passed by the shareholders at an Extra-Ordinary General Meeting of the Company held on September 10, 2015 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, amendment(s) or reenactment(s) thereof, for the time being in force) and the Memorandum of Association and the Articles of Association of the Company and any rules and regulations made thereunder and subject to other approvals and permissions as may be required, under any statute(s) / rule(s) / regulation(s) or any law for the time being in force or required from any other concerned authorities, the consent of the

NOTICE (Contd.)

members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including powers conferred by this resolution) of the Company for borrowing, from time to time, such sum or sums of money that the Board may deem fit for the purpose of the business of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company, and its free reserves, that is to say, the reserves not set apart for any specific purpose, provided that the total amount up to which the monies may be borrowed by the Board of Directors of the Company at any time shall not exceed in the aggregate of Rs.300,00,00,000/- (Rupees Three Hundred Crore only) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being.

RESOLVED FURTHER THAT in terms of Articles of Association of the Company and all other applicable provisions of the Companies Act 2013 read with rules made thereunder, the Common Seal of the Company be and is hereby affixed on all such documents required to increase the said borrowing limits of the Company in the presence of Mr. Sachin Subhash Vora (DIN: 02002468), Chairman & Managing Director and/or Mr. Sumit Subhash Vora (DIN: 02002416), Whole Time Director of the Company , whose signatures have also been placed for the purpose of authentication.

RESOLVED FURTHER THAT Mr. Sachin Subhash Vora (DIN: 02002468), Chairman & Managing Director and/or Mr. Sumit Subhash Vora (DIN: 02002416), Whole Time Director of the Company be and are/is hereby authorized jointly or singly for and on behalf of the Company to sign, negotiate and execute all related documents as and whenever required.

RESOLVED FURTHER THAT Mr. Sachin Subhash Vora (DIN: 02002468), Chairman & Managing Director and/or Mr. Sumit Subhash Vora (DIN: 02002416), Whole Time Director of the Company be and are/is hereby authorised to do all such other acts, deeds, matters and things as may be considered necessary, desirable or expedite in the interest of the Company for giving necessary effect to the above mentioned resolution."

Item No. 5 → To alter the Memorandum of Association of the Company consequent to addition of few object clauses:

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 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the consent of the members of the Company be and is hereby accorded to alter the Memorandum of Association of the Company for addition of few object clauses under the head 'Incidental or Ancillary Object Clauses' as sub-clauses no. 37 & 38 thereto, and rest clauses shall be numbered accordingly.

RESOLVED FURTHER THAT consequent to above, the below mentioned few object clauses be and is hereby added as sub-clauses no. 37 & 38 under the head 'Incidental or Ancillary Object Clauses' to the Memorandum of Association of the Company, as detailed below:

'37. Subject to the provisions of the Act, to amalgamate or enter into agreement/partnership or joint venture or collaboration or into any arrangement, with either Indian or foreign, for the business or its development /expansion, for sharing profits, union of interest, co-operation, joint venture or reciprocal concessions or for limiting competition with any person or Company carrying on or engaged in or about to carry on or engage in business or transaction which can be carried on in conjunction therewith.

38. Subject to the provisions of the Act, to amalgamate with any Company or Companies having objects altogether or in part similar to those of this Company.'

RESOLVED FURTHER THAT Mr. Sachin Subhash Vora (DIN: 02002468), Chairman & Managing Director and/or Mr. Sumit Subhash Vora (DIN: 02002416), Whole Time Director of the Company be and are/is hereby also authorised to do all such other acts, deeds, matters and things as may be considered necessary, desirable or expedite in the interest of the Company for giving necessary effect to the above-mentioned resolution."

By order of the Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

SACHIN SUBHASH VORA
CHAIRMAN & MANAGING DIRECTOR
(DIN: 02002468)

DATE: AUGUST 12, 2022
PLACE: PUNE

NOTICE (Contd.)

NOTES

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to clarification on holding of Annual General Meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 19/2021 dated December 8, 2021 and Circular No. 2/2022 dated May 5, 2022 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015-COVID-19 pandemic' and Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the **27th AGM of the Company is being held through VC / OAVM**. The deemed venue for the AGM shall be the Registered Office of the Company.

2. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the AGM, in annexed hereto.

3. Pursuant to Companies Act, 2013 a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. Since this AGM is being held, pursuant to the MCA Circulars, through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the Annual General Meeting of the Company held on 23rd August, 2019.

6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website at www.krantiindustries.com, websites of Stock Exchanges i.e. BSE Limited at www.bseindia.com Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.

7. For receiving all communication (including Annual Report) from the Company electronically: Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM.

9. Register of Members and Share Transfer Books will remain closed from September 07, 2022 to September 13,2022 (both days inclusive) for the purpose of 27th Annual General Meeting.

10. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the Cut-off date may obtain the login ID and password by sending a request at enotices@linkintime.co.inor contact on: - Tel: 022 –4918 6000.

NOTICE (Contd.)

11. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting for limited time each, once the floor is open for shareholder queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 1 week in advance through email on cs@krantiindustries.comThe same will be replied by the Company suitably.

13. The members are requested to notify change of address, if any, to the Company's Registrar and Transfer Agent.

14. Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.

15. Institutional investors and corporate Members are encouraged to attend and vote at the 27th AGM through VC/ OAVM facility. Institutional investors and corporate Members (i.e. other than individuals, HUF's, NRI's etc.) intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/ OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by email at cs@krantiindustries.com with a copy marked to investor@krantiindustries.com . Institutional shareholders (i.e other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution /Power of Attorney/Authority Letter etc. by clicking on 'Upload Board Resolution/Authority Letter displayed under 'e-Voting' tab in their login

16. Members who are shareholders as on September 06, 2022 can join the AGM 15 minutes before the commencement of the AGM i.e. at 3.15 P.M and till the time of the conclusion of the Meeting by following the procedure mentioned in this Notice.

17. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015 and the Secretarial Standards on General Meetings and the related Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items No.3, 4& 5set out above are annexed hereto.

18. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 27th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

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

20. Investor Grievance Redressal: The Company has designated an exclusive e-mail id viz. investor@krantiindustries.com to enable Investors to register their complaints, if any.

21. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection. During the 27th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act

22. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/ transposition of shares. Members holding shares in dematerialized mode are requested to submit PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar & Transfer Agent.

23. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in SH-14. The said forms can be downloaded from the Members' Reference available on the Company's website under Investor resources and is also available on the website of the RTA at www.linkintime.co.in

24. The Board of Directors of the Company have appointed Mr. Siddharth Bogawat, Chartered Accountant (ICAI Membership No. 134134) as Scrutinizer to scrutinize the remote e-voting process as in a fair and transparent manner, and he has communicated his willingness to be appointed and will be available for the said purpose.

NOTICE (Contd.)

After the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), the Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, and RTA and will also be displayed on the Company's website.

25. The Company has made special arrangement with the RTA and NSDL for registration of email addresses in terms of the MCA Circulars for Members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically.

INSTRUCTIONS FOR E-VOTING AND ATTENDING THE AGM THROUGH VC/OAVM:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 the Companies (Management and Administration) Rules, 2014, and the provisions of Regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote on all items/resolutions set forth in this Notice, through remote e-voting (i.e. facility of casting votes by using an electronic voting system from a place other than the venue of AGM) or e-voting during the AGM, at Link Intime India Pvt. Ltd.'s e-voting platform. Members are provided with facility to attend the AGM through VC/OAVM facility provided by Link Intime India Pvt. Ltd.

The remote e-voting period will begin on, **Saturday, September 10, 2022 09.00 AM to September 12, 2022 05.00 PM.**

During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, September06, 2022 may cast their vote electronically. The e-Voting module shall be disabled by Link Intime India Pvt. Ltd. (LIIPL) for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the AGM.

Detailed Instructions for casting votes through e-voting system and attending the AGM through VC/OAVM are as:

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

1. **Open the internet browser and launch the URL: https://instavote.linkintime.co.in**

   Those who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

   - Click on **"Sign Up"**under **'SHARE HOLDER'**tab and register with your following details: -

   A. **User ID:**Enter your User ID

      - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
      - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
      - Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

   B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

   C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP /Company - in DD/MM/YYYY format)

   D. **Bank Account Number**: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

      - Shareholders/ members holding shares in **CDSL Demat account shall provide either 'C' or 'D', above**
      - Shareholders/ members holding shares in **NSDL Demat account shall provide 'D', above**
      - Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
      - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
      - Click "confirm" (Your password is now generated).

NOTICE (Contd.)

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIIPL: **https://instavote.linkintime.co.in**, and/or voted on an earlier event of any company then they can use their existing password to login

1. Click on **'Login'** under **'SHARE HOLDER'**tab
2. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
3. After successful login, you will be able to see the notification for e-voting. Select **'Kranti Industries Limited**Event Code: 220267
4. E-voting page will appear.
5. Refer the Resolution description and cast your vote by selecting your desired option 'Favor / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
6. After selecting the desired option i.e. Favor / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at **https://instavote.linkintime.co.in** and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event". Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account. In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.inor contact on: - Tel: 022 –4918 6000.

PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Open the internet browser and launch the URL: **https://instameet.linkintime.co.in**

- Select the "Company" and 'Event Date' and register with your following details: -

  A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.

    - Shareholders/ members holding shares in CDSL Demat account shall provide 16 Digit Beneficiary ID
    - Shareholders/ members holding shares in NSDL Demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
    - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

  B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

NOTICE (Contd.)

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting)

Members can log in and join 15 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMeet website.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Shareholders who would like to speak during the meeting must register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at mailto:cs@krantiindustries.com from September02, 2022 to September10, 2022.

Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

1. Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
2. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
3. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
4. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16-digitDemat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility

NOTICE (Contd.)

during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting. Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting. Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.inor contact on: - Tel: 022-49186175.

GUIDELINES TO ATTEND THE AGM THROUGH INSTAMEET:

For a smooth experience of viewing the AGM proceedings, shareholders/ members who are registered as speakers at the AGM are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	**Enter your First Name, Last Name and Email ID and click on Join Now.**
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

NOTICE (Contd.)

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

ITEMS NO.3

In order to secure the borrowings / financial assistance, the Company shall require to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. Pursuant to Section 180(1)(a) of the Companies Act 2013, consent of the members of the Company by way of a Special Resolution is require to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Act, it is proposed to seek approval of the shareholders for authorising Board of Directors for creating such mortgages and/or charges on the assets and properties of the Company, both present and future.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

ITEMS NO. 4

The Shareholders of the Company by way of a Special Resolution passed on September 10, 2015, had authorized the Board of Directors of the Company to borrow from time to time by way of loans and/or issue of bonds, debentures or other securities any other debt instrument upto a limit of Rs. 2,50,00,00,000/- (Rupees Two Hundred and Fifty Crore Only), excluding temporary loans obtained from the Company's bankers in the ordinary course of business.

With a view to meet the funding requirements of the Company for both short term as well as long term and for general corporate purposes, the Company may require to borrow from time to time by way of loans and/or issue of bonds, debentures or other securities and the existing approved limit may likely be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company up to Rs.300,00,00,000/- (Rupees Three Hundred Crore only).

Pursuant to Section 180(1)(c) of the Companies Act 2013, the Board of Directors of a Company shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business only with the consent of the company by a special resolution.

Accordingly, it is proposed to seek the approval of the shareholders to the borrowing limits of Rs.300,00,00,000/- (Rupees Three Hundred Crore only). (apart from temporary loans obtained from company's bankers in the ordinary course of business) for borrowings under Section 180(1) (c) of the Companies Act, 2013 by way of a Special Resolution.

None of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested in the passing of the above resolution.

ITEMS NO. 5

Considering the future business prospects available for the Company, the Board of Directors of the Company have decided to add 2 object clauses in the Memorandum of Association of the Company, considering the same, pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the consent of the members of the Company is sought to by way of a Special Resolution.

Hence the Board of Directors commends the Special Resolution set out at Item No.05 of the Notice for approval by the members.

None of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested in the passing of the above resolution.

By order of the Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

SACHIN SUBHASH VORA
CHAIRMAN & MANAGING DIRECTOR
(DIN: 02002468)

Date: August 12, 2022
Place: Pune

Standalone Financial Statements

Independent Auditor's Report and Notes to Accounts for Financial Year 2021-22

Independent Auditor's Report

To The Members of **Kranti Industries Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Kranti Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (Including other comprehensive income), Statement of change in equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed (IND AS) under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and other comprehensive income and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Sr. No.	Key Audit Matter
1	**Revenue Recognition** (refer Note. 1.11 related to Revenue) We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and estimation related to recording the discount and rebates. According to the Standalone Financial Statement' accounting principles revenue is recognized at a point in time when the control of the goods is transferred to the customer according to delivery terms. Due to variation of contractual sales terms and practices across the market and the pressure, the management may feel to achieve performance targets, there is a risk of material error. **Auditor's Response** To address this risk of material misstatement relating to revenue recognition, our audit procedures included: - Assessing the compliance of company's revenue recognition policies with applicable accounting standards, including those related to discounts and rebates. - Assessing the adequacy of relevant disclosures.

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

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

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

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

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

Independent Auditor's Report (Contd.)

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

Independent Auditor's Report (Contd.)

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

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

      i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.

      ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

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

2) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs3 and 4 of the Order.

For **A D V & ASSOCIATES**
Chartered Accountants
Firm Registration number: **128045W**

Ankit Rathi
Partner
Membership number: 162441
UDIN: 22162441AIXZBR9125

Mumbai
May 13, 2022

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kranti Industries Limited of even date)

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kraanti Industries Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A D V & ASSOCIATES**
Chartered Accountants
Firm Registration number: **128045W**

Ankit Rathi
Partner
Membership number: 162441
UDIN: 22162441AIXZBR9125

Mumbai
May 13, 2022

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kranti Industries Limited of even date)

i) In respect of the Company's Property, Plant and Equipment's and Intangible Assets:

(a) 1. According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

2. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Fixed Assets have been physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book's records and the physical fixed assets have been noticed.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii) According the information and explanations given to us, the Company has not granted any secured or unsecured loans to bodies corporate, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting under clause (iii) (a) to (f) of the order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31,2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Act. We are of the opinion, that prima facie the prescribed accounts and records have been maintained by the Company. The contents of these accounts and records have not been examined by us.

vii) According to the information and explanations given to us, in respect of statutory dues:

a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has generally been regular in depositing undisputed statutory dues including Income-Tax, Goods and Services Tax and any other material statutory dues applicable to it with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.

c) According to the information and explanations given to us, there are no dues of income tax, duty of excise and service tax and value added tax have not been deposited with the appropriate authorities on account of any dispute.

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

Independent Auditor's Report (Contd.)

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) The company has not received any whistle blower complaints during the year (and upto the date of this report).

xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) The provision of sub-section (5) of Section 135 of the Companies Act, 2013 not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **A D V & ASSOCIATES**
Chartered Accountants
Firm Registration number: **128045W**

Ankit Rathi
Partner
Membership number: 162441
UDIN: 22162441AIXZBR9125

Mumbai
May 13, 2022

Standalone Balance sheet

as on 31 March 2022

₹ in lakhs

	Note	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	2	3,095.84	3,168.31	3,157.01
(b) Right-of-use asset	3	501.96	160.85	170.83
(c) Capital work-in-progress	4	429.13	98.28	1.35
(d) Intangible assets	5	18.92	10.58	10.51
(e) Financial assets				
(i) Investment	6	335.51	314.27	310.95
(ii) Others	7	28.15	28.15	25.67
(f) Income tax assets (net)	33	25.95	30.11	21.86
(g) Other non-current assets	8	-	30.15	99.22
Total non-current assets		**4,435.46**	**3,840.71**	**3,797.40**
Current assets				
(a) Inventories	9	824.53	780.61	690.61
(b) Financial assets				
(i) Trade receivables	10	608.81	855.61	341.13
(ii) Cash and cash equivalents	11	0.45	158.52	65.13
(iii) Other financial assets	12	2.36	2.37	1.52
(c) Other current assets	13	42.45	66.55	45.05
Total current assets		**1,478.60**	**1,863.66**	**1,143.46**
TOTAL ASSETS		**5,914.06**	**5,704.38**	**4,940.85**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	23	1,056.24	880.20	880.20
(b) Other equity	24	1,166.08	1,136.42	1,143.75
Total equity		**2,222.32**	**2,016.62**	**2,023.95**
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	959.21	1,641.85	1,445.02
(ii) Lease liabilities	15	270.38	21.99	52.66
(b) Other non-current liabilities	16	1.41	1.82	2.61
(c) Deferred tax liabilities (Net)	33	114.54	103.85	108.96
Total non-current liabilities		**1,345.54**	**1,769.51**	**1,609.25**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	1,169.95	648.80	531.34
(ii) Lease liabilities	18	77.79	30.67	50.89
(iii) Trade payables	19			
a) total outstanding dues of micro enterprises and small enterprises		271.77	367.39	240.67
b) total outstanding dues of creditors other than micro enterprises and small enterprises		567.80	674.11	403.24
(iv) Other financial liabilities	20	167.85	101.81	43.66
(b) Other current liabilities	21	70.57	86.07	21.30
(c) Provisions	22	19.27	9.41	16.56
(d) Income tax liabilities (net)	33	1.20	-	-
Total current liabilities		**2,346.20**	**1,918.25**	**1,307.66**
Total liabilities		**3,691.74**	**3,687.76**	**2,916.91**
TOTAL EQUITY AND LIABILITIES		**5,914.06**	**5,704.38**	**4,940.85**
Significant accounting policies	1			
Notes to the financial statements	1-50			

As per our report of even date attached

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

Ankit Rathi
Partner
Membership no - 162441

Place : Mumbai
Date : May 13, 2022

For and on behalf of the board of directors of Kranti Industries Limited

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Standalone Statement of Profit & Loss

for the year 31 March 2022

₹ in lakhs

	Note	For year ended 31 March 2022	For year ended 31 March 2021
Revenue			
Revenue from operations	25	9,183.28	5,400.77
Other income (net)	26	17.44	41.68
Total revenue		**9,200.72**	**5,442.44**
Expenses			
Cost of material, operation and incidental cost	27	6,072.45	3,336.13
Changes in inventories of finished goods and work-in-progress	28	23.68	(28.53)
Employee benefits expenses	29	992.65	717.53
Finance costs	30	199.48	165.40
Depreciation and amortisation expenses	31	389.97	348.71
Other expenses	32	1,252.97	915.04
Total expenses		**8,931.19**	**5,454.29**
Profit before tax		**269.53**	**(11.84)**
Tax expense:	33		
Current tax		49.53	-
Deferred tax		59.17	(6.19)
MAT Credit Entitlement		(49.53)	-
Profit for the year		**210.36**	**(5.65)**
Other comprehensive income/(loss) for the year			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability / (asset)		4.05	4.15
Income tax on remeasurements of defined benefit liability / (asset)		(1.05)	(1.08)
		3.00	**3.07**
Other comprehensive income (net of tax)		**3.00**	**3.07**
Total comprehensive income for the year		**213.36**	**(2.58)**
Earnings per equity share (face value of Rs. 10 each)			
Basic earnings per share	34	1.99	(0.05)
Diluted earnings per share		1.99	(0.05)
Significant accounting policies	1		
Notes to the financial statements	1-50		

As per our report of even date attached

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

Ankit Rathi
Partner
Membership no - 162441

Place : Mumbai
Date : May 13, 2022

For and on behalf of the board of directors of Kranti Industries Limited

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Standalone Statement of Cash flows

for the year 31 March 2022

₹ in lakhs

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
A. Cash flow from operating activities				
Net Profit before extraordinary items and tax		269.53		(11.84)
Adjustments for:				
Interest received	(15.40)		(6.69)	
Dividend received	-		(0.22)	
Profit on sale of Assets	-		(32.60)	
Interest paid	193.26		163.02	
Depreciation and amortisation	389.97		348.71	
Commision income on corporate guarantee	(0.92)		(1.05)	
Fair valuation gain/loss on instruments measured at fair value through profit and loss account	(1.11)		(1.12)	
		565.80		470.05
Operating profit before working capital changes		**835.33**		**458.21**
Changes in working capital:				
(Increase) in other non-current liabilities	0.52		0.25	
(Increase) / Decrease in other non-current financial assets	-		(2.48)	
Decrease in other non-current assets	(61.62)		69.07	
Decrease / (Increase) in inventories	(43.92)		(90.00)	
(Increase) in trade receivables	246.80		(514.47)	
Decrease / (Increase) in other current financial assets	0.01		(0.85)	
Decrease in other current assets	24.10		(21.49)	
Increase / (Decrease) in trade payables	(201.93)		397.59	
Increase in other current financial liabilities	66.04		58.15	
(Decrease) /Increase in other current liabilities	(15.50)		64.78	
Increase in current provisions	12.87		(4.09)	
		27.36		(43.55)
Cash generated from operations		862.69		414.66
Net income tax (paid)		(43.12)		(7.17)
Net cash flow generated from operating activities		**819.57**		**407.49**
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets and capital work-in-progress	(648.35)		(521.97)	
Sale proceeds of property, plant and equipment	99.49		107.52	
Purchase of non-current investments	(20.13)		(2.20)	
Dividend received	-		0.22	
Interest received	15.40		6.69	
Net cash flow (used in) investing activities		**(553.59)**		**(409.74)**

Standalone Statement of Cash flows (Contd.)

for the year 31 March 2022

₹ in lakhs

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
C. Cash flow from financing activities				
Long-term borrowings (repaid) during the year	(682.64)		196.84	
(Repayment) / Proceeds of short-term borrowings (net)	521.12		117.46	
Interest paid	(171.97)		(154.30)	
Leases				
Principal	(61.64)		(50.89)	
Interest	(21.28)		(8.72)	
Transaction costs on issue of shares	(7.65)		(4.75)	
Net cash flow (used in) financing activities		**(424.05)**		**95.64**
Net (decrease) in Cash and cash equivalents (A+B+C)		**(158.07)**		**93.39**
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		**158.52**		**65.13**
Cash and cash equivalents at the end of the year		**0.45**		**158.52**

Notes to cash flow statement

(i) The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

(ii) Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.

(iii) For the purpose of cash flow, Cash and cash equivalents comprise :

	For the year ended 31 March 2022	For the year ended 31 March 2022
Cash on hand	0.35	0.57
Balances with bank	-	157.61
- Current accounts	0.10	0.34
	0.45	158.52

See accompanying notes forming integral part of these standalone financial statements 1-50

As per our report of even date attached

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

For and on behalf of the board of directors of Kranti Industries Limited

Ankit Rathi
Partner
Membership no - 162441

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Place : Mumbai
Date : May 13, 2022

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Standalone Statement of changes in equity

for the year 31 March 2022

(a) Equity share capital

	As at 31 March 2022		As at 31 March 2021		As at 01 April 2020	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	88,02,000	880.20	88,02,000	880.20	88,02,000	880.20
Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	88,02,000	880.20	88,02,000	880.20	88,02,000	880.20
Changes in equity share capital during the year	17,60,400	176.04	-	-	-	-
Balance at the end of the reporting year	**1,05,62,400**	**1,056.24**	**88,02,000**	**880.20**	**88,02,000**	**880.20**

(b) Other equity

Particulars	Reserves and Surplus			Other equity	Total other equity
	Retained Earnings	Securities Premium	General reserve	Equity contribution from shareholders	
Balance at 01 April 2020	**691.00**	**342.61**	**30.00**	**80.14**	**1,143.75**
Total comprehensive income for the year ended 31 March 2021					-
Add/(Less):					-
Profit for the year	(5.65)	-	-	-	**(5.65)**
Other comprehensive income (net of tax)					-
- Remeasurements of post employment benefit obligations	3.07		-	-	**3.07**
Transaction costs on issue of shares	-	(4.75)	-	-	**(4.75)**
Transfer from / (to) other reserves	2.47	-	-	(2.47)	**(0.00)**
Total comprehensive income	**(0.11)**	**(4.75)**	**-**	**(2.47)**	**(7.33)**
Balance at 31 March 2021	**690.89**	**337.86**	**30.00**	**77.67**	**1,136.42**
Appropriations					-
Total comprehensive income for the year ended 31 March 2022					-
Add/(Less):					-
Profit for the year	210.36	-	-		**210.36**
Other comprehensive income (net of tax)	-	-			-
- Remeasurements of post employment benefit obligations	3.00	-			**3.00**
Issue of bonus shares	-	(176.05)	-		**(176.05)**
Transaction costs on issue of shares		(7.65)			**(7.65)**
Transfer from / (to) other reserves	8.36	-		(8.36)	-
Total comprehensive income	**221.72**	**(176.05)**	**-**	**(8.36)**	**29.66**
Balance at 31 March 2022	**912.61**	**161.81**	**30.00**	**69.31**	**1,166.08**

Nature and purpose of reserves

i) Securities premium

Securities premium account is used to record the premium on issue of shares.

ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

iii) General reserve

It is created by setting aside amount from the retained earnings of the company for general purposes which is freely available for distribution.

iv) Equity contribution from shareholders

Equity contribution from shareholders represents deemed equity with respect to interest free unsecured loans given by the shareholders.

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

For and on behalf of the board of directors of
Kranti Industries Limited

Ankit Rathi
Partner
Membership no - 162441

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Place : Mumbai
Date : May 13, 2022

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

Summary of significant accounting policies and notes forming part of the financial statements.

Corporate overview

Kranti Industries Limited a premier engineering company established in the year 1995. It is a Public limited Company engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies like CNH Industrial (India) Private Limited, Graziano Transmission India Private Limited, Escorts Limited, Neosym Industry Limited, Etc.

1. Significant accounting policies

1.1. Basis of preparation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, (the 'Act') read with rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 and relevant amendment rules issued thereafter.

The Company's financial statements up to and for the year ended 31 March 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under the section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 45.

The financial statements were authorised for issue by the Board of Directors on May 13, 2022.

- **Functional and presentation currency**

  These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded-off to the nearest lakhs (`), as per the requirements of Schedule III of the Act, unless otherwise stated.

1.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

1.3. Use of judgements estimates and assumptions.

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 41– classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 2,3– Useful life of depreciable assets – Property, Plant and Equipment and intangible assets.
- Note 35 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 33 – Recognition of tax expense including deferred tax.

14. Current and non-current classification of assets and liabilities

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

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

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

The company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

1.5. Property, plant and equipment:

- **Recognition and measurement**

  Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

- **Subsequent costs**

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

- **Disposal**

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

- **Depreciation**

  Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Part C of Schedule II of the Companies Act, 2013 except in respect of certain assets listed below where the useful life is estimated different from prescribed rate based on internal assessment or independent technical evaluation carried out by external valuers. The Management believes that the useful lives as given below represent the period over which management expects to use these assets.

Class of Assets	Useful life as per Management estimate in years	Useful life as per Schedule II of the Companies act, 2013
Plant and Machinery	20	15
Factory Building	40	30
Furniture and fixtures	10	10
Electrical Installation	10	10
Office equipment	5	5
Computer	3	3
Tools and Instruments	10	10
Motor Vehicle	8	8

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1.6. Intangible assets:

- **Recognition and measurement**

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

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

  Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to complete development and to use or sell the asset.

- **Subsequent measurement**

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

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

- **Disposal**

  Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

1.7. Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

1.8. Impairments of non-financial assets:

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9. Inventories:

Inventories of raw materials including stores, spares and consumables, packing materials, semi-finished goods, work-in-progress, finished goods are valued at the lower of cost and estimated net realizable value. Cost is determined on weighted average basis. The cost of work-in-progress, semi-finished goods and finished goods includes the cost of material, labor and proportion of manufacturing overheads.

1.10. Revenue recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The company collects excise duty, service tax, value added taxes (VAT) and Goods and service tax GST as applicable on behalf of the government

Notes to the Standalone Financial Statements

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and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Revenue is disclosed, net of trade discounts and excise duty.

Sale of goods

Sales are recognized when products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Due from customers if any are measured at the selling price of the work performed. Prepayments from customers are recognized as liabilities.

Sale of services

a. Timing of recognition Revenue from rendering of services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Job-work revenues are accounted as and when such services are rendered.

b. Measurement of revenue estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Recognition of dividend income, interest income:

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

1.11. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

1.12. Employee benefits:

- **Short-term employee benefits**

  Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

- **Post-employment benefits**

  Defined contribution plans

  Contributions to the provident fund which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

  If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

1.13. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

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

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

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

Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

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

1.14. Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.15. Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of:

a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

present obligation arising from past events, when no reliable estimate is possible

a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.16. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

1.17. Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

1.18. Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the

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capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Notes to the Standalone Financial Statements

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Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.19. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.20. Financial instruments

1.20.1. Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

a) At amortised cost

b) At fair value through Other Comprehensive Income ('FVTOCI')

c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

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(b) Financial assets classified as measured at FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained earnings. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial asset

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

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balances.
- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

1.20.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

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(a) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

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

Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

1.21. Operating Segment

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker.

Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

1.22. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

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Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

2 Property, plant and equipment

₹ in lakhs

Description	Freehold land	Buildings	Plant and equipment	Furniture and Fittings	Vehicles - Others	Office Equipments	Computers	Tools and Fixtures	Total Owned assets	Right-of-use assets Plant and equipment	Total Owned + Right-of-use assets
Gross block											
Balance as at 01 April 2020	580.58	663.77	5,522.46	99.21	29.40	21.65	16.91	105.22	7,039.20	170.83	7,210.03
Additions	40.50	-	348.14	-	-	2.67	2.06	28.65	422.02	-	422.02
Deletion	-	-	(142.42)	(27.10)	(6.03)	(8.84)	(11.75)	(22.96)	(219.10)	-	(219.10)
Balance as at 31 March 2021	**621.08**	**663.77**	**5,728.18**	**72.11**	**23.37**	**15.48**	**7.22**	**110.91**	**7,242.12**	**170.83**	**7,412.95**
Balance as at 01 April 2021	621.08	663.77	5,728.18	72.11	23.37	15.48	7.22	110.91	7,242.12	170.83	7,412.95
Additions	16.95	-	228.82	-	22.47	3.15	3.98	20.15	295.52	448.93	744.45
Disposals	-	-	-	-	-	-	-	-	-	(99.49)	(99.49)
Balance as at 31 March 2022	**638.03**	**663.77**	**5,957.00**	**72.11**	**45.84**	**18.63**	**11.20**	**131.06**	**7,406.58**	**520.27**	**8,057.91**
Accumulated depreciation											
Balance as at 01 April 2020	-	345.99	3,373.70	77.37	17.96	17.32	14.79	35.06	3,882.19	-	3,882.19
Depreciation for the year	-	23.09	279.98	5.32	3.52	2.15	1.18	20.56	335.80	9.98	345.78
Depreciation on disposals	-	-	(74.62)	(25.76)	(5.63)	(8.40)	(11.27)	(18.50)	(144.18)	-	(144.18)
Balance as at 31 March 2021	**-**	**369.08**	**3,579.06**	**56.93**	**15.85**	**11.07**	**4.70**	**37.12**	**4,073.81**	**9.98**	**4,083.79**
Balance as at 01 April 2021	-	369.08	3,579.06	56.93	15.85	11.07	4.70	37.12	4,073.81	9.98	4,083.79
Depreciation for the year	-	21.38	312.98	3.94	2.46	2.34	1.98	22.91	367.99	16.90	384.89
Depreciation on disposals	-	-	-	-	-	-	-	-	-	(8.57)	(8.57)
Balance as at 31 March 2022	**-**	**390.46**	**3,892.04**	**60.87**	**18.31**	**13.41**	**6.68**	**60.03**	**4,441.80**	**18.31**	**4,460.11**
Net block											
As At 31 March 2022	**638.03**	**273.31**	**2,064.96**	**11.24**	**27.53**	**5.22**	**4.52**	**71.03**	**3,095.84**	**501.96**	**3,597.80**
As At 31 March 2021	**621.08**	**294.69**	**2,149.12**	**15.18**	**7.52**	**4.41**	**2.52**	**73.79**	**3,168.31**	**160.85**	**3,329.16**
As At 01 April 2020	**580.58**	**317.78**	**2,148.76**	**21.84**	**11.44**	**4.33**	**2.12**	**70.16**	**3,157.01**	**170.83**	**3,327.84**

There are no immovable properties the title deeds of which are not held in the name of the company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

4 Capital work-in-progress

₹ in lakhs

Description	Factory Building	Capital Work in progress	Total
Balance as at 01 April 2020	-	1.35	1.35
Additions	98.28	-	98.28
Capitalised during the year	-	(1.35)	(1.35)
Balance as at 31 March 2021	**98.28**	**-**	**98.28**
Balance as at 01 April 2021	98.28	-	98.28
Additions	330.85	-	330.85
Capitalised during the year	-	-	-
Balance as at 31 March 2022	**429.13**	**-**	**429.13**

Capital work-in-progress aging schedule

Capital work-in-progress s	Amount in capital work-in-progress for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Balance as at 31 March 2022	330.85	98.28	-	-	429.13
Balance as at 31 March 2021	98.28	-	-	-	98.28
Balance as at 01 April 2020	-	1.35	-	-	1.35

There are no projects which are suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

5 Other Intangible assets

₹ in lakhs

Description	Trade Mark	Softwares	Total Owned assets
Gross block			
Balance as at 01 April 2020	0.30	14.08	14.38
Additions	-	3.01	3.01
Deletion	-	-	-
Balance as at 31 March 2021	**0.30**	**17.09**	**17.39**
Balance as at 01 April 2021	0.30	17.09	17.39
Additions	-	13.41	13.41
Disposals	-	-	-
Balance as at 31 March 2022	**0.30**	**30.50**	**30.80**
Amortisation			
Balance as at 01 April 2020	0.23	3.64	3.87
Amortisation for the year	0.02	2.92	2.94
Depreciation on disposals	-	-	-
Balance as at 31 March 2021	**0.25**	**6.56**	**6.81**
Balance as at 01 April 2021	0.25	6.56	6.81
Depreciation for the year	0.01	5.06	5.07
Depreciation on disposals	-	-	-
Balance as at 31 March 2022	**0.26**	**11.62**	**11.88**
Net block			
As At 31 March 2022	**0.04**	**18.88**	**18.92**
As At 31 March 2021	**0.05**	**10.53**	**10.58**
As At 01 April 2020	**0.07**	**10.44**	**10.51**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

6 Non-current investments

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Investments in subsidiaries at cost			
970 (31 March 2021 : 970; 1 April 2020 : 970) Investment in equity shares of Wonder Precision Private Limited of Rs. 100/- each	277.14	277.14	277.14
Investments in associates at cost			
1,50,000 (31 March 2021 : 1,50,000; 1 April 2020 : 1,50,000) Investment in equity shares of Kranti SFCI Private Limited of Rs. 10/- each	15.00	15.00	15.00
	292.14	**292.14**	**292.14**
Investments carried at fair value through other comprehensive income (FVTOCI)			
Investment in equity shares - Unquoted			
8,200 (31 March 2021 : 8,200; 1 April 2020 : 8,200) Investment in equity shares of Cosmos Co-operative Bank Limited of Rs. 100/- each	8.20	8.20	8.20
	8.20	**8.20**	**8.20**
Investments carried at fair value through profit and loss (FVTPL)			
Investment in Mutual funds - Quoted			
31,968 (31 March 2021 : 31,968; 1 April 2020 : 31,968) units of Aditya Birla Short Term Opportunities Fund	12.24	11.69	10.61
6,951 (31 March 2021 : Nil; 1 April 2020 : Nil) units of Aditya Birla Banking and PSU fund	20.61	-	-
681 (31 March 2021 : 681; 1 April 2020 : Nil) units of Aditya Birla Sun Life Liquid Fund	2.32	2.24	-
	35.17	13.93	10.61
	335.51	**314.27**	**310.95**
(a) Aggregate amount of quoted investments	35.17	13.93	10.61
(b) Aggregate market value of quoted investments	35.17	13.93	10.61
(a) Aggregate amount of unquoted investments	300.34	300.34	300.34
(b) Aggregate amount of impairment in value of investments	-	-	-

7 Non - current financial assets - Others

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
(Unsecured, considered good)			
Security deposits	28.15	28.15	25.67
	28.15	**28.15**	**25.67**

Refer Note 38 for Related Party Disclosures

8 Other non-current assets

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
(Unsecured, considered good)			
Capital advance	-	-	57.21
Balance with government authorities	-	30.15	42.01
	-	**30.15**	**99.22**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

9 Inventories

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Raw Materials, Components, Consumables	655.16	587.56	526.09
Work-in-progress, Stores and Spares	169.37	193.05	164.52
	824.53	**780.61**	**690.61**

10 Trade receivables

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
(Unsecured, considered good)			
Trade receivables	608.81	855.61	341.13
	608.81	**855.61**	**341.13**
(Outstanding from due date of payment / from date of transaction)			
(i) Undisputed Trade Receivables – considered good			
Less than 6 months	608.81	820.61	306.13
6 months - 1 year	-	-	35.00
1-2 years	-	35.00	-
2-3 years	-	-	-
More than 3 years	-	-	-
	608.81	855.61	341.13
(ii) Undisputed Trade Receivables – which have significant increase in credit risk			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
	-	-	-
(iii) Undisputed Trade Receivables – credit impaired			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
	-	-	-
(iv) Disputed Trade Receivables – considered good			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
(v) Disputed Trade Receivables – which have significant increase in credit risk			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	-	-
(vi) Disputed Trade Receivables – credit impaired			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	-	-
(vii) Unbilled dues			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	-	-
Less: Provision for doubtful receivables	-	-	-
	608.81	**855.61**	**341.13**

11 Cash and cash equivalents

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Cash-in-hand	0.35	0.57	1.34
Current accounts	0.10	0.34	4.80
Bank deposits with maturity less than 3 Months	-	157.61	58.99
	0.45	**158.52**	**65.13**

12 Other current financial assets

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Interest receivable	0.71	0.72	1.52
Security deposits	1.65	1.65	-
	2.36	**2.37**	**1.52**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

13 Other current assets

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Advance to creditors	34.61	45.66	25.41
Advance to employees	0.66	0.51	0.46
Prepaid expenses	7.18	20.38	19.18
	42.45	**66.55**	**45.05**

14 Non-current financial liabilities - borrowings

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Term loans from banks and financials institutions	959.21	1,315.86	1,121.93
Loans from related parties	-	325.99	323.09
	959.21	**1,641.85**	**1,445.02**

a. Term Loan availed from HDFC bank for Plant and Machinery. secured by way of first mortgage /charge on the plant and machinery and mortgage of immovable property situated at Gat No. 267/B/1, Pirangut, Pune.

b. Term Loan availed from Standard Chartered bank as working capital requirement This loan is secured by way of first mortgage / charge on Flat owned by Director Situated at Isha Pearl, Kodhwa, Pune.

c. Term loan availed from TATA Capital for Machinery. This loan is secured by way of first mortgage /charge on the machinery Purchased.

d. TATA CAPITAL is a supplier Credit availed for purchase of Machinery The Loan is secured by Mortgage of Machinery, The supplier credit maturity is in Mar 2021 and on maturity will be converted to Term Loan.

e. ABFL : These loans are availed under Guaranteed Emergency Credit Line (GECL) as made available during COVID-19 crisis to augment their net-working capital.

f. Aditya Birla: This loan is availed for the Purchase of Industrial Land at Gat no 1121, Pirangut Pune. This loan is secured by way of first mortgage / charge on the Land Purchased.

g. EFL This Credit is availed from Electronica Finance Limited for purchase of Machinery The Loan is secured by Mortgage of Machinery.

15 Lease liabilities - Non-current

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Lease liabilities	270.38	21.99	52.66
	270.38	**21.99**	**52.66**

16 Other non-current liabilities

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Deferred income on corporate guarantee	1.41	1.82	2.61
	1.41	**1.82**	**2.61**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

17 Borrowings - Current

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Secured			
Cash-credit from bank*	478.93	339.25	355.21
Bill discounting from banks	-	60.00	-
Current maturities of long-term debts	392.50	249.55	176.13
Loans from related parties	298.52	-	-
	1,169.95	**648.80**	**531.34**

*Secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment.

The Company has borrowings from banks against the security of current assets and the company is submitting the monthly statement of stock and receivables to the banks. The monthly statements of current asset filed by the company are in agreement with the books of accounts with a variation of 15%. Such variations are incorprated along with any other audit related changes at their respective time intervals. Following is the variance table in the respective months:

Quarter	Current Assets - Submitted to Banks	Current Assets As per Books	Change
Jun-21	1,708.80	1,534.83	11.33%
Sep-21	1,875.24	1,874.74	0.03%
Dec-21	1,889.12	1,893.35	-0.22%
Mar-22	1,583.73	1,422.21	11.36%

18 Lease liabilities - Current

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Lease liabilities	77.79	30.67	50.89
	77.79	**30.67**	**50.89**

19 Trade payables

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Total outstanding dues to micro enterprises and small enterprises	271.77	367.39	240.67
Total outstanding dues to creditors other than micro enterprises and small enterprises	567.80	674.11	403.24
	839.57	**1,041.50**	**643.91**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

₹ in lakhs

Particulars (Outstanding from due date of payment / from date of transaction)	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
(i) MSME			
Less than 1 year	271.77	367.39	240.67
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	271.77	**367.39**	**240.67**
(ii) Others			
Less than 1 year	567.80	674.11	403.24
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	567.80	**674.11**	**403.24**
(iii) Disputed dues - MSME			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	**-**	**-**
(iv) Disputed dues – Others			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	**-**	**-**
(v) Accruals			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	**-**	**-**
	839.57	**1,041.50**	**643.91**

20 Other current financial liabilities

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Employee benefits payable	54.19	51.03	22.32
Audit fees payable	1.48	1.50	1.48
Legal fees payable	0.41	0.44	0.43
Electricity expenses payable	15.22	23.09	15.43
Expenses payable	92.08	22.07	1.18
Interest payable	4.47	3.68	2.82
	167.85	**101.81**	**43.66**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

21 Other current liabilities

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Statutory dues payable	59.44	83.07	21.30
Advance received from customers	11.13	3.00	-
	70.57	**86.07**	**21.30**

22 Provisions - Current

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Provision for gratuity	9.72	9.41	16.56
Provision for leave encashment	9.55	-	-
	19.27	**9.41**	**16.56**

23 Share capital

₹ in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Authorised :			
1,50,00,000 (31 March 2021 : 1,50,00,000 ; 1 April 2020 : 1,00,00,000) equity shares of Rs.10 each.	1,500.00	1,500.00	1,000.00
TOTAL	**1,500.00**	**1,500.00**	**1,000.00**
Issued, subscribed and paid-up:			
1,05,62,400 (31 March 2021 : 88,02,000 ; 1 April 2020 : 88,02,000) equity shares of Rs.10 each fully paid-up	1,056.24	880.20	880.20
	1,056.24	**880.20**	**880.20**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity shares :	31 March 2022 No. of Shares	31 March 2021 No. of Shares	01 April 2020 No. of Shares
Outstanding at the beginning of the year	88,02,000	88,02,000	88,02,000
Equity shares issued during the year*	17,60,400	-	-
Outstanding at the end of the year	**1,05,62,400**	**88,02,000**	**88,02,000**

*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported, Hence the EPS for the previous reporting period adjusted considering the no bonus issue shares issued.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2022		31 March 2021		01 April 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Indubala S. Vora	20,74,441	19.64%	17,22,700	19.57%	16,98,700	19.30%
Mr. Sachin S. Vora	19,51,200	18.47%	16,26,000	18.47%	16,02,000	18.20%
Mr. Sumit S. Vora	18,54,036	17.55%	15,45,030	17.55%	15,39,030	17.49%
Smc Global Securities Ltd.	6,27,840	5.94%	6,12,000	6.95%	6,93,000	7.87%

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2022			31 March 2021		
Name of the Promoter	No. of Shares	% of Holding	% change	No. of Shares	% of Holding	% change
Mrs. Indubala S. Vora	20,74,441	19.64%	0.07%	17,22,700	19.57%	0.27%
Mr. Sachin S. Vora	19,51,200	18.47%	0.00%	16,26,000	18.47%	0.27%
Mr. Sumit S. Vora	18,54,036	17.55%	0.00%	15,45,030	17.55%	0.07%

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	01 April 2020	
Name of the Promoter	No. of Shares	% of Holding
Mrs. Indubala S. Vora	16,98,700	19.30%
Mr. Sachin S. Vora	16,02,000	18.20%
Mr. Sumit S. Vora	15,39,030	17.49%

24 Other equity

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
A. Retained earnings	912.61	690.89	691.00
B. Securities premium	154.16	337.86	342.61
C. General reserve	30.00	30.00	30.00
D. Equity contribution from shareholders	69.31	77.67	80.14
	1,166.08	**1,136.42**	**1,143.75**

	As at 31 March 2022	As at 31 March 2021
Retained earnings		
Opening balance	690.89	691.00
Add/(Less):		
Profit for the year	210.36	(5.65)
Remeasurements of defined benefit liability / (asset)	3.00	3.07
Transfer from / (to) other reserves	8.36	2.47
Closing balance	**912.61**	**690.89**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

	As at 31 March 2022	As at 31 March 2021
Securities premium		
Opening balance	337.86	342.61
Changes during the year	(176.05)	-
Transaction costs on issue of shares	(7.65)	(4.75)
Closing balance	**154.16**	**337.86**
General Reserve		
Opening balance	30.00	30.00
Changes during the year	-	-
Closing balance	**30.00**	**30.00**
Equity contribution from shareholders		
Opening Balance	77.67	80.14
Transfer from/ to reserves	(8.36)	(2.47)
Closing Balance	**69.31**	**77.67**

25 Revenue from operations

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Sales of goods	8,132.85	4,710.97
Sale of services (Labour charges)	606.26	444.42
Other non operating income		
Sale of Scrap	396.52	222.65
Cash discount received	47.65	22.73
	9,183.28	**5,400.77**

26 Other income

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Interest		
Interest on Deposits	15.41	6.69
Profit on Sale of Assets	-	32.60
Commision income on corporate guarantee	0.92	1.05
Fair valuation gain/loss on instruments measured at fair value through profit and loss	1.11	1.12
Dividend on shares	-	0.22
	17.44	**41.68**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

27 Cost of materials consumed

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Opening inventory	587.57	526.09
Add:		
Purchases during the year	6,104.92	3,372.66
Freight & Octroi	35.12	24.94
Closing inventory	(655.16)	(587.56)
	6,072.45	**3,336.13**

28 Changes in inventories of finished goods and work-in-progress

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Opening Work-in-Progress	193.05	164.52
Closing Work-in-Progress	(169.37)	(193.05)
	23.68	**(28.53)**

29 Employee benefits expense

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Salaries and Wages	856.89	615.21
Bonus and Incentives	39.16	30.81
Gratuity paid	10.92	7.54
P.F. Contribution	29.92	24.84
Esic : Employer's Contribution	3.82	2.93
Welfare Fund Deducted	0.08	0.06
Staff Welfare	7.17	4.77
Leave Encashment provision	9.55	-
Directors Remuneration	35.14	31.37
	992.65	**717.53**

30 Finance costs

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Interest on Term Loan	80.87	57.63
Interest on Cash Credit, Bill Discounting	63.37	68.52
Interest on Unsecured Loans and Deposits	27.53	27.90
Interest on corporate guarantee	0.52	0.25
Interest on unwinding lease liabilities	21.28	8.72
Bank Charges	5.91	2.38
	199.48	**165.40**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

31 Depreciation and amortisation

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 2)	368.00	335.79
Depreciation of intangible assets (refer note 5)	5.07	2.94
Depreciation of right-of-use asset (refer note 2)	16.90	9.98
	389.97	**348.71**

32 Other expenses

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Manufacturing Expenses		
Power and Fuel	291.38	240.72
Repairs to Machinery	221.96	143.75
Job work and labour charges	298.49	193.79
Lease Rental	6.60	1.65
Packing Material	176.78	101.70
Sales, administration and other expenses		
Advertisement	0.93	0.21
Audit Fees	1.00	1.80
Conveyance and Travelling	9.42	7.00
Insurance	8.75	7.83
Interest paid on Govt. Dues	0.14	-
Legal and Professional Fees	26.80	7.06
Legal Expenses	6.09	7.92
Office Expenses	32.11	22.57
Postage and Courier	0.15	0.08
Printing and Stationary	5.71	3.50
Profession Tax	0.03	0.03
Rates and Taxes	3.27	3.15
Repairs and Maintenance	9.70	7.76
Sales Promotion, entertainment and Ceremony expenditure	20.87	26.68
Security Charges	15.62	13.75
Housekeeping Expenses	18.21	14.75
Subscription and contribution	3.36	1.80
Transport Charges	78.68	92.53
Round Off	0.01	-
Telephone Expenses	1.76	1.73

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Water Charges	8.62	5.05
Foreign Currency Gain/Loss	0.13	0.05
Accounts / Liability Written Back	0.64	7.84
Donations	-	0.15
MVAT Paid	5.76	-
Ceremony Expenses	-	0.19
	1,252.97	**915.04**
Payment to auditor (excluding goods and service tax)		
As auditor		
Statutory audit fees	1.00	1.00
Tax audit fees	-	0.40
GST audit fees	-	0.40
	1.00	**1.80**

33 Taxes

a) Statement of profit or loss

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Current tax:		
Current income tax charge	49.53	-
Deferred tax	59.17	(6.19)
MAT credit entitlement	(49.53)	-
Income tax expense reported in the statement of profit or loss	**59.17**	**(6.19)**

b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the year

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Deferred tax		
Remeasurements gains and losses on post employment benefits	(1.05)	(1.08)
Income tax recognised in OCI	**(1.05)**	**(1.08)**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

c) Balance sheet

Particulars	31 March 2022	31 March 2021	01 April 2020
Non- current tax assets	25.95	30.11	21.86
Current tax assets	-	-	-
Total tax assets	**25.95**	**30.11**	**21.86**

Current tax liabilities

Particulars	31 March 2022	31 March 2021	01 April 2020
Income tax (net of provision)	1.20	-	-
Total current tax liabilities	**1.20**	**-**	**-**

d) Deferred tax

Particulars	31 March 2022	31 March 2021	01 April 2020
Deferred tax liability (DTL)			
Excess of depreciation/amortisation on property, plant and equipment under income tax act	166.02	169.97	127.32
Borrowings	-	0.15	-
Unsecured borrowings	6.88	14.04	21.30
Leases	25.87	10.64	-
	198.77	**194.80**	**148.62**
Deferred tax asset (DTA)			
MAT credit entitlement	(71.86)	(22.35)	(22.35)
Gratuity	(2.53)	(0.37)	(2.23)
Deferred tax on brought forward losses	(6.77)	(67.76)	(14.40)
Leave encashment	(2.48)	-	-
Corporate guarantee	(0.37)	(0.47)	(0.68)
Borrowings	(0.22)	-	-
	(84.23)	**(90.95)**	**(39.66)**
Net deferred tax liability/(asset)	**114.54**	**103.85**	**108.96**

e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:

	For year ended 31 March 2022	For year ended 31 March 2021
Accounting profit before tax	269.53	(11.84)
Tax as per IT Act on above @ 26.00% (Prev. year - 26.00%) (A)	70.08	(3.08)
Tax expenses		
(i) Current tax	49.53	-
(ii) Deferred tax	59.17	(6.19)
(iii) MAT credit entitlement	(49.53)	-
(B)	**59.17**	**(6.19)**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

f) Movement in temporary differences:

	01 April 2020	Recognised in profit or loss during the year	Recognised in OCI during the year	31 March 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	Movement in Balance shaeet	31 March 2022
Deferred tax liability (DTL)								
Excess of depreciation/amortisation on property, plant and equipment under income tax act	127.32	42.65	-	169.97	(3.95)	-		166.02
Borrowings	-	0.15	-	0.15	(0.15)	-		-
Unsecured borrowing	21.30	(7.26)	-	14.04	(7.16)	-		6.88
Interest cost on PPE	-	-	-	-	(0.22)	-		(0.22)
MAT credit entitlement	(22.35)	-	-	(22.35)	(49.51)	-		(71.86)
Leases	-	10.64	-	10.64	15.23	-		25.87
Gratuity	(2.23)	0.78	1.08	(0.37)	(3.21)	1.05		(2.53)
Deferred tax on brought forward losses	(14.40)	(53.36)	-	(67.76)	60.99	-		(6.77)
Leave encashment	-	-	-	-	(2.48)	-		(2.48)
Corporate guarantee	(0.68)	0.21	-	(0.47)	0.10	-		(0.37)
	108.96	**(6.19)**	**1.08**	**103.85**	**9.64**	**1.05**	**-**	**114.54**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

34 Earnings Per Share

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Profit / (Loss) attributable to equity shareholders	210.36	(5.65)
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year*	1,05,62,400	1,05,62,400
Basic EPS (Rs.)	1.99	(0.05)
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding for diluted EPS*	1,05,62,400	1,05,62,400
Diluted EPS (Rs.)	1.99	(0.05)

*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported.

35 Contingent liabilities:

₹ in lakhs

Particulars	31 March 2022	31 March 2021	01 April 2020
Pending litigation under Income Tax Act	14.42	14.42	Nil
	14.42	**14.42**	**-**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

36 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in lakhs

Particulars	31 March 2022	31 March 2021	01 April 2020
The amount remaining unpaid to micro and small suppliers as at the end of each accounting year			
- Principal	271.77	367.39	240.67
- Interest	Nil	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	Nil	Nil	Nil
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil	Nil

37 Corporate social responsibilty

The provisions for CSR are not applicable to the company for all the reporting period.

38 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Subsidiary company
Wonder Precision Private Limited

Associate company
Kranti SFCI Private Limited

Key Management Personnel (KMP)
Mr. Sachin Vora
Mr. Sumit Vora
Mrs. Sheela Dhawale
Mr. Bhavesh Selarka

Relative of Key Management Personnel
Smt. Indubala Vora
Mrs. Sarika Sachin Vora
Mrs. Lushita Sumit Vora

Other relative parties
Kranti Industries EGGLAS

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(b) Related party transactions:

Sr. no	Nature of Transaction	31 March 2022					31 March 2021				
		Key Management Personnel (KMP)/ Relative of Key Management Personnel	Associates	Subsidiary Company	Other related parties	Total	Key Management Personnel (KMP)/ Relative of Key Management Personnel	Associates	Subsidiary Company	Other related parties	Total
	Remuneration to Key Managerial persons	-	-	-	-	-	-	-	-	-	-
	Short-term employee benefits	74.80	-	-	-	74.80	65.18	-	-	-	65 .18
	Post employement benefits	0.86	-	-	-	0.86	-	-	-	-	-
	Other long-term employee benefits	-	-	-	-	-	-	-	-	-	-
	Termination benefits	-	-	-	-	-	-	-	-	-	-
	Share based payments	-	-	-	-	-	-	-	-	-	-
	Purchase of material & job charges	-	-	101.22	-	101.22	-	-	59.27	-	59 .27
	Sale of machines	-	-	-	-	-	-	-	-	-	-
	other- RPT	-	-	-	6.10	6.10	-	-	-	-	-
		75.66	**-**	**101 .22**	**6.10**	**182.98**	**65 .18**	**-**	**59 .27**	**-**	**124 45**

(c) Balances outstanding at the end of the year:-

₹ in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
a. Loans taken from related parties	298.52	325.99	323.09

39 Financial risk management

The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The board of directors is responsible for developing and monitoring the Company’s risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company’s management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

₹ in lakhs

Particulars	31 March 2022	31 March 2021	01 April 2020
Total current assets (A)	1,478.60	1,863.66	1,143.46
Total current liabilities (B)	2,346.20	1,918.25	1,307.66
Working capital (A-B)	**(867.60)**	**(54.59)**	**(164.20)**

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	31 March 2022			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,129.16	1,169.95	959.21	2,129.16
Trade payables	839.57	839.57	-	839.57
Lease liabilities	348.17	77.79	270.38	348.17
Other liabilities	101.81	167.85	-	167.85

	31 March 2021			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,290.65	648.80	1,641.85	2,290.65
Trade payables	1,041.50	1,041.50	-	1,041.50
Lease liabilities	52.66	30.67	21.99	52.66
Other liabilities	101.81	101.81	-	101.81

	01 April 2020			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	1,976.36	531.34	1,445.02	1,976.36
Trade payables	643.91	643.91	-	643.91
Lease liabilities	103.55	50.89	52.66	103.55
Other liabilities	43.66	43.66	-	43.66

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(c) Interest rate risk:

The company does not face any interest rate risk as all the borrowings of the company have a fixed interest rate.

(d) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company does not have any outstanding foreign currency balances as on the reporting dates.

40 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

₹ in lakhs

Particulars	31 March 2022	31 March 2021	01 April 2020
Total liabilities	3,691.74	3,687.76	2,916.91
Less: cash and cash equivalents and bank balances	0.45	158.52	65.13
Net debt	**3,691.29**	**3,529.24**	**2,851.78**
Total equity	**2,222.32**	**2,016.62**	**2,023.95**
Debt-equity ratio	166.10%	175.01%	-

41 Fair value measurements

(a) Categories of financial instruments -

Particulars	31 March 2022			31 March 2021			01 April 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Category	**Level 1**	**Level 3**	**Level 2**	**Level 1**	**Level 3**	**Level 2**	**Level 1**	**Level 3**	**Level 2**
Financial assets									
Investment	35.17	8.20	-	13.93	8.20	-	10.61	8.20	-
Trade receivables	-	-	608.81	-	-	855.61	-	-	341.13
Cash and cash equivalents	-	-	0.45	-	-	158.52	-	-	65.13
Loans	-	-	28.15	-	-	28.15	-	-	25.67
Other financial assets	-	-	2.36	-	-	2.37	-	-	1.52
Total financial assets	**35.17**	**8.20**	**639.77**	**13.93**	**8.20**	**1,044.65**	**10.61**	**8.20**	**433.45**
Financial liabilities									
Borrowings	-	-	2,129.16	-	-	2,290.65	-	-	1,976.36
Lease liabilities	-	-	348.17	-	-	52.66	-	-	103.55
Trade payables	-	-	839.57	-	-	1,041.50	-	-	643.91
Other financial liabilities	-	-	167.85	-	-	101.81	-	-	43.66
Total financial liabilities	**-**	**-**	**3,484.75**	**-**	**-**	**3,486.62**	**-**	**-**	**2,767.48**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortised cost approximates the fair value. Accordingly fair value disclosures have not been made for these financial instruments. Investments in equity shares and mutual funds which are designated at FVTPL & investment in equity shares which are classified as FVTOCI are at fair value.

(c) Investment in subsidiaries and associates is accounted at cost in accordance with Ind AS 27 - "Separate financial statements". Accordingly such investments are not recorded at fair value.

42 Post-employment benefit plans

As per Indian Accounting Standard 19" Employee Benefits", the disclosures as defined are given below-

A. Defined Contribution Plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Employer's contribution to provident fund	33.74	27.77

Company's contribution paid/payable during the year to provident fund are recognised in the Statement of Profit and Loss.

B. Defined Benefit Plans

Gratuity

The Company has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

Liability Risks

1. **Asset-Liability mismatch risk-** Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

2. **Discount rate risk-** Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

3. **Future salary escalation and inflation risk -** Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

₹ in lakhs

Particulars	31 March 2022	31 March 2021
Current service cost	7.43	7.51
Net interest (Income)/ Expense	0.33	0.73
Net benefit expense	**7.76**	**8.24**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

Changes in the present value of the defined benefit obligation are as follows :

₹ in lakhs

Particulars	31 March 2022	31 March 2021
Projected benefit obligation at the beginning of the year	**66.69**	59.84
Interest cost	4.57	4.05
Current service cost	7.43	7.51
Actuarial (gain)/ loss on obligations	(3.12)	(4.16)
Benefits paid	(1.66)	(0.55)
Present value of obligation at the end of the year	**73.91**	**66.69**

Changes in the fair value of plan assets are as follows:

₹ in lakhs

Particulars	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the year	**57.28**	43.27
Interest income	4.24	3.32
Contributions	5.00	11.60
Mortality charges and taxes	-	(0.35)
Benefits paid	(1.66)	(0.55)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(0.67)	(0.01)
Fair value of Plan assets at end of the year	**64.19**	**57.28**
Actual return on plan assets	**3.57**	**3.30**

Amount recognised in the statement of other comprehensive income

₹ in lakhs

Particulars	31 March 2022	31 March 2021
Re-measurement for the year - obligation (gain) / loss	4.05	4.15
Re-measurement for the year - plan assets (gain) / loss	-	-
Total re-measurements cost / (credit) for the year recognised in other comprehensive income	**4.05**	**4.15**

Net Defined Benefit Liability/(Asset) for the year

₹ in lakhs

Particulars	31 March 2022	31 March 2021
Defined benefit obligation	73.91	66.69
Fair value of plan assets	64.19	57.28
Closing net defined benefit liability/(asset)	**9.72**	**9.41**
Current	9.72	9.41
Non-Current	-	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	31 March 2022	31 March 2021
Funds managed by insurer	100%	100%

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

Particulars	**31 March 2022**	**31 March 2021**
	%	**%**
Mortality table	IALM (2012- 14)	IALM (2012- 14)
Discount rate	7.30%	7.00%
Rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	7.00%	6.80%
Withdrawal rate #		
Age upto 30 years	3.00%	3.00%
Age 31 - 40 years	2.00%	2.00%
Age 41 - 50 years	1.00%	1.00%
Age above 50 years	1.00%	1.00%
Expected average remaining working lives of employees (in years)	16.89 *	18.93 *

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Assumption has been revised by the Company based on their past experience and future expectations

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	**Defined benefit obligation**			
	31 March 2022		**31 March 2021**	
	Increase by 100 basis points	**Decrease by 100 basis points**	**Increase by 100 basis points**	**Decrease by 100 basis points**
Discount Rate				
Discount Rate	8.30%	6.30%	8.00%	6.00%
Amount	63.90	86.12	77.62	57.71
Salary increment Rate				
Salary increment Rate	6.00%	4.00%	6.00%	4.00%
Amount	85.20	64.51	59.28	75.41
Impact of change in withdrawal Rate				
Withdrawal Rate	4.00%	2.00%	4.00%	2.00%
Amount	73.97	73.97	69.13	63.89

Expected contribution for the next Annual reporting period.

The Company intends to contribute Rs. 9.03 Lakhs towards its gratuity fund in 2022.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year ending 31 March 2022	**Expected benefit payment rounded of to nearest thousand**
0 to 1 Year	3.07
1 to 2 Year	2.14
2 to 3 Year	2.13
3 to 4 Year	2.04
4 to 5 Year	2.12
5 to 10 Year	17.53

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

43 Revenue from contracts with customers

A. Revenue streams

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Revenue from operations		
Sales of goods	8,132.85	4,710.97
Sale of services (Labour charges)	606.26	444.42
Other non operating income		
Sale of Scrap	396.52	222.65
Cash discount received	47.65	22.73
	9,183.28	**5,400.77**

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Timing of revenue recognition		
At point in time	8,577.02	4,956.35
Over the period in time	606.26	444.42
Total revenue	**9,183.28**	**5,400.77**

44 Leases

A. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Company decided to apply recognition exemptions to short-term leases . For leases of other assets, which were classified as operating under AS 19, the Company recognised right-of-use assets and lease liabilities.

B. As a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1st April 2020. The weighted-average rate applied is 11.75%.

C. Impacts on financial statements

On transition to Ind AS 116 - Leases, the Company has not recognised any right-of-use asset and lease liabilities, as all the leases are in the nature of short-term leases.

Particulars	01 April 2020
Operating lease commitment at 1 April 2020 as disclosed in the Company's financial statements	117.40
Discounted using the incremental borrowing rate at 1 April 2020	103.55
Finance lease liabilities existing as at 1 April 2020	-
Recognition exemption for:	
-Short-term leases	-
-Leases of low-value assets	-
Lease liabilties recognised as on 1 April 2020	**103.55**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

A1. Lease liabilities

₹ in lakhs

	31 March 2022	31 March 2021	01 April 2020
Current	77.79	30.67	50.89
Non Current	270.38	21.99	52.66
Total	**348.17**	**52.66**	**103.55**

Maturity Analysis - Contractual undiscounted cash flow	31 March 2022	31 March 2021	01 April 2020
Less than 1 Year	112.44	34.33	59.61
More than 1 Year	326.21	23.46	57.79
Total	**438.65**	**57.79**	**117.40**

A2. Amount recognised in statement of profit & loss

Interest expenses on lease liabilities	For year ended 31 March 2022	For year ended 31 March 2021
Interest on lease liabilities	21.28	8.72

Expenses on short-term leases / low value assets	For year ended 31 March 2022	For year ended 31 March 2021
Short-term lease	6.60	1.65
Low value assets	-	-

Amounts recognised in the statement of cash flow	For year ended 31 March 2022	For year ended 31 March 2021
Principle Amount	(61.64)	(50.89)
Unwinding of interest on lease liabilities	(21.28)	(8.72)
Total cash outflow for leases	**(82.92)**	**(59.61)**

Note 45 : Explanation of transition to Ind AS

These are Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Companies (Indian Accounting Standards) Rules, 2015. In preparing the financial statements for the year ended 31st March, 2021 and balance sheet as at 1st April, 2020 (date of transition), the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2020 and the financial statements for the year ended 31st March, 2021.

A. Optional Exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has elected to apply the following exemptions:

1. Past Business Combinations:

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2020. Consequently,

i) the Company has kept the same classification for the past business combinations as in its Previous GAAP financial statements;

ii) the Company has not recorded assets and liabilities that were not recognised in the previous GAAP; and

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

iii) the Company has not excluded from its opening Balance Sheet those items recognised in accordance with Previous GAAP that do not qualify for recognition as an asset or liability under Ind AS.

2. Fair Value of Financials Assets and Liabilities:

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

B. Mandatory Exceptions

1. Estimates

The estimates at 1st April, 2020 and at 31st March, 2021 are consistent with those made for the same dates in accordance with Indian GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2020, the date of transition to Ind AS and as of 31st March, 2021.

2. Derecognition of financial assets and liabilities

Ind AS 101, requires first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transaction was obtained at the time of initial accounting of transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exist at the transition date to Ind AS.

C. Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

i) Reconciliation of equity as at 1st April 2020 and 31st March, 2021

ii) Reconciliation of total comprehensive income for the year ended 31st March 2021;

There are no material adjustments to the cash flow statements.

i) Reconciliation of equity as previously reported under Indian GAAP to Ind AS

Particulars	Notes	31 March 2021			1 April 2020		
		Indian GAAP	Effect of transition	Ind AS	Indian GAAP	Effect of transition	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	i	3,271.05	(102.74)	3,168.31	3,162.24	(5.23)	3,157.01
Right-of-use assets	c	-	160.85	160.85	-	170.83	170.83
Capital work-in-progress	i	-	98.28	98.28	1.35	-	1.35
Goodwill		10.58	-	10.58	10.51	-	10.51
Financial assets		-	-		-	-	
(i) Investments		314.27	-	314.27	310.95	-	310.95
Non-current tax assets (net)		30.11	-	30.11	21.86	-	21.86
Other non-current assets	c	97.44	(67.28)	30.16	166.51	(67.28)	99.23
		3,753.25	**87.46**	**3,840.71**	**3,699.09**	**98.32**	**3,797.41**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

Particulars	Notes	31 March 2021			1 April 2020		
		Indian GAAP	Effect of transition	Ind AS	Indian GAAP	Effect of transition	Ind AS
Current assets							
Inventories		780.61	-	780.61	690.61	-	690.61
Financial assets							
(i) Trade receivables		855.61	-	855.61	341.13	-	341.13
(ii) Cash and cash equivalents		158.52	-	158.52	65.13	-	65.13
(vi) Others (to be specified)	c	0.73	1.65	2.38	1.53	-	1.53
Other current assets		66.55	-	66.55	45.05	-	45.05
		1,862.02	**1.65**	**1,863.67**	**1,143.45**	**-**	**1,143.45**
TOTAL ASSETS		**5,615.27**	**89.11**	**5,704.38**	**4,842.54**	**98.32**	**4,940.86**
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		880.20	-	880.20	880.20	-	880.20
Other equity	a,b,c,d, g,h,i,j	1,067.08	69.34	1,136.42	1,085.07	58.68	1,143.75
		1,947.28	**69.34**	**2,016.62**	**1,965.27**	**58.68**	**2,023.95**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings	e	1,699.49	(57.64)	1,641.85	1,531.20	(86.18)	1,445.02
(ii) Lease liabilities	c	-	21.99	21.99	-	52.66	52.66
Deferred tax liabilities (Net)	h	79.49	24.36	103.85	88.35	20.62	108.97
Other non-current liabilities	d	-	1.82	1.82	-	2.60	2.60
		1,778.98	**(9.47)**	**1,769.51**	**1,619.55**	**(10.30)**	**1,609.25**
Current liabilities							
Financial liabilities							
(i) Borrowings	e	650.19	(1.39)	648.80	532.29	(0.95)	531.34
(ii) Lease liabilities	c	-	30.67	30.67	-	50.89	50.89
(ii) Trade payables							
a) total outstanding dues of micro enterprises and small enterprises		367.39	-	367.39	240.67	-	240.67
b) total outstanding dues of creditors other than micro enterprises and small enterprises		674.11	-	674.11	403.24	-	403.24
(iii) Other financial liabilities		101.81	-	101.81	43.66	-	43.66
Other current liabilities		86.07	-	86.07	21.30	-	21.30
Provisions	a,f	9.44	(0.04)	9.40	16.56	-	16.56
		1,889.01	**29.24**	**1,918.25**	**1,257.72**	**49.94**	**1,307.66**
TOTAL LIABILITIES		**3,667.99**	**19.77**	**3,687.76**	**2,877.27**	**39.64**	**2,916.91**
TOTAL EQUITY AND LIABILITIES		**5,615.27**	**89.11**	**5,704.38**	**4,842.54**	**98.32**	**4,940.86**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

ii) Reconciliation of total comprehensive income as previously reported under Indian GAAP to Ind AS

Particulars	Notes	Year ended 31 March 2021		
		Indian GAAP	**Effect of transition**	**Ind AS**
INCOME				
Revenue from operations	g	5,450.22	(49.46)	5,400.77
Other income	d	40.63	1.05	41.68
Total income		**5,490.85**	**(48.41)**	**5,442.45**
EXPENSES				
Cost of materials consumed		3,336.13	-	3,336.13
Employee benefit expenses	a,f	713.42	4.11	717.53
Finance costs	c,e,d,g	177.81	(12.40)	165.40
Depreciation and amortisation expense	c	338.73	9.98	348.71
Other expenses	c	980.14	(65.10)	915.04
Total expenses		**5,517.70**	**(63.41)**	**5,454.28**
Profit before tax		**(26.85)**	**15.00**	**(11.83)**
Tax expenses				
(1) Current tax		-	-	-
(2) Tax provision for earlier years		-	-	-
(3) Deferred tax	h	(8.86)	2.67	(6.19)
Total tax expenses		**(8.86)**	**2.67**	**(6.19)**
Profit for the year		(17.99)	12.33	(5.65)
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements of post employment benefit obligations	a	-	4.15	4.15
Income tax related to above items	h	-	(1.08)	(1.08)
Total comprehensive income for the year		**(17.99)**	**15.40**	**(2.58)**

Notes to the reconciliations:

a) Employee benefit expenses - actuarial gains and losses and return on plan assets

Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

b) Unsecured Borrowings

Under Indian GAAP, interest free unsecured borrowings are recorded at transaction value. Under Ind AS, interest free unsecured borrowings are fair valued and the difference between the fair value and the transaction value is recognised as additional contribution by the shareholders. Interest expense on interest free unsecured borrowings is recorded in the statement of profit and loss using effective interest rate method.

c) Leases

Under Indian GAAP, leases are required to be classify leases as finance lease and operating lease. Operating lease expenses are recognised on a straight-line basis over the lease term. Under Ind AS, a single lessee accounting model is prescribed and requires a lessee to recognize assets and liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payment. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest expenditure on lease liabilities is recorded using effective interest rate method.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

d) Corporate Guarantee

Under Indian GAAP corporate guarantee was disclosed as a contingent liability. Under Ind AS, corporate / financial guarantee is treated as financial liability and recognised at fair value on initial and subsequent recognition. The fair value of the guarantee recoverable from the subsidiary is treated as receivable from subsidiary. The fair value of the guarantee not recoverable from the subsidiary is written off as expenditure. Finance expense is recognised over the term of the guarantee using effective interest method and the deferred income is recognised in the statement of profit and loss on straight line basis.

e) Transaction costs on borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are recognised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition of financial liability and charged to profit or loss using the effective interest method.

f) Prior period adjustments

Under Indian GAAP, prior period items are included in determination of profit or loss of the period in which the item is discovered and are separately disclosed in the statement of profit and loss. Under Ind AS, material prior period items are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented by restating the opening balance sheet.

g) Revenue from contracts with customers

Under Indian GAAP, discount given to customer is shown as expenditure to statement of profit and loss. Under Ind AS, the said discount is netted off against revenue.

h) Income tax

Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Further under Ind AS, income tax is recognised in the same statement in which underlying item is recorded.

i) Reclassification

Appropriate reclassification adjustments have been made to suit the Ind AS presentation requirements.

46 Ratios analysis & it's elements

Particulars	31 March 2022	31 March 2021	% change from 31 March 2021 to 31 March 2022	Reasons if % change is 25% or more
Current Ratio	63%	97%	-35%	There is an increase in current liabilities due to current maturities of Loans from Directors (Repayment of Loans from Directors falls in next 12 months) hence there is change in ratio
Debt-Equity Ratio	96%	114%	-16%	Changes is less than 25 %
Debt Service Coverage Ratio	30%	20%	47%	There is increase in the turnover of the company resulting in increase in profitability hence favourable change in this ratio.
Return on Equity Ratio	9%	0%	-3479%	There is increase in the turnover of the company resulting in increase in profitability hence favourable change in this ratio.
Inventory turnover ratio	760%	454%	67%	There is increase in the turnover of the company hence change in this ratio
Trade Receivables turnover ratio	1254%	903%	39%	There is increase in the turnover of the company hence change in this ratio

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

Particulars	31 March 2022	31 March 2021	% change from 31 March 2021 to 31 March 2022	Reasons if % change is 25% or more
Trade payables turnover ratio	646%	396%	63%	There is increase in the business of the company accordingly increase in purchases hence change in this ratio
Net capital turnover ratio	-1058%	-9893%	-89%	There is increase in the turnover of the company hence change in this ratio
Net profit ratio	2%	0%	-2290%	There is increase in the turnover of the company resulting in increase in profitability hence favourable change in this ratio
Return on Capital employed	11%	3%	202%	There is increase in the turnover of the company resulting in increase in profitability hence favourable change in this ratio
Return on investment	10%	0%	-7604%	There is increase in the turnover of the company resulting in increase in profitability hence favourable change in this ratio

Ratios	Numerator	Denominator	31 March 2022		31 March 2021	
			Numerator	Denominator	Numerator	Denominator
Current Ratio	**Current assets**	**Current liabilities**	1,478.60	2,346.20	1,863.66	1,918.25
Debt-Equity Ratio	**Debt** :- long term borrowings + short term borrowings	**Equity** :- Total Equity	2,129.16	2,222.32	2,290.65	2,016.62
Debt Service Coverage Ratio	**Earning available for debt services** :- net profit before tax + non cash expenses tax (Depreciation and Amortisation) + interest expense on borrowings	**Interest + Installment** :- interest expenses on borrowings and current maturities	799.81	2,676.81	508.46	2,508.71
Return on Equity Ratio	Total Profit / (loss) for the period / year	Total Equity	210.36	2,222.32	(5.65)	2,016.62
Inventory turnover ratio	**Cost of good sold** :- Cost of material, operation and incidental cost+ changes in inventories of stock-in-trade	Average Inventory	6,096.13	802.57	3,336.13	735.61
Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivables	9,183.28	732.21	5400.77	598.37
Trade payables turnover ratio	Total Purchase	Average Trade Payables	6,072.45	940.54	3,336.13	842.71
Net capital turnover ratio	Revenue from operations	Working capital	9,183.28	(867.60)	5400.77	(54.59)

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

Ratios	Numerator	Denominator	31 March 2022		31 March 2021	
			Numerator	Denominator	Numerator	Denominator
Net profit ratio	Profit / (loss) after tax	Revenue from operations	210.36	9,183.28	(5.65)	5400.77
Return on Capital employed	**Earning before interest & taxes (EBIT)** :- profit / (loss) before tax + interest expenses on financial liabilities carried at amortised cost	Capital Employed :- total equity (parent+ non controlling interest) + borrowings + deferred tax	469.01	4466.02	153.56	4411.12
Return on investment	Profit / (loss) after tax attributable to owners of the company	Equity shareholders' fund	213.36	2,222.32	(2.58)	2,016.62

The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.

47 Additional Regulatory Information

Details of Benami Property held

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Details of Loans and advances

The company has not granted any loans and advances to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment.

Wilful Defaulter

The company has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

Relationship with Struck off Companies

The Company do not have any transactions with companies struck off.

Registration of charges or satisfaction with Registrar of Companies (ROC)

The company has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

Compliance with number of layers of companies

The company has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Compliance with approved Scheme(s) of Arrangements

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Discrepancy in utilization of borrowings

The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

Utilisation of Borrowed funds and share premium:

(A The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

48 Additional Information

Undisclosed income

The Company has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Details of Crypto Currency or Virtual Currency

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

49 Operating Segment

A. Description of segments and principal activities

The Company's is engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies. This is considered as the single reportable segment.

B. Information about major customers

Revenues from two customers of the Company's automobile segments represented approximately Rs. 6846.70 Lakhs (31 March 2021: Rs. 4029.88 lakhs) of the Company's total revenues.

50 Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation.

As per our report of even date attached

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

For and on behalf of the board of directors of
Kranti Industries Limited

Ankit Rathi
Partner
Membership no - 162441

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Place : Mumbai
Date : May 13, 2022

Consolidated Financial Statements

Independent Auditor's Report and Notes to Accounts for Financial Year 2021-22

Independent Auditor's Report

To The Members of **Kranti Industries Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Kranti Industries Limited** ("the Group"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (IND-AS) prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and other comprehensive income and its cash flows for the year ended on that date.

Basis for opinion

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

Other Matter

We did not audit the financial statements and other information, in respect of the subsidiary company and Associates company, in respect of subsidiary company financial statements include total assets of Rs. 255.76 Lakhs as at March 31, 2022, and total revenues of Rs.290.23 Lakhs for the year ended on that date.

These financial statements and other financial information have been prepared and submitted to us by the management and audited by Siddharth Bogawat & Associates. Our opinion is not modified in respect of this matter.

Key audit matters

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

Sr. No.	Key Audit Matter
1	**Revenue Recognition** (refer Note. 1.11 related to Revenue) We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and estimation related to recording the discount and rebates. According to the Consolidated Financial Statement' accounting principles revenue is recognized at a point in time when the control of the goods is transferred to the customer according to delivery terms. Due to variation of contractual sales terms and practices across the market and the pressure, the management may feel to achieve performance targets, there is a risk of material error. **Auditor's Response** To address this risk of material misstatement relating to revenue recognition, our audit procedures included: - Assessing the compliance of company's revenue recognition policies with applicable accounting standards, including those related to discounts and rebates. - Assessing the adequacy of relevant disclosures.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge

Independent Auditor's Report (Contd.)

obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the IND- AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Independent Auditor's Report (Contd.)

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

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

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

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.

        ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

For **ADV & ASSOCIATES**
Chartered Accountants
Firm Registration number: **128045W**

Ankit Rathi
Partner
Membership number: 162441
UDIN: 22162441AIYAEN3047

Mumbai
May 13, 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Kranti Industries Limited** of even date)

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

We have audited the internal financial controls with reference to Consolidated financial statements of Kranti Industries Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Consolidated financial statements of the Company as at and for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ADV & ASSOCIATES**
Chartered Accountants
Firm Registration number: **128045W**

Ankit Rathi
Partner
Membership number: 162441
UDIN: 22162441AIYAEN3047

Mumbai
May 13, 2022

Consolidated Balance sheet

as on 31 March 2022

₹ in lakhs

	Note	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	2	3,172.68	3,347.06	3,353.00
(b) Right-of-use asset	2	501.96	160.85	170.83
(c) Capital work-in-progress	3	527.41	98.28	1.35
(d) Intangible assets	4	19.33	11.12	11.23
(e) Goodwill		320.43	320.43	320.43
(e) Financial assets				
(i) Investment	5	43.47	27.17	33.03
(ii) Others	6	32.50	32.50	30.01
(f) Income tax assets (net)	32	30.41	33.14	27.05
(g) Other non-current assets	7	-	30.15	99.22
Total non-current assets		**4,648.19**	**4,060.72**	**4,046.16**
Current assets				
(a) Inventories	8	837.88	798.52	718.80
(b) Financial assets				
(i) Trade receivables	9	640.57	912.83	364.59
(ii) Cash and cash equivalents	10	1.14	158.79	66.53
(iii) Other financial assets	11	2.36	2.37	1.92
(c) Other current assets	12	42.80	67.80	45.10
Total current assets		**1,524.75**	**1,940.32**	**1,196.94**
TOTAL ASSETS		**6,172.94**	**6,001.04**	**5,243.10**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	22	1,056.24	880.20	880.20
(b) Other equity	23	1,161.82	1,128.01	1,142.56
Total equity attributable to owners of the company		**2,218.06**	**2,008.21**	**2,022.76**
Non controlling interest		2.10	0.44	(1.03)
Total equity		**2,220.16**	**2,008.65**	**2,021.73**
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	1,047.98	1,935.53	1,736.97
(ii) Lease liabilities	14	270.38	21.99	52.66
(b) Other non-current liabilities	15	0.05	0.22	0.47
(c) Deferred tax liabilities (Net)	32	101.79	84.02	92.08
Total non-current liabilities		**1,420.21**	**2,041.75**	**1,882.18**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	1,348.30	670.96	550.83
(ii) Lease liabilities	17	77.79	30.67	50.89
(iii) Trade payables	18			
a) total outstanding dues of micro enterprises and small enterprises		271.77	371.85	240.67
b) total outstanding dues of creditors other than micro enterprises and small enterprises		556.67	665.21	409.99
(iv) Other financial liabilities	19	178.33	112.00	48.59
(b) Other current liabilities	20	75.71	90.54	21.67
(c) Provisions	21	22.80	9.41	16.56
(d) Income tax liabilities (net)	32	1.20	-	-
Total current liabilities		**2,532.57**	**1,950.64**	**1,339.20**
Total liabilities		**3,952.78**	**3,992.39**	**3,221.37**
TOTAL EQUITY AND LIABILITIES		**6,172.94**	**6,001.04**	**5,243.10**
Significant accounting policies	1			
Notes to the financial statements	1-50			

As per our report of even date attached

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

Ankit Rathi
Partner
Membership no - 162441

Place : Mumbai
Date : May 13, 2022

For and on behalf of the board of directors of Kranti Industries Limited

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Consolidated Statement of Profit & Loss

for the year 31 March 2022

	Note	For year ended 31 March 2022	For year ended 31 March 2021
Revenue			
Revenue from operations	24	9,371.51	5,573.19
Other income (net)	25	16.96	41.21
Total revenue		**9,388.47**	**5,614.40**
Expenses			
Cost of material, operation and incidental cost	26	6,088.07	3,355.08
Changes in inventories of finished goods and work-in-progress	27	23.68	(21.33)
Employee benefits expenses	28	1,112.22	801.63
Finance costs	29	224.84	191.60
Depreciation and amortisation expenses	30	417.63	379.14
Other expenses	31	1,237.37	920.22
Total expenses		**9,103.81**	**5,626.34**
Profit before tax		**284.66**	**(11.94)**
Tax expense:	32		
Current tax		49.53	-
Deferred tax		65.84	(9.57)
Mat Credit Entitlement		(49.53)	-
		218.82	**(2.37)**
Share of profit of equity-accounted investees, net of tax			
Share of profit of equity-accounted investees, net of tax		3.84	(10.28)
Profit for the year		**222.66**	**(12.65)**
Other comprehensive income/(loss) for the year			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability / (asset)		4.05	4.15
Income tax on remeasurements of defined benefit liability / (asset)		(1.05)	(1.08)
Other comprehensive income (net of tax)		**3.00**	**3.07**
Total comprehensive income for the year		**225.66**	**(9.58)**
Profit attributable to:			
Owners of the Company		222.47	(12.64)
Non-controlling interests		0.19	(0.01)
		222.66	(12.65)
Other Comprehensive Income attributable to:			
Owners of the Company		3.00	3.07
Non-controlling interests		-	-
		3.00	3.07
Total comprehensive income attributable to:			
Owners of the Company		225.47	(9.57)
Non-controlling interests		0.19	(0.01)
		225.66	(9.58)
Earnings per equity share (face value of Rs. 10 each)			
Basic earnings per share	33	2.11	(0.12)
Diluted earnings per share		2.11	(0.12)
Significant accounting policies	1		
Notes to the financial statements	1-50		

As per our report of even date attached

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

For and on behalf of the board of directors of Kranti Industries Limited

Ankit Rathi
Partner
Membership no - 162441

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Place : Mumbai
Date : May 13, 2022

Consolidated Statement of Cash flows

for the year 31 March 2022

₹ in lakhs

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
A. Cash flow from operating activities				
Net Profit before extraordinary items and tax		284.66		(11.93)
Adjustments for:				
Interest received	(15.40)		(6.97)	
Dividend received	-		(0.22)	
Interest paid	218.88		189.16	
Depreciation and amortisation	417.63		379.14	
Profit on sale of Assets	-		(32.60)	
Commision income on corporate guarantee	(0.18)		(0.30)	
Fair valuation gain/loss on instruments measured at fair value through profit and loss account	(1.11)		(1.12)	
		619.81		527.08
Operating profit before working capital changes		**904.47**		**515.15**
Changes in working capital:				
(Increase) / Decrease in other non-current financial assets	-		(2.48)	
Decrease in other non-current assets	(61.62)		69.07	
Decrease / (Increase) in inventories	(39.36)		(79.72)	
(Increase) in trade receivables	272.26		(548.24)	
Decrease / (Increase) in other current financial assets	0.01		(0.46)	
Decrease in other current assets	25.00		(22.70)	
(Decrease) /Increase in other non-current liabilities	0.02		0.04	
Increase / (Decrease) in trade payables	(208.62)		386.40	
Increase in other current financial liabilities	66.33		63.41	
(Decrease) /Increase in other current liabilities	(14.84)		68.87	
Increase in current provisions	16.39		(4.09)	
		55.58		(69.89)
Cash generated from operations		960.05		445.26
Net income tax (paid)		(44.13)		(4.57)
Net cash flow generated from operating activities		**915.92**		**440.69**
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets and capital work-in-progress	(572.76)		(460.05)	
Sale proceeds of property, plant and equipment	-		32.60	
Purchase of non-current investments	(11.35)		(3.30)	
Dividend received	-		0.22	
Interest received	15.40		6.97	
Net cash flow (used in) investing activities		**(568.71)**		**(423.56)**

Consolidated Statement of Cash flows (Contd.)

for the year 31 March 2022

₹ in lakhs

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
C. Cash flow from financing activities				
Long-term borrowings (repaid) during the year	(443.97)		199.80	
(Repayment) / Proceeds of short-term borrowings (net)	227.26		120.13	
Interest paid	(197.59)		(180.44)	
Leases	-		-	
- Principal	(61.64)		(50.89)	
- Interest	(21.28)		(8.72)	
Transaction costs on issue of shares	(7.65)		(4.75)	
Net cash flow (used in) financing activities		**(504.86)**		**75.13**
Net (decrease) in Cash and cash equivalents (A+B+C)		**(157.65)**		**92.26**
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		**158.79**		**66.53**
Cash and cash equivalents at the end of the year		**1.14**		**158.79**

Notes to cash flow statement

(i) The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

(ii) Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.

(iii) For the purpose of cash flow, Cash and cash equivalents comprise :

	For the year ended 31 March 2022	For the year ended 31 March 2022
Cash on hand	0.94	0.74
Balances with bank	-	-
- Current accounts	0.20	158.05
	1.14	158.79

See accompanying notes forming integral part of these standalone financial statements 1-51

As per our report of even date attached

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

For and on behalf of the board of directors of Kranti Industries Limited

Ankit Rathi
Partner
Membership no - 162441

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Place : Mumbai
Date : May 13, 2022

Consolidated Statement of changes in equity

for the year 31 March 2022

(a) Equity share capital

	As at 31 March 2022		As at 31 March 2021		As at 01 April 2020	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	88,02,000	880.20	88,02,000	880.20	88,02,000	880.20
Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	88,02,000	880.20	88,02,000	880.20	88,02,000	880.20
Changes in equity share capital during the year	17,60,400	176.04	-	-	-	-
Balance at the end of the reporting year	**1,05,62,400**	**1,056.24**	**88,02,000**	**880.20**	**88,02,000**	**880.20**

(b) Other equity

Particulars	Reserves and Surplus			Other equity	Total other equity	Non controlling interests	Total other equity including NCI
	Retained Earnings	Securities Premium	General reserve	Equity contribution from shareholders			
Balance at 01 April 2020	**648.93**	**342.61**	**30.00**	**121.02**	**1,142.56**	**(1.03)**	**1,141.53**
Total comprehensive income for the year ended 31 March 2021					-		-
Add/(Less):					-		-
Profit for the year	(12.64)	-	-	-	**(12.64)**	(0.01)	**(12.65)**
Other comprehensive income (net of tax)							
- Remeasurements of post employment benefit obligations	3.07	-	-	-	**3.07**	-	**3.07**
Transaction costs on issue of shares	-	(4.75)	-	-	**(4.75)**		**(4.75)**
Transfer from / (to) other reserves	3.11	-	-	(3.34)	**(0.23)**	1.48	**1.25**
Total comprehensive income	**(6.46)**	**(4.75)**	**-**	**(3.34)**	**(14.55)**	**1.47**	**(13.08)**
Balance at 31 March 2021	**642.47**	**337.86**	**30.00**	**117.68**	**1,128.01**	**0.44**	**1,128.45**
Appropriations							
Total comprehensive income for the year ended 31 March 2022							
Add/(Less):							
Profit for the year	222.47	-	-	-	**222.47**	0.19	**222.66**
Other comprehensive income (net of tax)							
- Remeasurements of post employment benefit obligations	3.00	-	-	-	**3.00**	-	**3.00**
Issue of bonus shares	-	(176.04)	-	-	**(176.04)**	-	**(176.04)**
Transaction costs on issue of shares	-	(7.65)	-	-	**(7.65)**	-	**(7.65)**
Transfer from / (to) other reserves	9.30	-	-	(8.49)	**0.81**	1.47	**2.28**
Additions during the year		-	-	(8.78)	**(8.78)**	-	**(8.78)**
Total comprehensive income	**234.77**	**(183.69)**	**-**	**(17.27)**	**33.81**	**1.66**	**35.47**
Balance at 31 March 2022	**877.24**	**154.17**	**30.00**	**100.41**	**1,161.82**	**2.10**	**1,163.92**

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

Nature and purpose of reserves

i) Securities premium

Securities premium account is used to record the premium on issue of shares.

ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

iii) General reserve

It is created by setting aside amount from the retained earnings of the company for general purposes which is freely available for distribution.

iv) Equity contribution from shareholders

Equity contribution from shareholders represents deemed equity with respect to interest free unsecured loans given by the shareholders.

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

For and on behalf of the board of directors of Kranti Industries Limited

Ankit Rathi
Partner
Membership no - 162441

Sachin Vora
Managing Director
DIN-02002468

Sumit Vora
Director
DIN-02002416

Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Place : Mumbai
Date : May 13, 2022

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

Summary of significant accounting policies and notes forming part of the consolidated financial statements.

Corporate overview

Kranti Industries Limited (herein referred to as 'holding company') a premier engineering company established in the year 1995. It is a Public limited Company engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies like CNH Industrial (India) Private Limited, Graziano Transmission India Private Limited, Escorts Limited, Neosym Industry Limited, Etc.

Wonder Precision Private Limited ('WPPL' or ' the Company') was incorporated on 27 May 1986. It is a closely held Private Limited Company engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies like Endurance Technologies Pvt Ltd, Jaya Hind Industries etc.

The consolidated financial statements comprise the financial statements of the holding company and its subsidiaries (together referred to as "the group").

1. Significant accounting policies

1.1. Basis of preparation of financial statements:

The financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2016 (as amended) notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group's consolidated financial statements up to and for the year ended 31 March 2020 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under the section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Ind AS, Ind AS 101, First-time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in note 47.

The financial statements were authorised for issue by the Board of Directors on May 13, 2022.

- **Functional and presentation currency**

  These financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts have been rounded-off to the nearest lakhs (₹), as per the requirements of Schedule III of the Act, unless otherwise stated.

1.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

1.3. Use of judgements estimates and assumptions.

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 39 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 2,3 – Useful life of depreciable assets – Property, Plant and Equipment, Capital Work in Progress and Intangible assets.
- Note 35 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 33 – Recognition of tax expense including deferred tax.

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14. Current and non-current classification of assets and liabilities

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

The group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

1.5. Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company. The subsidiaries considered in the consolidated financial statements are summarized below.

Sr. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest
1.	Wonder Precision Private Limited	India	100%

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

- Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

1.6. Property, plant and equipment:

- **Recognition and measurement**

  Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

- **Subsequent costs**

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

- **Disposal**

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

- **Depreciation**

  Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Part C of Schedule II of the Companies Act, 2013 except in respect of certain assets listed below where the useful life is estimated different from prescribed rate based on internal assessment or independent technical evaluation carried out by external valuers. The Management believes that the useful lives as given below represent the period over which management expects to use these assets.

Class of Assets	Useful life as per Management estimate in years	Useful life as per Schedule II of the Companies act, 2013
Plant and Machinery	20	15
Factory Building	40	30
Furniture and fixtures	10	10
Electrical Installation	10	10
Office equipment	5	5
Computer	3	3
Tools and Instruments	10	10
Motor Vehicle	8	8

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1.7. Intangible assets:

- **Recognition and measurement**

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

  Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

  Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to complete development and to use or sell the asset.

- **Subsequent measurement**

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

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

- **Disposal**

  Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

1.8. Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

1.9. Impairments of non-financial assets:

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10. Inventories:

Inventories of raw materials including stores, spares and consumables, packing materials, semi-finished goods, work-in-progress, finished goods are valued at the lower of cost and estimated net realizable value. Cost is determined on weighted average basis. The cost of work-in-progress, semi-finished goods and finished goods includes the cost of material, labour and proportion of manufacturing overheads.

1.11. Revenue recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and that the revenue can be reliably measured. The group collects excise duty, service tax, value added taxes (VAT) and Goods and service tax GST as applicable on behalf of the government and therefore, these are not economic benefits flowing to the group. Hence, they are excluded from revenue. Revenue is disclosed, net of trade discounts and excise duty.

Sale of goods

Sales are recognized when products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the group has objective evidence that all criteria for acceptance have been satisfied. Due from customers if any are measured at the selling price of the work performed. Prepayments from customers are recognized as liabilities.

Sale of services

a. Timing of recognition Revenue from rendering of services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Job-work revenues are accounted as and when such services are rendered.

b. Measurement of revenue estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Recognition of dividend income, interest income:

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the group and that the amount of the dividend can be measured reliably.

1.12. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

1.13. Employee benefits:

- **Short-term employee benefits**

  Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

- **Post-employment benefits**

  Defined contribution plans

  Contributions to the provident fund which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

  If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

  Defined benefit plans

  The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation

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using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

  The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

1.14. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

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

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

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

  Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

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

1.15. Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.16. Provision and contingent liabilities / assets:

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of:

a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

present obligation arising from past events, when no reliable estimate is possible

a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.17. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

1.18. Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

1.19. Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

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- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Group as a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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1.20.Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.21. Financial instruments

1.21.1. Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

a) At amortised cost

b) At fair value through Other Comprehensive Income ('FVTOCI')

c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

(b) Financial assets classified as measured at FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains

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or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained earnings. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial asset

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

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balances.
- Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

1.21.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(a) **Financial liabilities at amortised cost**

This is the most relevant category to the Group. The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

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

Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

1.22. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

2 Property, plant and equipment

₹ in lakhs

Description	Freehold land	Buildings	Plant and equipment	Furniture and Fittings	Vehicles - Others	Office Equipments	Computers	Tools and Fixtures	Total Owned assets	Right-of-use assets	Total Owned + Right-of-use assets	Total (Right-of-use assets and Owned assets)
										Plant and equipment		
Gross block												
Balance as at 01 April 2020	582.19	679.60	6,149.07	107.64	29.40	22.35	20.34	160.68	7,751.27	170.83	7,922.10	7,922.10
Additions	44.95	-	363.15	-	-	2.67	2.06	28.64	441.47	-	441.47	441.47
Deletion	(4.45)	-	(147.63)	(30.04)	(6.03)	(9.54)	(11.75)	(58.03)	(267.47)	-	(267.47)	(267.47)
Balance as at 31 March 2021	**622.69**	**679.60**	**6,364.59**	**77.60**	**23.37**	**15.48**	**10.65**	**131.29**	**7,925.27**	**170.83**	**8,096.10**	8,096.10
Balance as at 01 April 2021	622.69	679.60	6,364.59	77.60	23.37	15.48	10.65	131.29	7,925.27	170.83	8,096.10	**8,096.10**
Additions	21.02	-	252.71	-	22.47	3.15	3.98	20.15	323.48	448.93	772.41	**772.41**
Disposals	(102.35)	-	-	-	-	-	(1.70)	-	(104.05)	(90.92)	(194.97)	**(194.97)**
Balance as at 31 March 2022	**541.36**	**679.60**	**6,617.30**	**77.60**	**45.84**	**18.63**	**12.93**	**151.44**	**7,993.26**	**528.84**	**8,673.54**	**8,522.10**
Accumulated depreciation												
Balance as at 01 April 2020	-	357.23	3,818.05	80.26	22.81	18.00	17.66	84.26	4,398.27	-	4,398.27	4,398.27
Depreciation for the year	-	23.53	307.59	5.33	3.72	2.16	1.48	22.24	366.05	9.98	376.03	376.03
Depreciation on disposals	-	-	(79.65)	(28.67)	(5.63)	(9.08)	(11.27)	(51.81)	(186.11)	-	(186.11)	(186.11)
Balance as at 31 March 2021	**-**	**380.76**	**4,045.99**	**56.92**	**20.90**	**11.08**	**7.87**	**54.69**	**4,578.21**	**9.98**	**4,588.19**	**4,588.19**
Balance as at 01 April 2021	-	380.76	4,045.99	56.92	20.90	11.08	7.87	54.69	4,578.21	9.98	4,588.19	**4,588.19**
Depreciation for the year	-	21.78	339.04	3.94	2.60	2.34	2.14	23.67	395.51	16.90	412.41	**412.41**
Depreciation on disposals	-	-	-	-	-	-	(1.70)	-	(1.70)	-	(1.70)	**(1.70)**
Balance as at 31 March 2022	**-**	**402.54**	**4,385.03**	**60.86**	**23.50**	**13.42**	**8.31**	**78.36**	**4,972.02**	**26.88**	**4,998.90**	**4,998.90**
Net block												
As At 31 March 2022	**541.36**	**277.06**	**2,232.27**	**16.74**	**22.34**	**5.21**	**4.62**	**73.08**	**3,172.68**	**501.96**	**3,674.64**	**3,674.64**
As At 31 March 2021	**622.69**	**298.84**	**2,318.60**	**20.68**	**2.47**	**4.40**	**2.78**	**76.60**	**3,347.06**	**160.85**	**3,507.91**	3,507.91
As At 01 April 2020	**582.19**	**322.37**	**2,331.02**	**27.38**	**6.59**	**4.35**	**2.68**	**76.42**	**3,353.00**	**170.83**	**3,523.83**	3,523.83

There are no immovable properties the title deeds of which are not held in the name of the group.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

3 Capital work-in-progress

₹ in lakhs

Description	Factory Building	Capital Work in progress	Total
Balance as at 01 April 2020	-	1.35	1.35
Additions	98.28	-	98.28
Capitalised during the year	-	(1.35)	(1.35)
Balance as at 31 March 2021	**98.28**	**-**	**98.28**
Balance as at 01 April 2021	98.28	-	98.28
Additions	429.13	-	429.13
Capitalised during the year	-	-	-
Balance as at 31 March 2022	**527.41**	**-**	**527.41**

Capital work-in-progress aging schedule

Capital work-in-progress s	Amount in capital work-in-progress for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Balance as at 31 March 2022	429.13	98.28	-	-	527.41
Balance as at 31 March 2021	98.28	-	-	-	98.28
Balance as at 01 April 2020	-	1.35	-	-	1.35

4 Other Intangible assets

₹ in lakhs

Description	Trade Mark	Softwares	Total Owned assets
Gross block			
Balance as at 01 April 2020	0.30	16.52	16.82
Additions	-	3.01	3.01
Deletion	-	-	-
Balance as at 31 March 2021	**0.30**	**19.53**	**19.83**
Balance as at 01 April 2021	0.30	19.53	19.83
Additions	-	13.41	13.41
Disposals	-	-	-
Balance as at 31 March 2022	**0.30**	**32.94**	**33.24**
Amortisation			
Balance as at 01 April 2020	0.23	5.36	5.59
Amortisation for the year	0.02	3.10	3.12
Depreciation on disposals	-	-	-
Balance as at 31 March 2021	**0.25**	**8.46**	**8.71**
Balance as at 01 April 2021	0.25	8.45	8.70
Depreciation for the year	0.01	5.20	5.21
Depreciation on disposals	-	-	-
Balance as at 31 March 2022	**0.26**	**13.65**	**13.91**
Net block			
As At 31 March 2022	**0.04**	**19.29**	**19.33**
As At 31 March 2021	**0.05**	**11.07**	**11.12**
As At 01 April 2020	**0.07**	**11.16**	**11.23**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

5 Non-current investments

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Investments in equity accounted investees			
1,50,000 (31 March 2021 : 1,50,000; 1 April 2020 : 1,50,000) Investment in equity shares of Kranti SFCI Private Limited of Rs. 10/- each	-	4.95	14.12
	-	**4.95**	**14.12**
Investments carried at fair value through other comprehensive income (FVTOCI)			
Investment in equity shares - Unquoted			
100 (31 March 2021 : 100; 1 April 2020 : 100) Investment in equity shares of The Shamrao Vitthal Co Operative Bank Ltd of Rs. 100 each	0.10	0.10	0.10
8,200 (31 March 2021 : 8,200; 1 April 2020 : 8,200) Investment in equity shares of Cosmos Co-operative Bank Limited of Rs. 100 each	8.20	8.20	8.20
	8.30	**8.30**	**8.30**
Investments carried at fair value through profit and loss (FVTPL)			
Investment in Mutual funds - Quoted			
31,968 (31 March 2021 : 31,968; 1 April 2020 : 31,968) units of Aditya Birla Short Term Opportunities Fund	12.24	11.69	10.61
6,951 (31 March 2021 : Nil; 1 April 2020 : Nil) units of Aditya Birla Banking and PSU fund	20.61	-	-
681 (31 March 2021 : 681; 1 April 2020 : Nil) units of Aditya Birla Sun Life Liquid Fund	2.32	2.23	-
	35.17	13.92	10.61
	43.47	**27.17**	**33.03**
(a) Aggregate amount of quoted investments	35.17	13.92	10.61
(b) Aggregate market value of quoted investments	35.17	13.92	10.61
(a) Aggregate amount of unquoted investments	8.30	13.25	22.42
(b) Aggregate amount of impairment in value of investments	-	-	-

6 Non - current financial assets - Others

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
(Unsecured, considered good)			
Security deposits	28.15	28.15	25.66
Deposits with MSEB	4.35	4.35	4.35
	32.50	**32.50**	**30.01**

7 Other non-current assets (Unsecured, considered good)

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Capital advance	-	-	57.20
Balance with government authorities	-	30.15	42.02
	-	**30.15**	**99.22**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

8 Inventories

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Raw Materials, Components, Consumables	668.51	605.47	547.08
Work-in-progress, Stores and Spares	169.37	193.05	171.72
	837.88	**798.52**	**718.80**

9 Trade receivables (Unsecured, considered good)

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Trade receivables	640.57	912.83	364.59
	640.57	**912.83**	**364.59**
(Outstanding from due date of payment / from date of transaction)			
(i) Undisputed Trade Receivables – considered good			
Less than 6 months	640.57	874.93	328.22
6 months - 1 year	-	1.38	35.00
1-2 years	-	35.49	1.37
2-3 years	-	1.02	-
More than 3 years	-	-	-
	640.57	912.82	364.59
(ii) Undisputed Trade Receivables – which have significant increase in credit risk			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
	-	-	-
(iii) Undisputed Trade Receivables – credit impaired			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
	-	-	-
(iv) Disputed Trade Receivables – considered good			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
(v) Disputed Trade Receivables – which have significant increase in credit risk			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	-	-
(vi) Disputed Trade Receivables – credit impaired			
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	-	-
Less: Provision for doubtful receivables	-	-	-
	640.57	**912.82**	**364.59**

10 Cash and cash equivalents

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Cash-in-hand	0.94	0.74	2.64
Current accounts	0.20	0.44	4.90
Bank deposits with maturity less than 3 Months	-	157.61	58.99
	1.14	**158.79**	**66.53**

11 Other current financial assets

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Interest receivable	0.71	0.72	1.92
Security deposits	1.65	1.65	-
	2.36	**2.37**	**1.92**

12 Other current assets

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Advance to creditors	34.61	46.11	25.42
Advance to employees	0.66	0.86	0.51
Prepaid expenses	7.53	20.83	19.17
	42.80	**67.80**	**45.10**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

13 Non-current financial liabilities - borrowings

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Term loans from banks and financials institutions	1,047.98	1,455.67	1,276.78
Loans from related parties	-	479.86	460.19
	1,047.98	**1,935.53**	**1,736.97**

a. Term Loan from HDFC BANK (Account Nos. 81214831, 81214829, 81260322, 81600701, 83656442, 81214825) - loan is availed from HDFC bank for Plant and Machinery. secured by way of first mortgage /charge on the plant and machinery and mortgage of immovable property situated at Gat No. 267/B/1, Pirangut, Pune.

b. Term Loan Account SCB 51294176 - loan is availed from Standard Chartered bank as working capital requirement This loan is secured by way of first mortgage /charge on Flat owned by Director Situated at Isha Pearl, Kodhwa, Pune.

c. Term Loan Account 20571389, 20644102, 20780531, 20788892, 21794544 - loan is availed from TATA Capital for Machinery. This loan is secured by way of first mortgage /charge on the machinery Purchased.

d. TATA CAPITAL: SUPPLIERS CREDIT - this is a supplier Credit availed from TATA Capital for purchase of Machinery The Loan is secured by Mortgage of Machinery, The supplier credit maturity is in Mar 2021 and on maturity will be converted to Term Loan.

e. ABFL : A/C NO.00600350111308, TATA CAPITAL A/c 21816300 and HDFC A/c 8130923 : These loans are availed under Guaranteed Emergency Credit Line (GECL) as made available during COVID-19 crisis to augment their net-working capital.

f. Aditya Birla: 80001677: This loan is availed for the Purchase of Industrial Land at Gat no 1121, Pirangut Pune. This loan is secured by way of first mortgage / charge on the Land Purchased.

g. EFL: Loan 100-790917-2020-2-1: -This Credit is availed from Electronica Finance Limited for purchase of Machinery The Loan is secured by Mortgage of Machinery.

h. Subsidiary is having term loan on mortgage of Property which is financed by Kotak Bank. Term loan and the same is secured by first mortgage charge /on the immovable property situated at Bhosari MIDC, Pune

i) Subsidiary is using OD facility from Kotak bank, secured by mortgage on property

14 Lease liabilities - Non-current

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Lease liabilities	270.38	21.99	52.66
	270.38	**21.99**	**52.66**

15 Other non-current liabilities

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Deferred income on corporate guarantee	0.05	0.22	047
	0.05	**0.22**	**047**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

16 Borrowings - Current

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Secured			
Cash-credit from bank*	478.93	339.25	355.21
Bill discounting from banks	-	60.00	-
Current maturities of long-term debts	419.29	271.71	195.62
Loans from related parties	450.08	-	-
	1,348.30	**670.96**	**550.83**

*Secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment.

The Group has borrowings from banks against the security of current assets and the group is submitting the monthly statement of stock and receivables to the banks. The monthly statements of current asset filed by the group are in agreement with the books of accounts with a variation of 15%. Such variations are incorprated along with any other audit related changes at their respective time intervals. Following is the variance table in the respective months:

Quarter	Current Assets - Submitted to Banks	Current Assets As per Books	Change
Jun-21	1,708.80	1,534.83	0.11
Sep-21	1,875.24	1,874.74	0.00
Dec-21	1,889.12	1,893.35	(0.00)
Mar-22	1,583.73	1,422.21	0.11

17 Lease liabilities - Current

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Lease liabilities	77.79	30.67	50.89
	77.79	**30.67**	**50.89**

18 Trade payables

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Total outstanding dues to micro enterprises and small enterprises	271.77	371.85	240.67
Total outstanding dues to creditors other than micro enterprises and small enterprises	556.67	665.21	409.99
	828.44	**1,037.06**	**650.66**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

₹ in lakhs

Particulars (Outstanding from due date of payment / from date of transaction)	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
(i) MSME			
Less than 1 year	271.77	371.85	240.67
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	271.77	**371.85**	**240.67**
(ii) Others			
Less than 1 year	556.67	665.21	409.99
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	556.67	**665.21**	**409.99**
(iii) Disputed dues - MSME			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	**-**	**-**
(iv) Disputed dues – Others			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	**-**	**-**
(v) Accruals			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	**-**	**-**
	828.44	**1,037.06**	**650.66**

19 Other current financial liabilities

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Employee benefits payable	58.85	55.41	24.49
Audit fees payable	1.83	1.82	1.83
Legal fees payable	0.41	0.44	0.43
Electricity expenses payable	19.87	27.69	17.84
Expenses payable	92.34	22.29	1.18
Interest payable	5.03	4.35	2.82
	178.33	**112.00**	**48.59**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

20 Other current liabilities

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Statutory dues payable	64.07	87.54	21.67
Advance received from customers	11.64	3.00	-
	75.71	**90.54**	**21.67**

21 Provisions - Current

₹ in lakhs

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Provision for gratuity	12.82	9.41	16.56
Provision for leave encashment	9.98	-	-
	22.80	**9.41**	**16.56**

22 Share capital

₹ in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Authorised :			
1,50,00,000 (31 March 2021 : 1,50,00,000 ; 1 April 2020 : 1,00,00,000) equity shares of Rs.10 each.	1,500.00	1,500.00	1,000.00
TOTAL	**1,500.00**	**1,500.00**	**1,000.00**
Issued, subscribed and paid-up:			
1,05,62,400 (31 March 2021 : 88,02,000 ; 1 April 2020 : 88,02,000) equity shares of Rs.10 each fully paid-up	1,056.24	880.20	880.20
	1,056.24	**880.20**	**880.20**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity shares :	31 March 2022	31 March 2021	01 April 2020
	No. of Shares	No. of Shares	No. of Shares
Outstanding at the beginning of the year	88,02,000	88,02,000	88,02,000
Equity shares issued during the year*	17,60,400	-	-
Outstanding at the end of the year	**1,05,62,400**	**88,02,000**	**88,02,000**

*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported, Hence the EPS for the previous reporting period adjusted considering the no bonus issue shares issued.

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for the year ended 31 March 2022

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2022		31 March 2021		01 April 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Indubala S. Vora	20,74,441	19.64%	17,22,700	19.57%	16,98,700	19.30%
Mr. Sachin S. Vora	19,51,200	18.47%	16,26,000	18.47%	16,02,000	18.20%
Mr. Sumit S. Vora	18,54,036	17.55%	15,45,030	17.55%	15,39,030	17.49%
Smc Global Securities Ltd.	6,27,840	5.94%	6,12,000	6.95%	6,93,000	7.87%

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2022			31 March 2021		
Name of the Promoter	No. of Shares	% of Holding	% change	No. of Shares	% of Holding	% change
Mrs. Indubala S. Vora	20,74,441	19.64%	0.07%	17,22,700	19.57%	0.27%
Mr. Sachin S. Vora	19,51,200	18.47%	0.00%	16,26,000	18.47%	0.27%
Mr. Sumit S. Vora	18,54,036	17.55%	0.00%	15,45,030	17.55%	0.07%

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	01 April 2020	
Name of the Promoter	No. of Shares	% of Holding
Mrs. Indubala S. Vora	16,98,700	19.30%
Mr. Sachin S. Vora	16,02,000	18.20%
Mr. Sumit S. Vora	15,39,030	17.49%

23 Other equity

	As at 31 March 2022	As at 31 March 2021
A. Retained earnings	877.24	642.47
B. Securities premium	154.17	337.86
C. General reserve	30.00	30.00
D. Equity contribution from shareholders	100.41	117.68
	1,161.82	**1,128.01**

	As at 31 March 2022	As at 31 March 2021
Retained earnings		
Opening balance	642.47	648.93
Add/(Less):		
Profit for the year	222.47	(12.64)
Transfer from / (to) other reserves	9.30	3.11
Transfer from/to other reserves	-	-
Ind AS adjustments	-	-
Remeasurements of defined benefit liability / (asset)	3.00	3.07
Closing balance	**877.24**	**642.47**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

	As at 31 March 2022	As at 31 March 2021
Securities premium		
Opening balance	337.86	342.61
Changes during the year	(176.04)	-
Transaction costs on issue of shares	(7.65)	(4.75)
Closing balance	**154.17**	**337.86**
General Reserve		
Opening balance	30.00	30.00
Changes during the year	-	-
Closing balance	**30.00**	**30.00**
Equity contribution from shareholders		
Opening Balance	117.68	121.02
Transfer from/ to reserves	(8.49)	(3.34)
Changes during the year	(8.78)	-
Closing Balance	**100.41**	**117.68**
Non-Controlling Interest		
Opening Balance	0.44	(1.03)
Add/(Less):		
Profit for the year	0.19	(0.01)
Transfer from/ to reserves	1.47	1.48
Closing Balance	**2.10**	**0.44**

24 Revenue from operations

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Sales of goods	8,321.08	4,883.39
Sale of services (Labour charges)	606.26	444.42
Other non operating income		
Sale of Scrap	396.52	222.65
Cash discount received	47.65	22.73
	9,371.51	**5,573.19**

25 Other income

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Interest		
Interest on Deposits	15.40	6.69
Others	0.21	0.28
Profit on Sale of Assets	-	32.60
Commision income on corporate guarantee	0.18	0.30
Fair valuation gain/loss on instruments measured at fair value through profit and loss	1.11	1.12
Discount received	0.06	-
Dividend on shares	-	0.22
	16.96	**41.21**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

26 Cost of materials consumed

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Opening inventory	60547	547.08
Add:	-	-
Purchases during the year	6,115.99	3,388.53
Freight & Octroi	35.12	24.94
Closing inventory	668.51	60547
	6,088.07	**3,355.08**

27 Changes in inventories of finished goods and work-in-progress

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Opening Work-in-Progress	193.05	171.72
Closing Work-in-Progress	(169.37)	193.05
	23.68	**(21.33)**

28 Employee benefits expense

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Salaries and Wages	965.86	694.64
Bonus and Incentives	39.16	30.81
Gratuity paid	15.96	7.54
P.F. Contribution	33.33	28.05
Esic : Employer's Contribution	4.74	3.80
Welfare Fund Deducted	0.08	0.06
Staff Welfare	7.96	5.36
Directors Remuneration	35.15	31.37
Leave Encashment provision	9.98	-
	1,112.22	**801.63**

29 Finance costs

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Interest on Term Loan	80.87	57.63
Interest on Cash Credit, Bill Discounting	7649	82.52
Interest on Unsecured Loans and Deposits	40.21	40.25
Interest on corporate guarantee	0.02	0.04
Interest on unwinding lease liabilities	21.28	8.72
Bank Charges	5.97	244
	224.84	**191.60**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

30 Depreciation and amortisation

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 2)	395.52	366.05
Depreciation of intangible assets (refer note 4)	5.21	3.11
Depreciation of right-of-use asset (refer note 2)	16.90	9.98
	417.63	**379.14**

31 Other expenses

₹ in lakhs

	For year ended 31 March 2022	For year ended 31 March 2021
Manufacturing Expenses		
Power and Fuel	339.00	280.73
Repairs to Machinery	240.09	150.50
Job work and labour charges	200.18	136.61
Lease Rental	6.60	1.65
Packing Material	176.78	101.70
Sales, administration and other expenses		
Advertisement	0.93	0.21
Audit Fees	1.42	2.19
Conveyance and Travelling	10.44	7.42
Insurance	8.75	7.83
Interest paid on Govt. Dues	0.14	-
Legal and Professional Fees	28.56	8.56
Legal Expenses	6.09	7.92
Office Expenses	35.12	25.18
Postage and Courier	0.16	0.08
Printing and Stationary	5.90	3.66
Profession Tax	0.05	0.05
Rates and Taxes	3.27	3.15
Repairs and Maintenance	11.03	8.49
Sales Promotion, entertainment and Ceremony expenditure	20.87	26.68
Security Charges	18.75	16.74
Housekeeping Expenses	18.21	14.75
Subscription and contribution	3.58	1.98
Transport Charges	80.39	95.44
Round Off	-	-
Telephone Expenses	2.06	2.17
Water Charges	9.77	5.99
Foreign Currency Gain/Loss	0.13	0.05
Accounts / Liability Written Back	3.34	10.15
Donations	-	0.15
MVAT Paid	5.76	-
Ceremony Expenses	-	0.19
	1,237.37	**920.22**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

32 Taxes

a) Statement of profit or loss

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Current tax:		
Current income tax charge	49.53	-
Deferred tax	65.84	(9.57)
MAT credit entitlement	(49.53)	-
Income tax expense reported in the statement of profit or loss	**65.84**	**(9.57)**

b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the year

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Deferred tax		
Remeasurements gains and losses on post employment benefits	(1.05)	(1.08)
Income tax recognised in OCI	**(1.05)**	**(1.08)**

c) Balance sheet

Particulars	31 March 2022	31 March 2021	01 April 2020
Tax assets			
Non- current tax assets	30.41	33.14	27.05
Current tax assets	-	-	-
Total tax assets	**30.41**	**33.14**	**27.05**

Current tax liabilities

Particulars	31 March 2022	31 March 2021	01 April 2020
Income tax (net of provision)	1.20	-	-
Total current tax liabilities	**1.20**	**-**	**-**

d) Deferred tax

Particulars	31 March 2022	31 March 2021	01 April 2020
Deferred tax liability (DTL)			
Excess of depreciation/amortisation on property, plant and equipment under income tax act	166.99	171.29	128.89
Borrowings	-	0.15	-
Unsecured borrowings	10.38	20.84	31.15
Leases	25.87	10.64	-
Equity accounting for associate	-	1.29	1.88
	203.24	**204.21**	**161.92**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

Particulars	31 March 2022	31 March 2021	01 April 2020
Deferred tax asset (DTA)			
Gratuity	(3.31)	(0.37)	(2.23)
Deferred Tax Asset B/ F Loss (Asset)	(23.45)	(94.73)	(42.46)
Leave Encashment Provision	(2.59)	-	-
Corporate guarantee	(0.01)	(0.06)	(0.12)
MAT credit entitlement	(71.87)	(25.03)	(25.03)
Borrowings	(0.22)	-	-
	(101.45)	**(120.19)**	**(69.84)**
Net deferred tax liability/(asset)	**101.79**	**84.02**	**92.08**

e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:

	For year ended 31 March 2022	For year ended 31 March 2021
Accounting profit before tax	284.66	(11.94)
Tax as per IT Act on above @ 26.00% (Prev. year - 26.00%) (A)	74.01	(3.10)
Tax expenses		
(i) Current tax	49.53	-
(ii) Deferred tax	16.31	(9.57)
(iii) Taxation in respect of earlier years	-	-
(B)	**65.84**	**(9.57)**
Difference	**8.17**	**6.47**
Tax reconciliation		
Adjustments:		
Permanent disallowances	**-**	**(1.24)**
Ind AS transition impacts on MAT computations (1/5th)	**7.08**	**-**
MAT credit written off	**2.70**	**-**
Set-off of brought forward losses	**(1.03)**	**(1.09)**
Tax expenses accounted as no effect of Timing differences on MAT liability	**1.64**	**-**
Tax rate difference on book profit as per Minimum Alternate Tax	**(19.62)**	**-**
Equity accounting of associate	**-**	**(1.00)**
Others	**1.06**	**(3.14)**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

f) Movement in temporary differences:

	01 April 2020	Recognised in profit or loss during the year	Recognised in OCI during the year	Recognised in equity during the year	31 March 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	Recognised in equity during the year	31 March 2022
Deferred tax liability (DTL)									
Excess of depreciation/amortisation on property, plant and equipment under income tax act	128.90	42.42	-	-	171.31	(4.33)	-	-	166.99
Gratuity	(2.23)	0.78	1.08	-	(0.37)	(3.99)	1.05	-	(3.31)
Deferred Tax Asset B/ F Loss (Asset)	(42.46)	(52.27)	-	-	(94.73)	71.28	-	-	(23.45)
Leave Encashment Provision	-	-	-	-	-	(2.59)	-	-	(2.59)
Borrowings	-	0.15	-	-	0.15	(0.36)	-	-	(0.22)
Unsecured borrowings	31.15	(10.75)	-	0.44	20.84	(10.87)	-	0.42	10.38
Leases	-	10.64	-	-	10.64	15.24	-	-	25.87
Equity accounting for associate	1.88	(0.60)	-	-	1.29	(1.29)	-	-	-
MAT credit entitlement	(25.03)	-	-	-	(25.03)	(46.84)	-	-	(71.87)
Corporate guarantee	(0.12)	0.07	-	-	(0.06)	0.04	-	-	(0.01)
	92.09	**(9.56)**	**1.08**	**0.44**	**84.04**	**16.29**	**1.05**	**0.42**	**101.79**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

33 Earnings Per Share

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Profit / (Loss) attributable to equity shareholders	222.66	(12.65)
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year*	1,05,62,400	1,05,62,400
Basic EPS (Rs.)	2.11	(0.12)
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding for diluted EPS*	1,05,62,400	1,05,62,400
Diluted EPS (Rs.)	2.11	(0.12)

*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported.

34 Contingent liabilities:

₹ in lakhs

Particulars	31 March 2022	31 March 2021	01 April 2020
Pending litigation under Income Tax Act	14.42	14.42	Nil
	14.42	**14.42**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

35 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in lakhs

Particulars	31 March 2022	31 March 2021	01 April 2020
The amount remaining unpaid to micro and small suppliers as at the end of each accounting year			
- Principal	271.77	371.85	240.67
- Interest	Nil	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	Nil	Nil	Nil
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil	Nil

36 Corporate social responsibilty

The provisions for CSR are not applicable to the company for all the reporting period.

37 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Nature of Relationship	Name of Company / Related Parties	Details / Designation
Subsidiary company	Wonder Precision Private Limited	CIN : U27109PN1986PTC039913
Associate company	Kranti SFCI Private Limited	CIN : U29113GJ2018PTC105630
Key Management Personnel (KMP)	Mr. Sachin Subhash Vora	Chairman and Managing Director
Key Management Personnel (KMP)	Mr. Sumit Subhash Vora	Whole Time Director
Key Management Personnel (KMP)	Mrs. Sheela Kailash Dhawale	Chief Financial Officer
Key Management Personnel (KMP)	Mr. Bhavesh Subhash Selarka	Company Secretary
Relative of Key Management Personnel	Smt. Indubala Subhash Vora	Non- Executive Director
Relative of Key Management Personnel	Mrs. Sarika Sachin Vora	Wife of Director
Relative of Key Management Personnel	Mrs. Lushita Sumit Vora	Wife of Director
Relative of Key Management Personnel	Mrs. Sapna Sunil Gadiya	Sister of Director
Other Related Parties	Kranti Industries Limited EGGLAS	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(b) Related party transactions:

Sr. no	Nature of Transaction	For year ended 31 March 2022				For the year ended 31 March 2021			
		KMP / Relative of KMP	Associates	Other related parties	Total	KMP / Relative of KMP	Associates	Other related parties	Total
	Remuneration to Key Managerial persons				-				-
	Short-term employee benefits	78.16	-	-	78.16	65.18	-	-	65.18
	Post employement benefits	0.86	-	-	0.86	-	-	-	-
	Other long-term employee benefits	-	-	-	-	-	-	-	-
	Termination benefits	-	-	-	-	-	-	-	-
	Share based payments				-				
	Gratuity premium paid	-	-	6.10	6.10	-	-	-	-
		79.02	**-**	**6.10**	**85.12**	**65.18**	**-**	**-**	**65.18**

(c) Balances outstanding at the end of the year:-

₹ in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
a. Loans taken from related parties	450.08	479.86	460.19

38 Financial risk management

The Group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors is responsible for developing and monitoring the group's risk management policies. The board regularly meets to decide its risk management activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group's management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The group has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess impairment loss or gain.

(b) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

₹ in lakhs

Particulars	31 March 2022	31 March 2021	01 April 2020
Total current assets (A)	1,524.75	1,940.32	1,196.94
Total current liabilities (B)	2,532.57	1,950.64	1,339.20
Working capital (A-B)	**(1,007.82)**	**(10.32)**	**(142.26)**

Following is the Group's exposure to financial liabilities based on the contractual maturity as at reporting date.

	31 March 2022			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,396.28	1,348.30	1,047.98	2,396.28
Trade payables	828.44	828.44	-	828.44
Lease liabilities	348.17	77.79	270.38	348.17
Other liabilities	178.33	178.33	-	178.33

	31 March 2021			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,606.49	670.96	1,935.53	2,606.49
Trade payables	1,037.06	1,037.06	-	1,037.06
Lease liabilities	52.66	30.67	21.99	52.66
Other liabilities	112.00	112.00	-	112.00

	01 April 2020			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,287.80	550.83	1,736.97	2,287.80
Trade payables	650.66	650.66	-	650.66
Lease liabilities	103.55	50.89	52.66	103.55
Other liabilities	48.59	48.59	-	48.59

Notes to the Consolidated Financial Statements

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(c) Interest rate risk:

The group does not face any interest rate risk as all the borrowings of the Group have a fixed interest rate.

(d) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company does not have any outstanding foreign currency balances as on the reporting dates.

39 Capital management

The group's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The group's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

₹ in lakhs

Particulars	31 March 2022	31 March 2021	01 April 2020
Total liabilities	3,952.78	3,992.39	3,221.37
Less: cash and cash equivalents and bank balances	1.14	158.79	66.53
Net debt	**3,951.64**	**3,833.60**	**3,154.84**
Total equity	**2,218.06**	**2,008.21**	**2,022.76**
Debt-equity ratio	178.16%	190.90%	155.97%

40 Fair value measurements

(a) Categories of financial instruments -

Particulars	31 March 2022			31 March 2021			01 April 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Category	**Level 1**	**Level 3**	**Level 2**	**Level 1**	**Level 3**	**Level 2**	**Level 1**	**Level 3**	**Level 2**
Financial assets									
Investment	35.17	8.30	-	13.92	8.30	-	10.61	8.30	-
Trade receivables	-	-	640.57	-	-	912.83	-	-	364.59
Cash and cash equivalents	-	-	1.14	-	-	158.79	-	-	66.53
Other financial assets	-	-	2.36	-	-	2.37	-	-	1.92
Total financial assets	**35.17**	**8.30**	**644.07**	**13.92**	**8.30**	**1,073.99**	**10.61**	**8.30**	**433.04**
Financial liabilities									
Borrowings	-	-	2,396.28	-	-	2,60649	-	-	2,287.80
Lease liabilities	-	-	348.17	-	-	52.66	-	-	103.55
Trade payables	-	-	82844	-	-	1,037.06	-	-	650.66
Other financial liabilities	-	-	178.33	-	-	112.00	-	-	48.59
Total financial liabilities	**-**	**-**	**3,751.22**	**-**	**-**	**3,808.21**	**-**	**-**	**3,090.60**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the group which are carried at amortised cost approximates the fair value. Accordingly fair value disclosures have not been made for these financial instruments. Investments in equity shares and mutual funds which are designated at FVTPL & investment in equity shares which are classified as FVTOCI are at fair value.

41 Post-employment benefit plans

As per Indian Accounting Standard 19" Employee Benefits", the disclosures as defined are given below-

A. Defined Contribution Plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Employer's contribution to provident fund	33.33	28.05

Group's contribution paid/payable during the year to provident fund are recognised in the Statement of Profit and Loss.

B. Defined Benefit Plans

Gratuity

The group has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

Liability Risks

1. **Asset-Liability mismatch risk-** Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements. Hence group's are encouraged to adopt asset-liability management.
2. **Discount rate risk-** Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.
3. **Future salary escalation and inflation risk -** Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

₹ in lakhs

Particulars	31 March 2022	31 March 2021
Current service cost	10.53	7.51
Net interest (Income)/ Expense	0.33	0.73
Net benefit expense	**10.86**	**8.24**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

Changes in the present value of the defined benefit obligation are as follows : ₹ in lakhs

Particulars	31 March 2022	31 March 2021
Projected benefit obligation at the beginning of the year	**66.69**	59.84
Interest cost	4.57	4.05
Current service cost	10.53	7.51
Actuarial (gain)/ loss on obligations	(3.12)	(4.16)
Benefits paid	(1.66)	(0.55)
Present value of obligation at the end of the year	**77.01**	**66.69**

Changes in the fair value of plan assets are as follows: ₹ in lakhs

Particulars	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the year	**57.28**	43.27
Interest income	4.24	3.32
Contributions	5.00	11.60
Mortality charges and taxes	-	(0.35)
Benefits paid	(1.66)	(0.55)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(0.67)	(0.01)
Fair value of Plan assets at end of the year	**64.19**	**57.28**
Actual return on plan assets	**3.57**	**3.30**

Amount recognised in the statement of other comprehensive income ₹ in lakhs

Particulars	31 March 2022	31 March 2021
Re-measurement for the year - obligation (gain) / loss	4.05	4.15
Re-measurement for the year - plan assets (gain) / loss	-	-
Total re-measurements cost / (credit) for the year recognised in other comprehensive income	**4.05**	**4.15**

Net Defined Benefit Liability/(Asset) for the year ₹ in lakhs

Particulars	31 March 2022	31 March 2021
Defined benefit obligation	77.01	66.69
Fair value of plan assets	64.19	57.28
Closing net defined benefit liability/(asset)	**12.82**	**9.41**
Current	12.82	9.41
Non-Current	-	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	31 March 2022	31 March 2021
Funds managed by insurer	100%	100%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

Particulars	31 March 2022	31 March 2021
	%	%
Mortality table	IALM (2012- 14)	IALM (2012- 14)
Discount rate	0.07	0.07
Rate of increase in compensation levels	0.05	0.05
Expected rate of return on plan assets	0.07	0.07
Withdrawal rate #		
Age upto 30 years	0.03	0.03
Age 31 - 40 years	0.02	0.02
Age 41 - 50 years	0.01	0.01
Age above 50 years	0.01	0.01
Expected average remaining working lives of employees (in years)	18.48 *	18.93 *

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Assumption has been revised by the Company based on their past experience and future expectations

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	Defined benefit obligation			
	31 March 2022		31 March 2021	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	8.30%	6.30%	0.08	0.06
Amount	66.54	89.78	77.62	57.71
Salary increment Rate				
Salary increment Rate	6.00%	4.00%	0.06	0.04
Amount	88.88	67.13	59.28	75.41
Impact of change in withdrawal Rate				
Withdrawal Rate	4.00%	2.00%	0.04	0.02
Amount	77.06	77.06	69.13	63.89

Expected contribution for the next Annual reporting period.

The Group intends to contribute Rs. 9.03 towards its gratuity fund in 2022.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year ending 31 March 2022	Expected benefit payment rounded of to nearest thousand
0 to 1 Year	3.15
1 to 2 Year	2.23
2 to 3 Year	2.22
3 to 4 Year	2.13
4 to 5 Year	2.21
6 to 10 Year	17.98

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

42 Revenue from contracts with customers

A. Revenue streams

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Revenue from operations		
Sales of goods	8,321.08	4,883.39
Sale of services (Labour charges)	606.26	444.42
Other non operating income		
Sale of Scrap	396.52	222.65
Cash discount received	47.65	22.73
	9,371.51	**5,573.19**

₹ in lakhs

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Timing of revenue recognition		
At point in time	8,765.25	5,128.77
Over the period in time	606.26	444.42
Total revenue	**9,371.51**	**5,573.19**

43 Leases

A. As a lessee

As a lessee, the group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the group. Under Ind AS 116, the group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The group decided to apply recognition exemptions to short-term leases . For leases of other assets, which were classified as operating under AS 19, the group recognised right-of-use assets and lease liabilities.

B. As a lessor

The group are not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The group accounted for its leases in accordance with Ind AS 116 from the date of initial application.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1st April 2020. The weighted-average rate applied is 11.75%.

C. Impacts on financial statements

On transition to Ind AS 116 - Leases, the group has not recognised any right-of-use asset and lease liabilities, as all the leases are in the nature of short-term leases.

Particulars	01 April 2020
Operating lease commitment at 1 April 2020 as disclosed in the Company's financial statements	117.40
Discounted using the incremental borrowing rate at 1 April 2020	103.55
Finance lease liabilities existing as at 1 April 2020	-
Recognition exemption for:	
-Short-term leases	-
-Leases of low-value assets	-
Lease liabilties recognised as on 1 April 2020	**103.55**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

A1. Lease liabilities

₹ in lakhs

	31 March 2022	31 March 2021	01 April 2020
Current	77.79	30.67	50.89
Non Current	270.38	21.99	52.66
Total	**348.17**	**52.66**	**103.55**

Maturity Analysis - Contractual undiscounted cash flow	31 March 2022	31 March 2021	01 April 2020
Less than 1 Year	112.44	34.33	59.61
More than 1 Year	326.21	23.46	57.79
Total	**438.65**	**57.79**	**117.40**

A2. Amount recognised in statement of profit & loss

Interest expenses on lease liabilities	For year ended 31 March 2022	For year ended 31 March 2021
Interest on lease liabilities	21.28	8.72

Expenses on short-term leases / low value assets	For year ended 31 March 2022	For year ended 31 March 2021
Short-term lease	6.60	1.65
Low value assets	-	-

Amounts recognised in the statement of cash flow	For year ended 31 March 2022	For year ended 31 March 2021
Principle Amount	(61.64)	(50.89)
Unwinding of interest on lease liabilities	(21.28)	(8.72)
Total cash outflow for leases	**(82.92)**	**(59.61)**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

44 Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Kranti Industries Limited	101.46%	2,222.32	93.89%	210.36	99.67%	3.00	93.96%	213.36
Subsidiaries								
Indian								
Wonder Precision Private Limited	-1.55%	(34.01)	4.32%	9.68	0.00%	-	4.26%	9.68
Associates	0.00%	-	1.71%	3.84	0.00%	-	1.69%	3.84
Kranti SFCI Private Limited	0.00%		0.00%		0.00%	-	0.00%	-
Non-controlling interests in all subsidiaries	0.10%	2.10	0.08%	0.19	0.00%	-	0.08%	0.19
Total	**100.00%**	**2,190.41**	**100.00%**	**224.06**	**99.67%**	**3.01**	**100.00%**	**227.07**
Adjustments arising out of consolidation		29.75		(1.40)		(0.01)		(1.41)
As at 31 March 2022		**2,220.16**		**222.66**		**3.00**		**225.66**

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Kranti Industries Limited	101.64%	2,016.62	42.26%	(5.65)	100.00%	3.07	25.05%	(2.58)
Subsidiaries								
Indian								
Wonder Precision Private Limited	-2.13%	(42.23)	-19.22%	2.57	0.00%	-	-24.95%	2.57
Associates								
Kranti SFCI Private Limited	0.46%	9.17	76.89%	(10.28)	0.00%	-	99.81%	(10.28)
Non-controlling interests in all subsidiaries	0.02%	0.44	0.07%	(0.01)	0.00%	-	0.10%	(0.01)
Total	**100.00%**	**1,984.00**	**100.00%**	**(13.37)**	**100.00%**	**3.07**	**100.00%**	**(10.30)**
Adjustments arising out of consolidation		24.65		0.72		-		0.72
As at 31 March 2021		**2,008.65**		**(12.65)**		**3.07**		**(9.58)**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

45 Investment in Equity accounted - Investees

Set out below are the associates of the group.

Name of the company	Relation	Country of incorporation	% of ownership interest as on 31 March 2022	% of ownership interest as on 31 March 2021	% of ownership interest as on 1 April 2020
Kranti SFCI Private Limited	Associate	India	30%	30%	30%

The tables below provide summarised financial information for those associates that are material to the group.

Kranti SFCI Private Limited

Summarised Balance Sheet	31 March 2022	31 March 2021	1 April 2020
Current asset			
Financial assets	3.49	32.27	36.60
Inventories	9.64	13.06	11.49
Other current assets	34.91	36.30	37.70
Total Non-current asset	**259.91**	**178.27**	**187.38**
Current liabilities	-	-	-
Total financial liabilities	194.67	105.70	87.91
Other current liabilities	0.22	0.20	0.34
Provisions	-	-	-
Total Non-current liabilities	**128.39**	**140.90**	**141.25**
Equity	(15.34)	13.10	43.67
Proportion of the group's ownership interest	-	4.95	14.12
Carrying amount of the group's interest	-	4.95	14.12

Reconciliation to carrying amounts

	31 March 2022	31 March 2021
Opening carrying value	4.95	14.12
Profit for the year	(4.95)	(9.17)
OCI for the year	-	-
Investment in additional equity issued / (Stake sale)	-	-
Closing carrying amount	**-**	**4.95**

Summarised statement of profit and loss	31 March 2022	31 March 2021
Revenue	141.46	65.62
Other income	-	-
Cost of material consumed	44.57	21.72
Changes in inventories of finished goods and work-in-progress	-	-
Employee benefit expenses	51.19	32.39
Finance cost	20.87	13.84
Depreciation and amortisation	31.67	32.84

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

Summarised statement of profit and loss	31 March 2022	31 March 2021
Other expenses	36.58	16.06
Profit before tax	**(4342)**	**(51.23)**
Deferred tax (income)/Expense	(3.85)	(18.16)
Profit/Loss for the year	**(39.57)**	**(33.07)**
Other comprehensive (income)/Loss	-	-
Total comprehensive income/(loss)	**(39.57)**	**(33.07)**
Group's share of total comprehensive income for the year	(4.95)	(9.17)

Note 46 : Explanation of transition to Ind AS

These are group's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Companies (Indian Accounting Standards) Rules, 2015. In preparing the financial statements for the year ended 31st March, 2021 and balance sheet as at 1st April, 2020 (date of transition), the group has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP. This note explains the principal adjustments made by the group in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2020 and the financial statements for the year ended 31st March, 2021.

A. Optional Exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has elected to apply the following exemptions:

1. Past Business Combinations:

The group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2020. Consequently,

i) the Group has kept the same classification for the past business combinations as in its Previous GAAP financial statements;

ii) the Group has not recorded assets and liabilities that were not recognised in the previous GAAP; and

iii) the Group has not excluded from its opening Balance Sheet those items recognised in accordance with Previous GAAP that do not qualify for recognition as an asset or liability under Ind AS.

2. Fair Value of Financials Assets and Liabilities:

As per Ind AS exemption, the group has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

B. Mandatory Exceptions

1. Estimates

The estimates at 1st April, 2020 and at 31st March, 2021 are consistent with those made for the same dates in accordance with Indian GAAP. The estimates used by the group to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2020, the date of transition to Ind AS and as of 31st March, 2021.

2. Derecognition of financial assets and liabilities

Ind AS 101, requires first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the group's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transaction was obtained at the time of initial accounting of transactions.

The group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exist at the transition date to Ind AS.

C. Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the group's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

i) Reconciliation of equity as at 1st April 2020 and 31st March, 2021

ii) Reconciliation of total comprehensive income for the year ended 31st March 2021;

There are no material adjustments to the cash flow statements.

i) Reconciliation of equity as previously reported under Indian GAAP to Ind AS

Particulars	Notes	31 March 2021			1 April 2020		
		Indian GAAP	Effect of transition	Ind AS	Indian GAAP	Effect of transition	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	i	3,449.80	(102.74)	3,347.06	3,358.22	(5.23)	3,352.99
Right-of-use assets	c	-	160.85	160.85	-	170.83	170.83
Capital work-in-progress	i	-	98.28	98.28	1.35	-	1.35
Goodwill		320.43	-	320.43	320.43	-	320.43
Intangible assets		11.12	-	11.12	11.23	-	11.23
Financial assets		-	-		-	-	
(i) Investments		22.23	4.95	27.18	25.78	7.25	33.03
(ii) Others	i	34.15	(1.65)	32.50	30.01	-	30.01
Non-current tax assets (net)		33.14	-	33.14	27.05	-	27.05
Other non-current assets	c	97.44	(67.28)	30.16	166.51	(67.28)	99.23
		3,968.31	**92.41**	**4,060.72**	**3,940.58**	**105.57**	**4,046.15**
Current assets							
Inventories		798.52	-	798.52	718.80	-	718.80
Financial assets		-	-		-	-	
(i) Trade receivables		912.83	-	912.83	364.59	-	364.59
(ii) Cash and cash equivalents		1.19	-	1.19	7.55	-	7.55
(iii) Bank balance other than (iii) above		157.61	-	157.61	58.99	-	58.99
(iv) Others (to be specified)	i	0.72	1.65	2.37	1.92	-	1.92
Other current assets		67.80	-	67.80	45.10	-	45.10
		1,938.67	**1.65**	**1,940.32**	**1,196.95**	**-**	**1,196.95**
TOTAL ASSETS		**5,906.98**	**94.06**	**6,001.04**	**5,137.53**	**105.57**	**5,243.10**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

Particulars	Notes	31 March 2021			1 April 2020		
		Indian GAAP	Effect of transition	Ind AS	Indian GAAP	Effect of transition	Ind AS
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		880.20	-	880.20	880.20	-	880.20
Other equity	a to k	1,036.75	91.26	1,128.01	1,050.03	92.54	1,142.57
		1,916.95	**91.26**	**2,008.21**	**1,930.23**	**92.54**	**2,022.77**
Non-controlling interests		(1.81)	2.26	0.45	(2.17)	1.14	(1.03)
Total equity		**1,915.14**	**93.52**	**2,008.66**	**1,928.06**	**93.68**	**2,021.74**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings	b,e	2,019.29	(83.76)	1,935.53	1,861.05	(124.08)	1,736.97
(ii) Lease liabilities	c	-	21.99	21.99	-	52.66	52.66
Deferred tax liabilities (Net)	h	51.16	32.86	84.02	59.16	32.91	92.07
Other non-current liabilities	d	-	0.21	0.21	-	0.46	0.46
		2,070.45	**(28.70)**	**2,041.75**	**1,920.21**	**(38.05)**	**1,882.16**
Current liabilities							
Financial liabilities							
(i) Borrowings	e	672.35	(1.39)	670.96	551.79	(0.95)	550.84
(ii) Lease liabilities	c	-	30.67	30.67	-	50.89	50.89
(iii) Trade payables		-	-		-	-	
a) total outstanding dues of micro enterprises and small enterprises		371.85	-	371.85	240.67	-	240.67
b) total outstanding dues of creditors other than micro enterprises and small enterprises		665.21	-	665.21	409.99	-	409.99
(iv) Other financial liabilities		112.00	-	112.00	48.59	-	48.59
Other current liabilities		90.54	-	90.54	21.67	-	21.67
Provisions	a,f	9.44	(0.04)	9.40	16.55	-	16.55
		1,921.39	**29.24**	**1,950.63**	**1,289.26**	**49.94**	**1,339.20**
TOTAL LIABILITIES		**3,991.84**	**0.54**	**3,992.38**	**3,209.47**	**11.89**	**3,221.36**
TOTAL EQUITY AND LIABILITIES		**5,906.98**	**94.06**	**6,001.04**	**5,137.53**	**105.57**	**5,243.10**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

ii) Reconciliation of total comprehensive income as previously reported under Indian GAAP to Ind AS

Particulars	Notes	Year ended 31 March 2021		
		Indian GAAP	Effect of transition	Ind AS
INCOME				
Revenue from operations	g	5,622.65	(49.46)	5,573.19
Other income	d	40.92	0.30	41.21
Total income		**5,663.57**	**(49.16)**	**5,614.40**
EXPENSES				
Cost of materials consumed		3,355.08	-	3,355.08
Employee benefit expenses	a,f	797.94	4.11	802.06
Finance costs	g	191.87	(0.27)	191.60
Depreciation and amortisation expense	c	369.16	9.98	379.14
Other expenses		984.89	(65.10)	919.79
Total expenses		**5,677.61**	**(51.28)**	**5,626.34**
Profit before tax		**(14.04)**	**2.12**	**(11.94)**
Tax expenses				
(1) Current tax		-	-	-
(2) Tax provision for earlier years		-	-	-
(2) Deferred tax	h	(8.00)	(1.57)	(9.57)
(4) MAT credit entitlement		-	-	-
Total tax expenses		**(8.00)**	**(1.57)**	**(9.57)**
Profit for the year		**(6.04)**	**3.69**	**(2.37)**
Share of profit of equity-accounted investees, net of tax				
Share of profit of equity-accounted investees, net of tax		-	-	
Share of profit of equity-accounted investees, net of tax		(6.87)	(3.41)	(10.28)
Profit/(loss) for the period VI= (IX+XII)		**(12.91)**	**0.28**	**(12.65)**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements of post employment benefit obligations	a	-	4.15	4.15
Income tax related to above items	h	-	(1.08)	(1.08)
Total comprehensive income for the year		**(12.91)**	**3.35**	**(9.58)**
Profit attributable to:				
Owners of the Company- PL		(13.28)	0.65	(12.63)
Non-controlling interests-PL		0.36	(0.37)	(0.01)
Profit for the year		**(12.92)**	**0.28**	**(12.64)**
Other Comprehensive Income attributable to:				
Owners of the Company - OCI		-	3.07	3.07
Non-controlling interests -OCI		-	-	-
Other comprehensive income for the year		**-**	**3.07**	**3.07**
Total comprehensive income attributable to:				
Owners of the Company- TCI		(13.28)	3.72	(9.56)
Non-controlling interests -TCI		0.36	(0.37)	(0.01)
Total comprehensive income for the year		**(12.92)**	**3.35**	**(9.57)**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

Notes to the reconciliations:

a) Employee benefit expenses - actuarial gains and losses and return on plan assets

Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

b) Unsecured Borrowings

Under Indian GAAP, interest free unsecured borrowings are recorded at transaction value. Under Ind AS, interest free unsecured borrowings are fair valued and the difference between the fair value and the transaction value is recognised as additional contribution by the shareholders. Interest expense on interest free unsecured borrowings is recorded in the statement of profit and loss using effective interest rate method.

c) Leases

Under Indian GAAP, leases are required to be classify leases as finance lease and operating lease. Operating lease expenses are recognised on a straight-line basis over the lease term. Under Ind AS, a single lessee accounting model is prescribed and requires a lessee to recognize assets and liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payment. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest expenditure on lease liabilities is recorded using effective interest rate method.

d) Corporate Guarantee

Under Indian GAAP corporate guarantee was disclosed as a contingent liability. Under Ind AS, corporate / financial guarantee is treated as financial liability and recognised at fair value on initial and subsequent recognition. The fair value of the guarantee recoverable from the subsidiary is treated as receivable from subsidiary. The fair value of the guarantee not recoverable from the subsidiary is written off as expenditure. Finance expense is recognised over the term of the guarantee using effective interest method and the deferred income is recognised in the statement of profit and loss on straight line basis.

e) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are recognised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition of financial liability and charged to profit or loss using the effective interest method.

f) Prior period adjustments

Under Indian GAAP, prior period items are included in determination of profit or loss of the period in which the item is discovered and are separately disclosed in the statement of profit and loss. Under Ind AS, material prior period items are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented by restating the opening balance sheet.

g) Revenue from contracts with customers

Under Indian GAAP, discount given to customer is shown as expenditure to statement of profit and loss. Under Ind AS, the said discount is netted off against revenue.

h) Income tax

Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Further under Ind AS, income tax is recognised in the same statement in which underlying item is recorded.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

i) Reclassification

Appropriate reclassification adjustments have been made to suit the Ind AS presentation requirements.

47 Additional Regulatory Information

Details of Benami Property held

The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

Details of Loans and advances

The Group has not granted any loans and advances to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment.

Wilful Defaulter

The Group has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

Relationship with Struck off Companies

The Group do not have any transactions with companies struck off.

Registration of charges or satisfaction with Registrar of Companies (ROC)

The Group has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

Compliance with number of layers of companies

The Group has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Compliance with approved Scheme(s) of Arrangements

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Discrepancy in utilization of borrowings

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

Utilisation of Borrowed funds and share premium:

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries).

(B) the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

48 Additional Information

Undisclosed income

The Group has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency.

49 Operating Segment

A. Description of segments and principal activities

The Group's is engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies. This is considered as the single reportable segment.

B. Information about major customers

Revenues from four customers of the Group's automobile segments represented approximately Rs.6969.97 Lakhs (31 March 2021: Rs. 4173.02 lakhs) of the Company's total revenues.

50 Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation.

As per our report of even date attached

For and on behalf of A D V Associates
Chartered Accountants
Firm Registration No - 128045W

For and on behalf of the board of directors of
Kranti Industries Limited

Ankit Rathi
Partner
Membership no - 162441

Sachin Vora
Managing Director
DIN-02002468

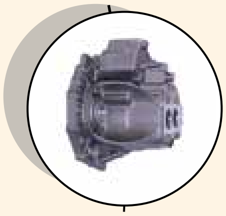
Sumit Vora
Director
DIN-02002416

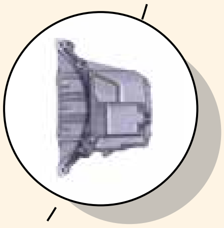
Place : Mumbai
Date : May 13, 2022

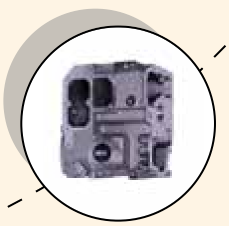
Sheela Dhawale
Chief Financial Officer
Pune

Bhavesh Selarka
Company Secretary
Pune

Notes







KRANTI GROUP
KRANTI INDUSTRIES LIMITED

Kranti Industries Limited

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