



Independent Auditor's Report

To The Members of **Kranti Industries Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Kranti Industries Limited** ("the Group"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

Basis for opinion

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

Other Matter

We did not audit the financial statements and other information, in respect of the subsidiary company and Associates company, in respect of subsidiary company financial statements include total assets of Rs. 281.78 Lakhs as at March 31, 2023, and total revenues of Rs. 639.25 Lakhs for the year ended on that date.

These financial statements and other financial information have been prepared and submitted to us by the management and audited by Siddharth Bogawat & Associates, Chartered Accountants. Our opinion is not modified in respect of this matter.



Key audit matters

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

Sr. No.	Key Audit Matter
1	<p>Revenue Recognition (refer Note. 1.11 related to Revenue)</p> <p>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.</p> <p>Auditor's Response To address this risk of material misstatement relating to revenue recognition, our audit procedures included:</p> <ul style="list-style-type: none">- Assessing the compliance of company's revenue recognition policies with applicable accounting standards, including those related to discounts and rebates.- Assessing the adequacy of relevant disclosures.

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the IND- AS and other accounting principles generally accepted in India. This responsibility also includes



maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced.

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

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

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For ADV & ASSOCIATES

Chartered Accountants

Firm Registration number: **128045W**



Pratik Kabra

Partner

Membership number: 611401

UDIN: 23611401BGUOFK8223



Mumbai

27th May, 2023

Annexure “A” to the Independent Auditor’s Report

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those



policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

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

Opinion

We have audited the internal financial controls with reference to Consolidated financial statements of Kranti Industries Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Consolidated financial statements of the Company as at and for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ADV & ASSOCIATES

Chartered Accountants

Firm Registration number: **128045W**



Pratik Kabra

Partner

Membership number: 611401

UDIN: 23611401BGUOFK8223



Mumbai

27th May, 2023

KRANTI INDUSTRIES LIMITED

Consolidated Balance sheet as on 31 March 2023

(All amounts are in Rupees Lakhs, unless otherwise stated)



Particulars	Note	As at	
		31 March 2023	31 March 2022
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	3,983.09	3,270.96
(b) Right-of-use asset	2	475.60	501.96
(c) Capital work-in-progress	3	276.76	429.13
(d) Intangible assets	4	21.60	19.33
(e) Goodwill		319.12	320.43
(f) Financial assets			
(i) Investment	5	42.62	43.47
(ii) Others	6	53.20	32.50
(g) Income tax assets (net)	34	15.31	30.41
(h) Deferred tax assets (net)	34	0.26	-
(i) Other non-current assets	7	-	-
Total non-current assets		5,187.56	4,648.19
Current assets			
(a) Inventories	8	924.21	837.88
(b) Financial assets			
(i) Trade receivables	9	847.84	640.57
(ii) Cash and cash equivalents	10	270.76	1.14
(iii) Bank balances other than (ii) above		-	-
(iv) Loans		-	-
(v) Other financial assets	11	0.82	2.36
(c) Current tax assets (net)	34	-	-
(d) Other current assets	12	126.95	42.80
Total current assets		2,170.58	1,524.75
TOTAL ASSETS		7,358.14	6,172.94
(a) Equity share capital	13	1,056.24	1,056.24
(b) Other equity	14	1,685.83	1,161.82
Total equity attributable to owners of the company		2,742.07	2,218.06
Non controlling interest	15	-	2.10
Total equity		2,742.07	2,220.16
(a) Financial liabilities			
(i) Borrowings	16	1,646.85	1,047.98
(ii) Lease liabilities	17	200.19	270.38
(iii) Other financial liabilities		-	-
(a) Provisions	18	0.75	-
(b) Other non-current liabilities	19	-	0.05
(c) Deferred tax liabilities (Net)	34	159.20	101.79
Total non-current liabilities		2,006.99	1,420.21
(a) Financial liabilities			
(i) Borrowings	20	1,326.77	1,348.30
(ii) Lease liabilities	21	70.20	77.79
(iii) Trade payables	22		
a) total outstanding dues of micro enterprises and small enterprises		267.82	271.77
b) total outstanding dues of creditors other than micro enterprises and small enterprises		737.91	556.67
(iv) Other financial liabilities	23	155.88	178.33
(b) Other current liabilities	24	26.17	75.71
(c) Provisions	25	21.44	22.80
(d) Income tax liabilities (net)	34	2.91	1.20
Total current liabilities		2,609.10	2,532.57
TOTAL EQUITY AND LIABILITIES		7,358.16	6,172.94

Significant accounting policies 1

Notes to the financial statements 1-52

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

As per our report of even date attached

For and on behalf of A D V & Associates

Chartered Accountants

Firm Registration No - 128045W

Pratik Kabra

Pratik Kabra

Partner

Membership no - 611401

UDIN: 23611401BGUOFK8223

Place : Mumbai

Date : May 27, 2023



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

Sachin Vora

Sachin Vora

Managing Director

DIN-02002468

Place : Pune

Date : May 27, 2023

Sumit Vora

Sumit Vora

Director

DIN-02002416

Place : Pune

Date : May 27, 2023

Sheela Dhawale

Sheela Dhawale

Chief Financial Officer

Pune

Date : May 27, 2023

Bhavesh Selarka

Bhavesh Selarka

Company Secretary

Pune

Date : May 27, 2023



Particulars	Note	For ended 31 March 2023	For year ended 31 March 2022
Revenue			
Revenue from operations	26	9,323.74	9,371.51
Other income (net)	27	410.08	16.96
Total revenue		9,733.82	9,388.47
Expenses			
Cost of material, operation and incidental cost	28	6,150.90	6,088.07
Purchase of Stock-in-Trade			
Changes in inventories of finished goods and work-in-progress	29	(32.33)	73.68
Employee benefits expenses	30	1,100.08	1,111.22
Finance costs	31	249.69	224.84
Depreciation and amortisation expenses	32	414.24	417.63
Other expenses	33	1,164.28	1,238.37
Total expenses		9,046.86	9,103.81
Profit/(loss) before Exceptional Items, and Tax		686.96	284.66
Profit before tax		686.96	284.66
Tax expense:	34		
Current tax		108.57	49.53
Deferred tax		43.01	65.84
Mat Credit Entitlement		13.39	(49.53)
		521.99	218.82
Share of profit of equity-accounted investees, net of tax			
Share of profit of equity-accounted investees, net of tax		-	3.84
Profit/(loss) from discontinued operations (after tax)		-	3.84
Profit for the year		521.99	222.66
Other comprehensive income/(loss) for the year			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability / (asset)		3.43	4.05
Income tax on remeasurements of defined benefit liability / (asset)		(0.95)	(1.05)
Other comprehensive income (net of tax)		2.48	3.00
Total comprehensive income for the year		524.47	225.66
Profit attributable to:			
Owners of the Company		521.99	222.47
Non-controlling interests		-	0.19
		521.99	222.66
Other Comprehensive Income attributable to:			
Owners of the Company		2.48	3.00
Non-controlling interests		-	-
		2.48	3.00
Total comprehensive income attributable to:			
Owners of the Company		524.47	225.47
Non-controlling interests		-	0.19
		524.47	225.66
Earnings per equity share (face value of Rs. 10 each)			
Basic earnings per share	35	4.94	2.11
Diluted earnings per share		4.94	2.11

Significant accounting policies 1
Notes to the financial statements 1-52
The notes referred to above form an integral part of the financial statements
As per our report of even date attached

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

Pratik Kabra
Partner
Membership no - 611401
UDIN: 23611401BQUOFK8223
Place : Mumbai
Date : May 27, 2023



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

Sachin Vora
Managing Director
DIN-02002468

Place : Pune
Date : May 27, 2023

Sumit Vora
Director
DIN-02002416

Place : Pune
Date : May 27, 2023

Sheela Dhaswale
Chief Financial Officer
Pune
Date : May 27, 2023

Bhavesh Selarka
Company Secretary
Pune
Date : May 27, 2023



Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
A. Cash flow from operating activities				
Net Profit before extraordinary items and tax		686.95		284.66
<i>Adjustments for:</i>				
Interest received	(2.49)		(15.40)	
Dividend received	(0.33)		-	
Grants written Back	-		-	
Profit on sale of Assets	(405.72)		-	
Interest paid	249.70		218.88	
Depreciation and amortisation	414.24		417.63	
Commission income on corporate guarantee	(1.55)		(0.18)	
Fair valuation gain/loss on instruments measured at fair value through	-		(1.11)	
		253.84		619.80
Operating profit before working capital changes		940.79		904.46
<i>Changes in working capital:</i>				
(Increase) in other non-current liabilities	0.21		-	
(Increase) / Decrease in other non-current financial assets	(20.70)		(0.00)	
Decrease in other non-current assets	5.82		(61.62)	
Decrease / (Increase) in inventories	(86.34)		(39.36)	
(Increase) in trade receivables	(195.75)		272.26	
(Increase) / Decrease in Bank Balances	-		-	
(Increase) in current financial loans	-		-	
Decrease / (Increase) in other current financial assets	1.54		0.01	
Decrease in other current assets	(84.15)		25.00	
(Increase) / Decrease in non current borrowings	-		-	
Increase in non-current provisions	-		-	
(Increase) / Decrease in current borrowings	-		-	
(Decrease) / Increase in other non-current liabilities	-		0.02	
Increase / (Decrease) in trade payables	165.77		(208.62)	
Increase in other current financial liabilities	(21.75)		66.33	
(Decrease) / Increase in other current liabilities	(50.24)		(14.84)	
Increase in current provisions	1.81		16.39	
		(283.78)		55.58
Cash generated from operations		657.01		960.04
Net income tax (paid)		(95.94)		(44.13)
Net cash flow generated from operating activities		561.07		915.91
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets and capital	(1,158.85)		(572.76)	
Sale proceeds of property, plant and equipment	614.66		-	
Bank deposits placed / matured during the year	-		-	
Investment in subsidiary	-		-	
Purchase/Sale of non-current investments	0.06		(11.35)	
Proceeds from sale of investments	-		-	
Dividend received	0.33		-	
Interest received	2.49		15.40	
Net cash flow (used in) investing activities		(541.30)		(568.70)
C. Cash flow from financing activities				
Long-term borrowings (repaid) during the year	598.87		(443.97)	
(Repayment) / Proceeds of short-term borrowings (net)	(21.53)		227.26	
Interest paid	(215.05)		(197.59)	
Leases	-		-	
Principal	(77.79)		(61.64)	
Interest	(34.65)		(21.28)	
Transaction costs on issue of shares	-		(7.65)	
Tax on dividend paid during the year	-		-	
Net cash flow (used in) financing activities		249.86		(504.86)
Net (decrease) in Cash and cash equivalents (A+B+C)		269.63		(157.66)
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents at the beginning of the year		1.14		158.79
Cash and cash equivalents at the end of the year		270.77		1.13

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

Cash on hand	0.46	0.94
Balances with bank	270.30	0.20
- Current accounts	-	-
	270.76	1.14

See accompanying notes forming integral part of these standalone financial statements 1-45

As per our report attached of even date

For and on behalf of A D V & Associates

Chartered Accountants

Firm Registration No - 128045W

Pratik Kabra
Partner
Membership no - 611401
UDIN: 23611401BGUOFK8223

Place : Mumbai
Date : 27/05/2023



For and on behalf of the board of directors of

Kranti Industries Limited

Sachin Vora
Managing Director
DIN-02002468

Place: Pune
Date : 27/05/2023

Sheela Dhawale
Chief Financial Officer
Place: Pune
Date : 27/05/2023

Sumit Vora
Director
DIN-02002416

Place: Pune
Date : 27/05/2023

Bhavesh Selarka
Company Secretary
Place: Pune
Date : 27/05/2023



Consolidated Statement of changes in equity for year ended 31 March 2023
 (All amounts are in Rupees Lakhs, unless otherwise stated)
(a) Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the reporting year	1,05,62,400	1,056	88,02,000	1,056
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	1,05,62,400	1,056	88,02,000	1,056
Changes in equity share capital during the year	-	-	17,60,400	-
Balance at the end of the reporting year	1,05,62,400	1,056	1,05,62,400	1,056

(b) Other equity

Particulars	Reserves and Surplus			Other equity	Total other equity	Non controlling interests	Total other equity including NCI
	Retained Earnings	Securities Premium	General reserve	Equity contribution from			
Balance at 01 April 2021	642.46	337.87	30.00	117.68	1,128.01	0.44	1,128.45
Total comprehensive income for the year ended 31 March 2022	-	-	-	-	-	-	-
Add/(Less):							
Profit for the year	222.47	-176.04	-	-	46.43	0.19	46.62
Other comprehensive income (net of tax)							
- Remeasurements of post employment benefit obligations	3.00	-	-	-	3.00	-	3.00
- Equity instruments designated through other comprehensive income	-	-	-	-	-	-	-
Transaction costs on issue of shares	-	-7.65	-	-	-7.65	-	-7.65
Transfer from / (to) other reserves	9.31	-	-	-8.49	0.82	1.46	2.28
Addition during the year	-	-	-	-8.78	-8.78	-	-8.78
Tax on dividend paid	-	-	-	-	-	-	-
Write off during year	-	-	-	-	-	-	-
Total comprehensive income	234.78	(183.69)	-	(17.27)	33.81	1.66	35.47
Balance at 31 March 2021	877.24	154.18	30.00	100.41	1,161.82	2.10	1,163.92
Appropriations							
Total comprehensive income for the year ended 31 March 2022							
Add/(Less):							
Profit for the year	521.98	-	-	-	521.98	-	521.98
Other comprehensive income (net of tax)							
- Remeasurements of post employment benefit obligations	2.48	-	-	-	2.48	-	2.48
Issue of bonus shares	-	-	-	-	-	-	-
Transaction costs on issue of shares	-	-	-	-	-	-	-
Transfer from / (to) other reserves	-	-	-	-	-	-	-
Additions during the year	-0.46	-	-	-	-0.46	-	-0.46
Total comprehensive income	523.99	-	-	-	523.99	-	523.99
Balance at 31 March 2023	1,401.23	154.18	30.00	100.41	1,685.82	2.10	1,687.92

Nature and purpose of reserves**i) Securities premium**

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

ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

iii) General reserve


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

iv) Equity contribution from shareholders

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

For and on behalf of A D V Associates

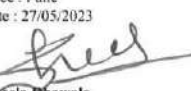
Chartered Accountants
Firm Registration No - 128045W



Pratik Kalra
Partner
Membership no - 611401
UDIN: 23611401BGUOFK8223
Place : Mumbai
Date : 27/05/2023

**Kranti Industries Limited**


Sachin Vora
Managing Director
DIN-02002468

Place : Pune
Date : 27/05/2023


Sheela Dhawale
Chief Financial Officer
Place: Pune
Date : 27/05/2023


Sumit Vora
Director
DIN-02002416

Place : Pune
Date : 27/05/2023


Bhavesh Selarka
Company Secretary
Place: Pune
Date : 27/05/2023



Summary of significant accounting policies and notes forming part of the consolidated financial statements.**Corporate overview**

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

Wonder Precision Private Limited ('WPPL' or 'the Company') was incorporated on 27 May 1986. It is a closely held Private Limited Company engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies like Endurance Technologies Pvt Ltd, Jaya Hind Industries etc.

The consolidated financial statements comprise the financial statements of the holding company and its subsidiaries (together referred to as "the group").

1. Significant accounting policies**1.1. Basis of preparation of financial statements:**

The financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2016 (as amended) notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group's consolidated financial statements up to and for the year ended 31 March 2020 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under the section 133 of the Act and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on May 27, 2013

• Functional and presentation currency

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

1.2. Basis of measurement

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

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

1.3. Use of judgements estimates and assumptions.

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent



liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

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

- Note 42 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

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

- Note 2,3 – Useful life of depreciable assets – Property, Plant and Equipment, Capital Work in Progress and Intangible assets.
- Note 36 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 34 – Recognition of tax expense including deferred tax.

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

The group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition



of assets for processing and their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

1.5. Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- 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.

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

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 prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

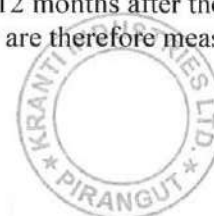
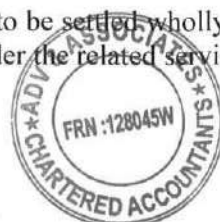
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately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

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises gains/ losses on settlement of a defined plan when the settlement occurs.

• 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.

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
- 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.

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:

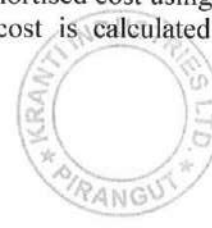
- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

(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 charges. Amortised cost is calculated by



considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

(b) Financial assets classified as measured at FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained earnings. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial asset

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

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balances.
- Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

1.21.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

(a) Financial liabilities at amortised cost

This is the most relevant category to the Group. The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and 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.



KRANTI INDUSTRIES LIMITED



Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)

2 Property, plant and equipment

Description	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles - Others	Office Equipments	Computers	Tools and Fixtures	Total Owned assets	Right-of-use assets		Total Owned + Right-of-use assets
										Plant and equipment		
Gross block												
Balance as at 01 April 2021	639.65	679.60	6,613.18	72.11	51.34	18.62	12.93	155.57	8,242.99		520.28	8,763
Additions	-	810.79	387.39	-	20.26	20.27	0.84	64.31	1,303.86		-	1,304
Disposals	(1.62)	(15.83)	(963.81)	-	(5.49)	-	(1.72)	(24.49)	(1,012.96)		-	(1,013)
Balance as at 31 March 2022	638.03	1,474.56	6,036.76	72.11	66.11	38.89	12.04	195.39	8,533.89		520.28	9,054.17
Accumulated depreciation												
Balance as at 01 April 2022	-	402.53	4,381.82	60.86	23.50	13.42	8.31	81.58	4,972.03		18.31	4,990.34
Depreciation for the year	-	24.53	315.64	2.87	9.35	4.33	3.15	22.17	382.03		26.36	408.40
Depreciation on disposals	-	(12.39)	(746.98)	-	(5.28)	-	(1.67)	(22.02)	(788.33)		-	(788.33)
Balance as at 31 March 2023	-	414.68	3,950.48	63.73	27.57	17.75	9.79	81.73	4,565.73		44.68	4,610.41
Net block												
As At 31 March 2023	638.03	1,059.88	2,086.29	8.38	38.54	21.14	2.25	113.66	3,968.16		475.60	4,443.76
As At 31 March 2022	639.65	277.07	2,231.36	11.25	27.84	5.20	4.61	73.99	3,270.96		501.96	3,772.93



There are no immovable properties the title deeds of which are not held in the name of the group.

3 Capital work-in-progress

Description	Factory Building	Capital Work in progress	Total
Balance as at 01st April 2022	429.13	-	429.13
Additions	-	276.76	276.76
Capitalised during the year	(429.13)	-	(429.13)
Balance as at 31 March 2023	-	276.76	276.76

Capital work-in-progress aging schedule

Capital work-in-progress	Amount in capital work-in-progress for a period of			Total*
	Less than 1 year	1-2 years	2-3 years More than 3 years	
Projects in progress				
Balance as at 31 March 2023	276.76	-	-	276.76
Balance as at 01st April 2022	-	-	-	-
	-	429.13	-	429.13



4 Other Intangible assets

Description	Trade Mark	Softwares	Total Owned assets
Gross block			
Balance as at 01 April 2021	0.30	19.53	19.82
Additions	-	13.42	13.42
Disposals	-	-	-
Balance as at 31 March 2022	0.30	32.94	33.24
Amortisation			
Balance as at 01 April 2021	0.25	6.56	6.81
Depreciation for the year	0.01	6.96	6.97
Depreciation on disposals	-	0.14	0.14
Balance as at 31 March 2022	0.26	13.65	13.91
Net block			
As At 31 March 2022	0.03	19.29	19.33

Description	Trade Mark	Softwares	Total Owned assets
Gross block			
Balance as at 01 April 2022	0.30	32.94	33.24
Additions	-	7.35	7.35
Disposals	-	-	-
Balance as at 31 March 2023	0.30	40.29	40.59
Amortisation			
Balance as at 01 April 2022	0.26	13.65	13.91
Depreciation for the year	0.01	5.07	5.08
Depreciation on disposals	-	-	-
Balance as at 31 March 2023	0.27	18.72	18.99
Net block			
As At 31 March 2023	0.03	21.57	21.60
As At 31 March 2022	0.03	19.29	19.33



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)
(All amounts are in Rupees Lakhs, unless otherwise stated)



No.	Particular	31 March 2023	31 March 2022
5	Non-current investments		
	Investments in equity accounted investees		
	1,50,000 (31 March 2022 : 1,50,000) Investment in equity shares of Kranti SFCI Private Limited of Rs. 10/- each	-	-
	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
	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
	Investment in equity shares - Unquoted		
	11,00,000 (31 March 2022 : 0.00) Investment in equity shares of Investments -Shares Preciso Metall Pvt Ltd at Rs. 3.12/- each (Face value Rs 10 per share)	34.32	-
		42.62	8.30
	Investments carried at fair value through profit and loss (FVTPL)		
	Investment in Mutual funds - Quoted		
	0 (31 March 2022 : 31,968) units of Aditya Birla Short Term Opportunities Fund	-	12.24
	0 (31 March 2022 : 6951) units of Aditya Birla Banking and PSU fund	-	20.61
	0 (31 March 2022 : 681) units of Aditya Birla Sun Life Liquid Fund	-	2.32
		-	35.17
		42.62	43.47
	(a) Aggregate amount of quoted investments	-	35.17
	(b) Aggregate market value of quoted investments	-	35.17
	(a) Aggregate amount of unquoted investments	42.62	8.30
	(b) Aggregate amount of impairment in value of investments	-	-
6	Non - current financial assets - Others (Unsecured, considered good)		
	Security deposits	34.82	32.50
	Deposits with MSEB	18.38	-
		53.20	32.50
	Refer Note 39 for Related Party Disclosures		
7	Other non-current assets (Unsecured, considered good)		
	Capital advance	-	-
	Balance with government authorities	-	-
		-	-
8	Inventories		
	Raw Materials, Components, Consumables	722.51	668.51
	Work-in-progress, Stores and Spares	201.70	169.37
		924.21	837.88



KRANTI INDUSTRIES LIMITED

 Notes to the consolidated financial statements (continued)
 (All amounts are in Rupees Lakhs, unless otherwise stated)


No.	Particular	31 March 2023	31 March 2022
9	Trade receivables (Unsecured, considered good)		
	Trade receivables	847.84	640.57
		847.84	640.57
	(Outstanding from due date of payment / from date of transaction)	31 March 2023	31 March 2022
	(i) Undisputed Trade Receivables – considered good		
	Less than 6 months	847.84	640.57
	6 months - 1 year	-	-
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
		847.84	640.57
	(ii) Undisputed Trade Receivables – which have significant increase in credit risk		
	Less than 6 months	-	-
	6 months - 1 year	-	-
	1-2 years	-	-
	2-3 years	-	-
	(iii) Undisputed Trade Receivables – credit impaired		
	Less than 6 months	-	-
	6 months - 1 year	-	-
	1-2 years	-	-
	2-3 years	-	-
	(iv) Disputed Trade Receivables – considered good		
	Less than 6 months	-	-
	6 months - 1 year	-	-
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
	(v) Disputed Trade Receivables – which have significant increase in credit risk		
	Less than 6 months	-	-
	6 months - 1 year	-	-
	1-2 years	-	-
	2-3 years	-	-
	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		
		847.84	640.57
10	Cash and cash equivalents		
	Cash-in-hand	0.46	0.94
	Current accounts	270.30	0.20
	Bank deposits with maturity less than 3 Months	-	-
		270.76	1.14
11	Other current financial assets		
	Interest receivable	0.82	0.71
	Security deposits	-	1.65
		0.82	2.36
12	Other current assets		
	Advance to creditors	41.13	34.61
	Advance to employees	0.69	0.66
	Prepaid expenses	5.13	7.53
	Loans and Advances Repayable on Demand	80.00	-
		126.95	42.80



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)

**13 Share capital**

Particulars	31 March 2023	31 March 2022
Authorised :		
1,50,00,000 (31 March 2022 : 1,50,00,000) equity shares of Rs.10 each.	1,500.00	1,500.00
TOTAL	1,500.00	1,500.00
Issued, subscribed and paid-up:		
1,05,62,400 (31 March 2022 : 1,05,62,400) equity shares of Rs.10 each fully paid-up	1,056.24	1,056.24
	1,056.24	1,056.24

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity shares :	31 March 2023	31 March 2022
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	1,05,62,400	88,02,000
Equity shares issued during the year *		17,60,400
Outstanding at the end of the year	1,05,62,400	1,05,62,400

*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported, Hence the EPS for the previous reporting period adjusted considering the no bonus issue shares issued.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs. 10 each fully	31 March 2023		31 March 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Indubala S. Vora	23,05,253	21.83%	20,74,441	19.64%
Mr. Sachin S. Vora	19,52,200	18.48%	19,51,208	18.47%
Mr. Sumit S. Vora	18,54,037	17.55%	18,54,036	17.55%
Smc Global Securities Ltd.		0.00%	6,27,840	5.94%

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully paid	31 March 2023			31 March 2022		
	No. of Shares	% of Holding	% change	No. of Shares	% of Holding	% change
Mrs. Indubala S. Vora	23,05,253	21.83%	2.19%	20,74,441	19.64%	0.07%
Mr. Sachin S. Vora	19,52,200	18.48%	0.01%	19,51,208	18.47%	0.00%
Mr. Sumit S. Vora	18,54,037	17.55%	0.00%	18,54,036	17.55%	0.00%



KRANTI INDUSTRIES LIMITED


Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Disclosures of Shareholdings of Promoters is set out below:

Equity shares of Rs. 10 each fully	31 March 2021	
	No. of Shares	% of Holding
Mrs. Indubala S. Vora	17,22,700	19.57%
Mr. Sachin S. Vora	16,26,000	18.47%
Mr. Sumit S. Vora	15,45,030	17.55%

14 Other equity	31 March 2023	31 March 2022
A. Retained earnings	1,401.24	877.24
B. Securities premium	154.18	154.18
C. General reserve	30.00	30.00
D. Equity contribution from directors	100.41	100.41
	1,685.83	1,161.82
Retained earnings		
Opening balance	877.24	642.46
Add/(Less):		
Profit for the year	521.99	222.47
Transfer from / (to) other reserves	-	9.31
Transfer from/to other reserves	-	-
Ind AS adjustments	(0.46)	-
Remeasurements of defined benefit liability / (asset)	2.48	3.00
Closing balance	1,401.24	877.24
Securities premium		
Opening balance	154.18	337.87
Changes during the year	-	(176.04)
Transaction costs on issue of shares	-	(7.65)
Closing balance	154.18	154.18
General Reserve		
Opening balance	30.00	30.00
Changes during the year	-	-
Closing balance	30.00	30.00
Equity contribution from shareholders		
Opening Balance	100.41	117.68
Transfer from/ to reserves	-	(8.49)
Changes during the year	-	(8.78)
Closing Balance	100.41	100.41
15 Non-Controlling Interest		
Opening Balance	2.10	0.44
Add/(Less):		
Profit for the year	-	0.19
Transfer from/ to reserves	-	1.46
Closing Balance	2.10	2.10



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)



No.	Particular	31 March 2023	31 March 2022
16	Non-current financial liabilities - borrowings		
	Term loans from banks and financial institutions	1,179.85	1,047.98
	Loans from related parties	467.00	-
	Security Deposits		
		1,646.85	1,047.98

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, Kothwa, 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

Refer Note 39 for Related Party Disclosures

17	Lease liabilities - Non-current		
	Lease liabilities	200.19	270.38
		200.19	270.38
	Other non-current financial liabilities		
	Security deposits from dealers	-	-
18	Provisions - Non-current		
	Provision for gratuity	0.75	-
	Provision for leave encashment		
		0.75	-
19	Other non-current liabilities		
	Deferred income on corporate guarantee	-	0.05
		-	0.05
20	Borrowings - Current		
	Secured		
	Cash-credit from bank*	897.34	478.93
	Bill discounting from banks	-	-
	Current maturities of long-term debts	429.43	419.29
	Loans from related parties	-	450.08
		1,326.77	1,348.30

*Secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment.

The Group has borrowings from banks against the security of current assets and the group is submitting the monthly statement of stock and receivables to the banks. The monthly statements of current asset filed by the group are in agreement with the books of accounts with a variation of 15%. Such variations are incorporated along with any other audit related changes at their respective time intervals. Following is the variance table in the respective months:



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)



No.	Particular	31 March 2023		31 March 2022
		Current Assets - Submitted to Banks	Current Assets As per Books	Change
	Jun-22	1,800.19	1,800.47	-0.02%
	Sep-22	2,120.78	2,166.87	-2.13%
	Dec-22	1,491.09	1,526.42	-2.31%
	Mar-23	1,736.93	1,760.99	-1.37%

21	Lease liabilities - Current			
	Lease liabilities		70.20	77.79
			70.20	77.79
22	Trade payables			
	Total outstanding dues to micro enterprises and small enterprises		267.82	271.77
	Total outstanding dues to creditors other than micro enterprises and small enterprises		737.91	556.67
			1,005.73	828.44
	Particulars		31 March 2023	31 March 2022
	(Outstanding from due date of payment / from date)			
	(i) MSME			
	Less than 1 year		267.82	271.77
	1-2 years		-	-
	2-3 years		-	-
	More than 3 years		-	-
			267.82	271.77
	(ii) Others			
	Less than 1 year		737.91	556.67
	1-2 years		-	-
	2-3 years		-	-
	More than 3 years		-	-
			737.91	556.67
	(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		-	-
			-	-
			1,005.73	828.44



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)



No.	Particular	31 March 2023	31 March 2022
23	Other current financial liabilities		
	Employee benefits payable	69.68	58.85
	Audit fees payable	0.90	1.83
	Legal fees payable	2.17	0.41
	Electricity expenses payable	28.24	19.87
	Expenses payable	46.56	92.34
	Interest payable	8.33	5.03
		155.88	178.33
24	Other current liabilities		
	Statutory dues payable	26.17	64.07
	Advance received from customers	-	11.64
		26.17	75.71
25	Provisions - Current		
	Provision for gratuity	9.67	12.82
	Provision for leave encashment	9.97	9.98
	Other Provisions	1.80	-
	Provision for Income Tax	2.91	-
		24.35	22.80



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)



No	Particulars	For year ended 31 March 2023	For year ended 31 March 2022
26	Revenue from operations		
	Sales of goods	8,355.18	8,321.08
	Sale of services (Labour charges)	564.17	606.26
	Other non operating income		
	Sale of Scrap	366.64	396.52
	Cash Discount received	37.75	47.65
		9,323.74	9,371.51
27	Other income		
	Interest		
	Interest on Deposits	2.31	15.40
	Others	0.18	0.21
	Profit on sale of assets	405.72	-
	Commision income on corporate guarantee	1.55	0.18
	Fair valuation gain/loss on instruments measured at fair value through profit and loss account	-	1.11
	Discount received	(0.01)	0.06
	Dividend on shares	0.33	-
		410.08	16.96
28	Cost of materials consumed		
	Opening inventory	668.51	605.47
	Add:	-	-
	Purchases during the year	6,170.23	6,115.99
	Freight & Octroi	34.67	35.12
	Closing inventory	722.51	668.51
		6,150.90	6,088.07
29	Changes in inventories of finished goods and work-in-progress		
	Opening Work-in-Progress	169.37	193.05
	Closing Work-in-Progress	(201.70)	(169.37)
		(32.33)	23.68
30	Employee benefits expense		
	Salaries and Wages	963.02	965.86
	Bonus and Incentives	39.68	39.16
	Gratuity paid	7.24	15.96
	P.F. Contribution	34.56	33.33
	Esic : Employer's Contribution	4.75	4.74
	Welfare Fund Deducted	0.08	0.08
	Staff Welfare	10.02	7.96
	Directors Remuneration	34.05	34.15
	Leave Encashment Provisison	3.25	9.98
		1,096.65	1,111.22



No	Particulars	For year ended 31 March 2023	For year ended 31 March 2022
31	Finance costs		
	Interest on Term Loan	70.38	80.87
	Interest on Cash Credit, Bill Discounting	84.68	76.49
	Interest on Unsecured Loans and Deposits	39.92	40.21
	Interest on corporate guarantee	1.43	0.02
	Interest on unwinding lease liabilities	34.65	21.28
	Interest on delayed payments	-	-
	Bank Charges	17.87	5.97
	Interest on Income Tax	0.76	-
		249.69	224.84
32	Depreciation and amortisation		
	Depreciation of property, plant and equipment (refer note 2)	382.80	393.76
	Depreciation of intangible assets (refer note 2)	5.08	6.97
	Depreciation of right-of-use asset (refer note 2)	26.36	16.90
		414.24	417.63
33	Other expenses		
	Manufacturing Expenses		
	Power and Fuel	366.09	339.00
	Repairs to Machinery	203.22	240.09
	Job work and labour charges	208.49	200.18
	Lease Rental	4.95	6.60
	Packing Material	144.66	176.78
	Sales, administration and other expenses		
	Advertisement	1.57	0.93
	Audit Fees	2.02	1.42
	Conveyance and Travelling	13.47	10.44
	Insurance	13.52	8.75
	Interest paid on Govt. Dues	-	0.14
	Legal and Professional Fees	37.48	28.56
	Legal Expenses	10.83	6.09
	Office Expenses	34.54	35.12
	Postage and Courier	0.09	0.16
	Printing and Stationary	7.32	5.90
	Profession Tax	0.05	0.05
	Rates and Taxes	3.92	3.27
	Repairs and Maintenance	11.38	11.03
	Sales Promotion, entertainment and Ceremony expenditure	0.45	20.87
	Security Charges	23.81	18.75
	Housekeeping Expenses	21.72	18.21
	Subscription and contribution	4.97	3.58
	Transport Charges	29.58	80.39
	Round Off	0.02	-
	Telephone Expenses	1.78	2.06
	Water Charges	9.53	9.77
	Foreign Currency Gain/Loss	(0.76)	0.13
	Accounts / Liability Written Back	4.98	3.34
	Donations	-	-
	MVAT Paid	-	5.76
	Ceremony Expenses	-	-
	Director Sitting Fees	4.60	1.00
		1,164.28	1,238.37
	Payment to auditor (excluding service tax)		
	As auditor		
	Statutory audit fee	2.02	1.42
	In other capacity		
	Other services	-	-
	Reimbursement of expenses		



34 Taxes

a) Statement of profit or loss

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Current tax:		
Current income tax charge	108.57	49.53
Deferred tax	43.01	65.84
MAT Credit Entitlement	13.39	(49.53)
Income tax expense reported in the statement of profit or loss	164.97	65.84

b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the year

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Deferred tax		
Remeasurements gains and losses on post employment benefits	(0.95)	(1.05)
Income tax recognised in OCI	(0.95)	(1.05)

c) Balance sheet

Particulars	31 March 2023	31 March 2022
Tax assets		
Non-current tax assets	15.31	30.41
Current tax assets	-	-
Total tax assets	15.31	30.41
Current tax liabilities		
Income tax (net of provision)	2.91	1.20
Total current tax liabilities	2.91	1.20

d) Deferred tax

Particulars	31 March 2023	31 March 2022
Deferred tax liability (DTL)		
Excess of depreciation/amortisation on property, plant and equipment under income tax act	175.42	166.99
Borrowings	3.74	-
Unsecured borrowings	-	10.38
Leases	44.60	25.87
Equity accounting for associate	-	-
	223.76	203.24
Deferred tax asset (DTA)		
Gratuity	(2.90)	(3.31)
Deferred Tax Asset B/ F Loss (Asset)	-	(23.45)
Leave Encashment Provision	(2.77)	(2.59)
Corporate guarantee	-	(0.01)
MAT credit entitlement	(59.15)	(71.87)
Borrowings	-	(0.22)
	(64.82)	(101.45)
Net deferred tax liability/(asset)	158.94	101.79



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

	For year ended 31 March 2023	For year ended 31 March 2022
Accounting profit before tax	686.95	284.66
Tax as per IT Act on above @ 27.82% (Prev. year - 26%) (A)	191.11	74.01
Tax expenses	-	-
(i) Current tax	108.57	49.53
(ii) Deferred tax	56.41	16.30
(iii) Taxation in respect of earlier years	-	-
(B)	164.97	65.84
Difference	26.14	8.17
Tax reconciliation Adjustments:	-	-
Permanent disallowances	-	-
Ind AS transition impacts on MAT computations (1/5th)	7.58	7.08
MAT credit written off	-	2.70
Set-off of brought forward losses	(15.95)	(1.03)
Tax expenses accounted as no effect of Timing differences on MAT liability	-	1.64
Tax rate difference on book profit as per Minimum Alternate Tax	7.76	(19.62)
Equity accounting of associate	-	-
Others	(25.53)	1.06
	0	(0)

f) Movement in temporary differences:

	01 April 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	Recognised in equity during the year	31 March 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	Recognised in equity during the year	31 March 2023
Deferred tax liability (DTL)									
Excess of depreciation/amortisation on property, plant and equipment under income tax act	171.31	(4.33)	-	-	166.99	8.44	-	-	175.42
Tax law over depreciation / amortisation provided in books of account	-	-	-	-	-	-	-	-	-
Borrowings	0.15	(0.36)	-	-	(0.22)	3.95	-	-	3.74
Gratuity	(0.37)	(3.99)	1.05	-	(3.31)	(0.55)	0.95	-	(2.90)
Deferred Tax Asset B/ F Loss (Asset)	(94.73)	71.28	-	-	(23.45)	23.45	-	-	0.00
Leave Encashment Provision	-	(2.59)	-	-	(2.59)	(0.18)	-	-	(2.77)
Borrowings	-	-	-	-	-	-	-	-	-
Unsecured borrowings	20.84	(10.87)	-	0.42	10.38	(10.17)	-	-	-
Leases	10.64	15.24	-	-	25.87	18.73	-	-	44.60
Equity accounting for associate	1.29	(1.29)	-	-	-	-	-	-	-
MAT credit entitlement	(25.03)	(46.84)	-	-	(71.87)	12.72	-	-	(59.15)
Corporate guarantee	(0.06)	0.04	-	-	(0.01)	0.01	-	-	-
	84.02	16.30	1.05	0.42	101.79	56.41	0.95	-	158.94

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.



35 Earnings Per Share

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Profit / (Loss) attributable to equity shareholders	521.99	222.66
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the	1,05,62,400	1,05,62,400
Basic EPS (Rs.)	4.94	2.11
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding for diluted EPS*	1,05,62,400.00	1,05,62,400.00
Diluted EPS (Rs.)	4.94	2.11

*The company has issued Bonus shares 5 : 1 in the month of June 2021, as equity shares are issued to existing shareholders for no additional consideration, Therefore, the number of equity shares outstanding is increased without an increase in resources , hence the issue of shares is treated as if it had occurred prior to the beginning of the the earliest period reported.

36 Contingent liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Pending litigation under Income Tax Act	14.42	14.42
	14.42	14.42

37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
The amount remaining unpaid to micro and small suppliers as at the end of each accounting year		
- Principal	271.77	371.85
- Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	Nil	Nil
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil

38 Note 38 : Corporate social responsibility

The provisions for CSR are not applicable to the group for all the reporting period.



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)
(All amounts are in Rupees Lakhs, unless otherwise stated)


39 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Nature of Relationship	Name of Company / Related Parties	Details / Designation
Subsidiary company	Wonder Precision Private Limited	CIN : U27109PN1986PTC039913
Associate company	Kranti SFCI Private Limited	CIN : U29113GJ2018PTC105630
Key Management Personnel (KMP)	Mr. Sachin Subhash Vora	Chairman and Managing Director
Key Management Personnel (KMP)	Mr. Sumit Subhash Vora	Whole Time Director
Key Management Personnel (KMP)	Mrs. Sheela Kailash Dhawale	Chief Financial Officer
Key Management Personnel (KMP)	Mr. Bhavesh Subhash Selarka	Company Secretary
Relative of Key Management Personnel	Smt. Indubala Subhash Vora	Non- Executive Director
Relative of Key Management Personnel	Mrs. Sarika Sachin Vora	Wife of Director
Relative of Key Management Personnel	Mrs. Lushita Sumit Vora	Wife of Director
Relative of Key Management Personnel	Mrs. Sapna Sunil Gadiya	Sister of Director
Other Related Parties	Suparsh Engineering	Firm of Relative of Director
Other Related Parties	Kranti Industries Limited EGGLEAS	

(b) Related party transactions:

Sr. no	Nature of Transaction	For year ended 31 March 2023				For year ended 31 March 2022			
		KMP / Relative of KMP	Associates	Other related parties	Total	KMP / Relative of KMP	Associates	Other related parties	Total
	Remuneration to Key Managerial persons								
	Short-term employee benefits	78.78	-	-	78.78	74.80	-	-	74.80
	Post employment benefits	-	-	-	-	0.86	3.36	-	4.22
	Other long-term employee benefits	-	-	-	-	-	-	-	-
	Termination benefits	-	-	-	-	-	-	-	-
	Share based payments	-	-	-	-	-	-	-	-
	Purchase of material & job charges	-	9.31	60.49	69.80	-	-	-	-
	Purchase of Fixed Assets	-	-	-	-	-	-	-	-
	Advances given to the Associates Company	-	20.00	-	-	-	-	-	-
	Loans amount accepted from related parties during the year	142.00	-	-	-	-	-	-	-
	Sale of machines	-	-	-	-	-	-	-	-
	Gratuity premium paid	-	-	0.35	0.35	-	-	6.10	6.10
	Director Sitting Fees Paid to Directors	3.00	-	-	3.00	-	-	-	-
		223.78	29.31	60.85	151.94	75.66	3.36	6.10	85.12

(c) Balances outstanding at the end of the year:-

Particulars	As at 31 March 2023	As at 31 March 2022
a. Loans taken from related parties	467.00	450.08
b. Trade Payables as on date Related Party	2.43	11.52
c. Advances given to the Associates Company	20.00	-



40 Financial risk management

The Group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors is responsible for developing and monitoring the group's risk management policies. The board regularly meets to decide its risk management activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group's management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The group has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess impairment loss or gain.

(b) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

Particulars	As at 31 March 2023	As at 31 March 2022
Total current assets (A)	2,170.58	1,524.75
Total current liabilities (B)	2,609.10	2,532.57
Working capital (A-B)	(438.52)	(1,007.82)



Following is the Group's exposure to financial liabilities based on the contractual maturity as at reporting date.

Contractual cash flows	As at 31 March 2023			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,973.62	1,326.77	1,646.85	2,973.62
Trade payables	1,005.73	1,005.73	-	1,005.73
Lease liabilities	270.39	70.20	200.19	270.39
Other liabilities	155.88	155.88	-	155.88

Contractual cash flows	As at 31 March 2022			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,396.28	1,348.30	1,047.98	2,396.28
Trade payables	828.44	828.44	-	828.44
Lease liabilities	348.17	77.79	270.38	348.17
Other liabilities	178.33	178.33	-	178.33

(c) **Interest rate risk:**

The group does not face any interest rate risk as all the borrowings of the Group have a fixed interest rate.

(d) **Market risk**

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company does not have any outstanding foreign currency balances as on the reporting dates.

41 **Capital management**

The group's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The group's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at 31 March 2023	As at 31 March 2022
Total liabilities	4,616.09	3,952.78
Less: cash and cash equivalents and bank balances	270.76	1.14
Net debt	4,345.33	3,951.64
Total equity	2,742.07	2,220.16
Debt-equity ratio	158.47%	177.99%



42 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
	Level 1	Level 3	Level 2	Level 1	Level 3	Level 2
Financial assets						
Investment	-	42.62	-	35.17	8.30	-
Trade receivables	-	-	847.84	-	-	640.57
Cash and cash equivalents	-	-	270.76	-	-	1.14
Other financial assets	-	-	0.82	-	-	2.36
Total financial assets	-	42.62	1,119.42	35.17	8.30	644.06
Financial liabilities						
Borrowings	-	-	2,973.62	-	-	2,396.28
Lease liabilities	-	-	270.38	-	-	348.18
Trade payables	-	-	1,005.73	-	-	828.44
Other financial liabilities	-	-	155.88	-	-	178.33
Total financial liabilities	-	-	4,405.62	-	-	3,751.23

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the group which are carried at amortised cost approximates the fair value. Accordingly fair value disclosures have not been made for these financial instruments. Investments in equity shares and mutual funds which are designated at FVTPL & investment in equity shares which are classified as FVTOCI are at fair value.



43 Post-employment benefit plans

As per Indian Accounting Standard 19 "Employee Benefits", the disclosures as defined are given below-

A. Defined Contribution Plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Employer's contribution to provident fund	34.56	33.33

Group's contribution paid/payable during the year to provident fund are recognised in the Statement of Profit and Loss.

B. Defined Benefit Plans

Gratuity

The group has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

Liability Risks

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

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	9.03	7.51
Net interest (Income)/ Expense	0.38	0.73
Net benefit expense	9.41	8.24



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Projected benefit obligation at the beginning of the year	73.91	59.84
Interest cost	5.28	4.05
Current service cost	9.03	7.51
Actuarial (gain)/ loss on obligations	(4.68)	(4.16)
Benefits paid	(4.93)	(0.55)
Present value of obligation at the end of the year	78.61	66.69

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the year	64.19	43.27
Interest income	4.90	3.32
Contributions	0.35	11.60
Mortality charges and taxes	-	(0.35)
Benefits paid	-	(0.55)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(1.26)	(0.01)
Fair value of Plan assets at end of the year	68.19	57.28
Actual return on plan assets	3.65	3.30

Amount recognised in the statement of other comprehensive income

Particulars	As at 31 March 2023	As at 31 March 2022
Re-measurement for the year - obligation (gain) / loss	3.43	4.15
Re-measurement for the year - plan assets (gain) / loss	-	-
Total re-measurements cost / (credit) for the year recognised in other	3.43	4.15

Net Defined Benefit Liability/(Asset) for the year

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation	78.61	66.69
Fair value of plan assets	68.19	57.28
Closing net defined benefit liability/(asset)	10.42	9.41
Current	9.67	9.03
Non-Current	0.75	0.69

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	As at 31 March 2023	As at 31 March 2022
Funds managed by insurer	100%	100%



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)

(All amounts are in Rupees Lakhs, unless otherwise stated)



The principal assumptions used in determining gratuity obligations for the group's plan are shown below:

Assumptions

Particulars	As at	As at
	31 March 2023	31 March 2022
	%	%
Mortality table	IALM (2012-14)	IALM (2012-14)
Discount rate	7.30%	7.00%
Rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	7.00%	6.80%
Withdrawal rate #	0.00%	0.00%
Age up to 30 years	3.00%	3.00%
Age 31 - 40 years	1.00%	2.00%
Age 41 - 50 years	1.00%	1.00%
Age above 50 years	1.00%	1.00%

Expected average remaining working lives of employees (in years)	16.55 *	18.93 *
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* 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 shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2023		As at 31 March 2022	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	8.30%	6.30%	8.00%	6.00%
Amount	68.00	91.48	77.62	57.71
Salary increment Rate				
Salary increment Rate	6.00%	4.00%	6.00%	4.00%
Amount	90.41	68.59	59.28	75.41
Impact of change in withdrawal Rate				
Withdrawal Rate	4.00%	2.00%	4.00%	2.00%
Amount	78.66	78.57	69.13	63.89

Expected contribution for the next Annual reporting period.

The Company intends to contribute Rs. 9.67 towards its gratuity fund in next year

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are €

Year ending 31 March 2023	Expected benefit payment rounded of to nearest thousand
0 to 1 Year	2.76
1 to 2 Year	1.74
2 to 3 Year	1.79
3 to 4 Year	1.85
4 to 5 Year	4.62
6 to 10 Year	15.31



44 Revenue from contracts with customers

A. Revenue streams

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Revenue from operations		
Sales of goods	8,355.18	8,321.08
Sale of services (Labour charges)	564.17	606.26
Other non-operating income		
Sale of Scrap	366.64	396.52
Cash Discount received	37.75	47.65
	9,323.74	9,371.51

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Timing of revenue recognition		
At point in time	8,759.57	8,765.25
Over the period in time	564.17	606.26
Total revenue	9,323.74	9,371.51



45 Leases
A. As a lessee

As a lessee, the group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the group. Under Ind AS 116, the group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The group decided to apply recognition exemptions to short-term leases. For leases of other assets, which were classified as operating under AS 19, the group recognised right-of-use assets and lease liabilities.

B. As a lessor

The group are not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The group accounted for its leases in accordance with Ind AS 116 from the date of initial application.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1st April 2020. The weighted-average rate applied is 11.75%.

C. Impacts on financial statements

On transition to Ind AS 116 - Leases, the group has not recognised any right-of-use asset and lease liabilities, as all the leases are in the nature of short-term leases.

A1. Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Current	70.20	77.79
Non Current	200.19	270.38
Total	270.39	348.17

Maturity Analysis - Contractual undiscounted cash flow	As at 31 March 2023	As at 31 March 2022
Less than 1 Year	96.54	112.44
More than 1 Year	229.68	326.21
Total	326.22	438.65

A2. Interest expenses on lease liabilities

	As at 31 March 2023	As at 31 March 2022
Interest on lease liabilities	34.65	21.28

Expenses on short-term leases / low value assets

	As at 31 March 2023	As at 31 March 2022
Short-term lease	4.95	6.60
Low value assets	-	-

Amounts recognised in the statement of cash flow

	As at 31 March 2023	As at 31 March 2022
Principle Amount	(77.79)	(61.64)
Unwinding of interest on lease liabilities	(34.65)	(21.28)
Total cash outflow for	(112.44)	(82.92)



KRANTI INDUSTRIES LIMITED

 Notes to the consolidated financial statements (continued)
 (All amounts are in Rupees Lakhs, unless otherwise stated)

46 Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

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	90.01%	2,431.17	40.70%	206.38	99.60%	2.48	40.99%	208.86
Subsidiaries								
Indian								
Wonder Precision Private Limited	9.99%	269.76	59.30%	300.68	0.00%	-	59.01%	300.68
Associates								
Kranti SFCI Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	2,700.93	100.00%	507.05	99.60%	2.49	100.00%	509.54
Adjustments arising out of consolidation		41.14		14.94		(0.01)		14.93
As at 31 March 2023		2,742.07		521.99		2.48		524.47

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	93.88%	210.36	100.00%	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								
Kranti SFCI Private Limited	0.00%	-	1.71%	3.84	0.00%	-	1.69%	3.84
Non-controlling interests in all subsidiaries	0.10%	2.10	0.08%	0.19	0.00%	-	0.08%	0.19
Total	100.00%	2,190.41	100.00%	224.07	100.00%	3.00	100.00%	227.07
Adjustments arising out of consolidation		29.75		(1.41)		-		(1.41)
As at 31 March 2022		2,220.16		222.66		3.00		225.66



47 Investment in Equity accounted - Investees

Set out below are the associates of the group.

Name of the company	Relation	Country of incorporation	% of ownership interest as on 31 March 2023	% of ownership interest as on 31 March 2022
Kranti SFCI Private Limited	Associate	India	30%	30%

The tables below provide summarised financial information for those associates that are material to the group.

Kranti SFCI Private Limited

Summarised Balance Sheet	31 March 2023	31 March 2022
Current asset		
Financial assets	20.11	27.61
Inventories	17.10	9.64
Other current assets	33.36	34.91
Total Non-current asset	260.08	259.91
Current liabilities		
Total financial liabilities	317.43	194.67
Other current liabilities	0.15	24.33
Provisions	-	-
Total Non-current liabilities	46.36	128.39
Equity	(33.30)	(15.34)
Proportion of the group's ownership interest	-	-
Carrying amount of the group's interest	-	-

Reconciliation to carrying amounts

	31 March 2023	31 March 2022
Opening carrying value	-	4.95
Profit for the year	-	(4.95)
OCI for the year	-	-
Investment in additional equity issued / (Stake sale)	-	-
Closing carrying amount	-	-

Summarised statement of profit and loss	31 March 2023	31 March 2022
Revenue	177.47	141.46
Other income	-	-
Cost of material consumed	91.38	44.57
Changes in inventories of finished goods and work-in-progress	-	-
Employee benefit expenses	48.61	51.19
Finance cost	23.83	20.87
Depreciation and amortisation	29.42	31.67
Other expenses	29.61	36.58
Profit before tax	(45.39)	(43.42)
Deferred tax (income)/Expense	(24.49)	(3.85)
Profit/Loss for the year	(20.90)	(39.57)
Other comprehensive (income)/Loss	-	-
Total comprehensive income/(loss)	(20.90)	(39.57)
Group's share of total comprehensive income for the year	-	(4.95)



48 Additional Regulatory Information**Details of Benami Property held**

The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

Details of Loans and advances

The Group has not granted any loans and advances to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment.

Wilful Defaulter

The Group has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

Relationship with Struck off Companies

The Group do not have any transactions with companies struck off.

Registration of charges or satisfaction with Registrar of Companies (ROC)

The Group has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

Compliance with number of layers of companies

The Group has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Compliance with approved Scheme(s) of Arrangements

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Discrepancy in utilization of borrowings

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

Utilisation of Borrowed funds and share premium:

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(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.

49 Additional Information**Undisclosed income**

The Group has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency.



KRANTI INDUSTRIES LIMITED

Notes to the consolidated financial statements (continued)

(All amounts in Indian Rupees Lakhs, unless otherwise stated)



50 Ratios analysis & it's elements

Particulars	March 31, 2023	March 31, 2022	% change from March 31, 2022 to March 31, 2023	Reasons if % change is 25% or more
Current Ratio	83.19	60.21	38.18%	Improvement in Current asset position over liability resulted as change in
Debt-Equity Ratio	108.45	107.93	0.47%	Changes is less than 25 %
Debt Service Coverage Ratio	125.85	135.11	-6.85%	Changes is less than 25 %
Return on Equity Ratio ^{^(2)}}	23.51	10.03	134.43%	Due to profit on sell of asset increase in current years profit
Inventory turnover ratio	662.03	729.43	-9.24%	Changes is less than 25 %
Trade Receivables turnover ratio	1,099.71	1,463.01	-24.83%	Changes is less than 25 %
Trade payables turnover ratio	611.58	734.88	-16.78%	Changes is less than 25 %
Net capital turnover ratio	340.03	422.11	-19.45%	Changes is less than 25 %
Net profit ratio (3)	5.60	2.33	139.76%	Due to profit on sell of asset increase in current years profit
Return on Capital employed	16.39	11.04	48.48%	Due to profit on sell of asset increase in current years profit
Return on investment (5)	19.13	10.16	88.18%	Due to profit on sell of asset increase in current years profit

