# ///KRYPTON INDUSTRIES LIMITED

Head Office: 410, Vardaan Building
25A, Camac Street, Kolkata - 700 016, India
Phone: +91 33 22871366 / 1367
E-mail: krypton@kryptongroup.com
Website: www.kryptongroup.com

**CIN: L25199WB1990PLC048791**


Date: 03.09.2022

| **TO,** | |
|---|---|
| **The Bombay Stock Exchange Ltd**<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai-400001 | **The Calcutta Stock Exchange Association Ltd**<br>Department of Corporate Services<br>7, Lyons Range<br>Kolkata-700001 |

**Sub: Annual Report for the 32nd Annual General Meeting of the Company to be held on 27th September, 2022**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, please find the attached herewith the Annual Report for the Thirty-Second (32nd) Annual General Meeting (AGM) of the Company scheduled to be held on Tuesday, 27th September, 2022 through Video Conferencing/ other Audio Visual Means (VC/OAVM) in conformity with the regulatory provisions and circulars issued by the Ministry of corporate Affair, Government of India.

This is for your reference and record.

Thanking You.

For **KRYPTON INDUSTRIES LIMITED**

ARTI BAID

Digitally signed by ARTI BAID
DN: c=IN, postalCode=712248, st=WEST BENGAL, street=893S KCASH LANEHOOGHLYBANGUR PARK 712248, l=HOOGHLY, o=Personal, title=8639, serialNumber=8d6f96936be129cacfce30e9dd15200af38c53fd1e0e8e3be908bfc5b53bf533, pseudonym=863920220809181655938, 2.5.4.20=b1c23fbb620c8a81de076a6c22394ceb514c6ecff1320cd25b9fcd113364ced2, email=ARTIBOTHRA@GMAIL.COM, cn=ARTI BAID
Date: 2022.09.03 18:27:21 +05'30'

Arti Baid
(Company Secretary)

Encls: As stated.

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**32ND AGM ON TUESDAY, 27TH SEPTEMBER, 2022**

# KRYPTON INDUSTRIES LIMITED

CIN :L25199WB1990PLC048791

REGD. OFFICE : FALTA SPECIAL ECONOMIC ZONE, SECTOR - 1, PLOT NO. 31 & 32
P. S. DIAMOND HARBOUR, 24 PARGANAS (SOUTH), WEST BENGAL - 743 504
HEAD OFFICE : 410, VARDAN BUILDING, 25A CAMAC STREET, 4TH FLOOR
KOLKATA - 700 016 (WEST BENGAL)
TIME : 11:30 A.M.

**ALL SHAREHOLDERS ARE WELCOME**

## 32ND ANNUAL REPORT
# BOARD OF DIRECTORS

| | | |
|---|---|---|
| JAY S. BARDIA | : | MANAGING DIRECTOR |
| PRADEEP KUMAR SINGH | : | INDEPENDENT DIRECTOR |
| T. C. BACHHAWAT | : | NON-EXECUTIVE DIRECTOR |
| RAVI PRAKASH PINCHA | : | INDEPENDENT DIRECTOR |
| VIMALA DEVI BARDIA | : | NON-EXECUTIVE WOMEN DIRECTOR |

# ADMINISTRATIVE

| | | |
|---|---|---|
| P. L. BARDIA | : | CHIEF EXECUTIVE OFFICER |
| VINAY SIPANI | : | CHIEF FINANCIAL OFFICER |
| ARTI BAID | : | COMPANY SECRETARY |
| BANKER | : | 1) BANK OF BARODA<br>International Business Branch<br>4, India Exchange Place<br>Kolkata - 700 001. |
| AUDITORS | : | M/s. P. K. LUHARUKA & CO.<br>Chartered Accountants<br>P-44, Rabindra Sarani, 4th Floor<br>Room No. 402A, Kolkata - 700 001. |
| DEMAT REGISTRAR<br>&<br>SHARE TRANSFER AGENT | : | MAHESHWARI DATAMATICS (P) LTD.<br>23, R. N. Mukherjee Road, 5th Floor<br>Kolkata - 700 001<br>Phone : 033-22435809/5029, Fax : 033-22484787 |
| HEAD OFFICE | : | 410, Vardaan Building<br>25A, Abanindra Nath Tagore Sarani<br>4th Floor, Kolkata - 700 016<br>Phone : 033-22871366<br>Website : www.kryptongroup.com<br>E-mail : kyrpton@kryptongroup.com |

## DIRECTORS' REPORT

**Dear shareholders,**

Your Directors present the 32nd Annual Report together with the audited accounts of your company for the year ended 31st March 2022.

### 1. FINANCIAL RESULTS

During the year under review, the company achieved an aggregate income of **Rs. 4460.15** Lakhs. The highlights of the Standlone financial results are as under:

| | **Amount in (Rupees in '000)** | |
|---|---|---|
| | **Current Year 2021-2022** | **Previous Year 2020-2021** |
| Sales | 405825.10 | 304396.02 |
| Other Income | 40190.33 | 24128.32 |
| **Gross Total Income** | **446015.43** | **328524.34** |
| **Profit before Interest, Depreciation & Tax** | **86922.19** | **35744.96** |
| Interest | 16151.75 | 17902.09 |
| Depreciation | 20424.22 | 16014.99 |
| **Profit before Exceptional Items & Extraordinary items and Tax** | **50346.22** | **1827.88** |
| **Exceptional Items** | 36263.66 | - |
| **Profit before Tax and after Exceptional Items & Extraordinary Items** | **14082.56** | **1827.88** |
| Provision for Taxation | 5096.31 | (739.59) |
| **Profit after Tax** | **8986.25** | **2567.47** |
| Other Comprehensive Income, net of tax | (12.23) | 70.65 |
| **Total Comprehensive Income** | **8974.02** | **2638.12** |
| Balance in P&L A/c brought Forward | 90794.41 | 88553.97 |
| Balance Available for Appropriation | 99780.66 | 90794.41 |
| Proposed Dividend | - | - |
| Tax on Proposed Dividend | - | - |
| Transfer to General Reserve | - | - |
| **Balance carried to Balance Sheet** | **99780.66** | **90794.41** |

**Consolidated Financial Statement :-**

As required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and in accordance with the Indian Accounting Standard (Ind-AS) 110, Consolidated Financial Statements (CFS) of the Company form part of the Annual Report and are reflected in the consolidated financial statements of the Company. These statements have been prepared on the basis of audited financial statements received from the subsidiary as approved by their respective Boards.

## 2. OVERVIEW AND REVIEW OF OPERATION

A review on division wise performance of the company is furnished below:-

**Tyre Division**

The total income of the Tyre division for the year 2021-22 amounted to Rs.665.54 lakhs compared to Rs.826.67 lakhs of in the previous year. The loss before tax amounted to Rs. (94.75) lakhs as compared to loss of Rs. (78.34) lakhs previous year.

During the year there is major fire outbreak on 11.04.2021 which affected unit performance badly and also due to COVID- 19 situation as its major revenue comes from exports and due lockdowns in different countries at different times has affected its sales badly. Also, due to continued adverse shipping conditions both in terms of lead time & costs exports & imports became expensive which leads to higher input costs and uncompetitive exports. Raw materials prices have grown more than 70% from pre-covid levels which we could not pass entirely to our customers which has affected our bottom line. We are very hopeful that this situation will improve in current financial year.

**Sadhurhat division**

The unit is engaged in manufacturing MCP Tubeless Tires & Rehab Care Products for domestic market. The unit reported an income for the year 2021-22 amounted to Rs. 3379.37 lakhs as compared to the previous year Rs. 2400.79 Lakhs and the unit reported the Profit before tax for the year 2021-22 of Rs. 568.62 lakhs compared with previous year of Rs. 354.99 lakhs.

This unit has further increased its profit margin from last year. Also, we have increased our topline impressively. We further believe that we can grow higher than industry average. We are very confident for coming years as there are certain bicycle companies & other mobility companies which are showing interest in our product as we can offer our unique product with no competitors in India. We hope to see very positive outcome in coming years.

**Wheel division**

The total income of this unit for the year 2021-22 amounted to Rs.560.60 lakhs compared to Rs.67.34 lakhs in the previous year. The unit reported the profit before tax for the year 2021-22 amounted to Rs. (76.80) lakhs compared to Rs. (73.97) lakhs in the previous year.

Due major fire in Tyre Division our production has shifted in this unit which took us some to enhance our capacity but due to stagnant export demand profitability is not up to mark. With export as well as demand for other units will pick up we believe to use its capacity at higher level. This is a captive unit which is linked with the sales of other units.

**Plastic division**

The total income of this unit for the year 2021-22 amounted to Rs. 317.66 lakhs compared to Rs. 239.36 lakhs. The unit reported the profit before tax for the year 2021-22 amounted to Rs. 42.90 lakhs compared to the profit of Rs. 49.17 lakhs.

The unit has maintained the status quo in its performance. It can do much better and we are de bottle necking some process which will help in output with better costs. We believe that it can be used at full capacity from current financial year onwards with better realizations.

**Footwear division**

The total income of the footwear division for the year 2021-22 amounted to Rs. 100.89 lakhs compared to Rs. 81.92 lakhs in the previous year. The unit reported loss before tax of Rs. (245.07) lakhs during the year compared to loss of Rs. (178.76) lakhs in the previous year.

Due to COVID-19 and extreme slowdown in Indian footwear industry has suffered badly and it has resulted in losses. Also increase in GST rates demand has affected. We are trying to change the business mix in this unit as and trying to add other polyurethane products to increase our product portfolio.

**Engineering division**

The total income of this unit for the year 2021-22 amounted to Rs. 1647.40 lakhs compared to Rs.855.49 lakhs in the previous year.

The unit posted the loss before tax for the year 2021-22 amounted to Rs. (54.08) lakhs compared to loss of Rs. (54.82) lakhs.

Despite many challenges we had very good growth in topline from last year. We have increased our topline impressively but losses were flat due to further increase in raw material prices abruptly and we could not pass on the increased prices to customers due to cheaper imports and reluctance of customers to buy in high prices. We are very hopeful to deliver growth of 15% CAGR for next 3 years. As per current government policies, they are pushing hard in this segment with focus on **"Divyang"** for sustained living.

The Indian Rehab Care Equipment Market has accepted the Brand **"iCare"** which was very encouraging for our company but we need to push on sale further to strengthen our brand value.

Company has always taken a long-term view of this business and the company is also in process to come with more similar products for the disabled persons in the coming year. And the company is also expecting very high demand due to weaker rupee and stronger USD & Chinese Yuan due to which we will be very competitive not only in India but all around the world.

**2. DIVIDEND**

In order to strengthen the financial position of the company the Board of Directors have decided not to recommend any dividend for the Financial Year ended 31st March, 2022 and plough back the profits of the company in its business.

**3. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES**

Company had incorporated a Wholly Owned Subsidiary in the name and style of, Krypton Europe S.R.O., a limited liability Company in the Nadrani 48, 514 01, Jilemnice, Czech Republic on 06th November, 2019. The purpose of setting up this entity is to establish a marketing and trading outfit to explore European markets for Rehab Care products.

In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the company have been prepared, which forms part of this Annual Report. Further, the report on the performance and financial position of the subsidiary in the prescribed form AOC-1 is annexed as Annexure III to this report.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required Listing agreement with Stock Exchange:-

### A. Industry Structure & Developments:-

Krypton Industries Limited (KIL) had tremendous year and increased its topline as well as bottom line at same time. Despite higher input costs and very difficult market conditions due to our efforts in reductions of costs and increased efficiency we overcome this difficult times effectively.

Company's primary focus is expansion in Indian Markets as well as Exports for all its product line which includes MCP tubeless tires and hospital/disabled support equipment business. Company is also focusing on high end products like hospital beds/ power wheelchairs for disabled persons and to increase its product portfolio. Also, company is aggressively betting for government tenders for Wheelchairs & other support equipment.

We are currently focusing of Rehab care business which has tremendous growth outlook as this industry is in very nascent stage in India. Also, our government are pushing very hard to improve the health care infrastructure in India which we can contribute in very positive way.

### B. Outlook and opportunities

Your Company has identified the following opportunities and future building business areas:

The company's major focus is on MCP tubeless tires in bicycle industry and rehab care business which has very promising in future. Primarily, the PU tire for Bicycle, rehab care products and tires for industrial application will be our main focus this year and years to come for the domestic as well as international market.

With Rehab care / disabled support equipment business, the company is now considered as one of major domestic brand in India with brand name **"ICARE"** for rehab care products & we have also launched affordable new model of wheelchair in the Brand Name **"UDAAN"** which was accepted in highly competitive market, with our current product portfolio & brand recognition in market the future looks very promising. With government focus on **"Divyang"** section of society, huge demand from both government sector as well as from market will come in future. We have been also accredited with certain quality certification which will help company to participate tenders from Defense, NGO's, Hospitals & other government organizations. Company is also continuously making efforts to increase its product portfolio to stay competitive from imports and other emerging players in the segments.

### C. Outlook on threats, risk and concern

#### 1. Business Risks:

Company's major product portfolio is MCP tubeless Tires & castor wheels for industrial applications. It faces major competition from rubber tires which is cheaper than our products in same industry. Also, rubber prices are much stable than polyurethane. Also, our bicycle tire is new entrant in our portfolio which is still in growing stage and has a huge potential but at the same time it's a completely new product for the market and acceptance will take some time to establish. Our positive side is that life & quality of our product is much more superior than rubber tires.

In rehab care / Hospital furniture business our company is facing biggest competition from cheap & low-quality Chinese products. Also further increase in prices in steel & other raw material items will hurt our bottom line in future. Also passing on additional cost is very difficult in this industry. But we are seeing the peak of this commodity cycle and hopefully it will cool down in near future.

Company is normally import Raw Materials and export finished goods during its course of business which exposes it to exchange fluctuation risks and international crude & petrochemicals prices affects the raw material prices.

Also due to higher inflation interest cost are getting higher rapidly which will another dent in our business.

2. **Financial Risks:**

Majority of raw material are imported, so any major fluctuation in US$ can affect the performance of the company. Company is trying to leverage this risk by sourcing more from local vendors. Although foreign exchange risks somewhat balanced by exports and company is regularly covering such risk.

The interest cost started rising again and RBI started increasing interest rates. Company is exploring the other means to reduce interest cost.

3. **Legal & Statutory Risks**

Company is complying regularly with all the regulatory requirements with respect to manufacturing, taxations, statutory requirements, company law, SEBI etc, with new laws coming in, this exercise will need more inputs which company is working towards.

4. **Political Risks**

Any major change in local, national or international can affect the business but as, at the moment, company does not have any business with government entities, the risk is minimal. Although company is trying to secure government business at the moment, this can impact positively as well as negatively in a small percentage of growth of the company.

**D. Internal Control System and their adequacy:**

Your Company believes that Internal Control is a required principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

The company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. Internal auditor performs their duty and audit committee reviews internal auditor reports and other reports and provides suggestions for improvement /takes corrective actions. The committee also meets the Company's Statutory Auditors to ascertain, interalia, their views on the Adequacy of Internal Control Systems in the company and keeps Board of Directors informed from time to time.

**E. Financial Performance**

Over all financial Performance of the company is satisfactory in current market scenario, we are cautiously improving in costing point of view which will further add to out margins. Our company will surely improve out topline and bottom line this year and in the years to come.

**F. Human Resource Developments:**

During the fiscal 2021-2022 company has more than 150 persons on its payroll. Apart from this company has generated indirect employment to more than 500 persons in nearby locations. Company is working on to restructure the total organization to help its growth with further recruitment in the top and middle management level at different positions.

**5. SHARE CAPITAL**

The paid-up equity share capital as at March 31, 2022 is Rs.14.69 Crores, divided into 1,46,97,130 equity shares of face value Rs. 10 each.

During the year under review, the Company has not issued any equity shares with differential rights or sweat equity shares or under any employee stock option.

**6. DEPOSITS**

During the year under review, the Company has neither invited nor accepted any fixed deposits from the public within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

**7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of the loans given, Investments made, Guarantees or Securities provided during the year have been disclosed under the Note no. 5,6,14 & 43 to the financial statement.

**8. PARTICULARS OF THE CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES**

All transactions/ contracts/arrangements entered with the Related Parties during the financial year were in the Ordinary course of business and on arm's length basis and without any conflict of interest. Moreover, the company has not entered into any transaction of material nature with the promoters, directors, management, subsidiaries or any significant related party during the financial year that may have potential conflict with the interests of the company at large.

Since all the related party transactions entered into by the Company were in the ordinary course of the Business and on an arm's length basis. Thus, no transaction is being reported in Form AOC-2.

The details of the transactions/ contracts /arrangements held with the related parties have been disclosed in the Notes to the financial statements. A framed Policy on Related Party Transactions duly adopted by the Board is available on the Company's website www.kryptongroup.com.

**9. MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

Due to Major Fire Occurred in one of our unit which was adequately insured and we have received the claim amount on 31.03.2022.

**10. KEY FINANCIAL RATIOS**

There were significant changes in certain key financial ratios of the Company that have changed more than 25% over previous year. Kindly refer Note 56 of the attached standlone financial report of the Company.

**11. AUDITORS**

**Statutory Auditors & their Report**

M/s P. K. Luharuka & Co., Chartered Accountants (Firm Registration no. 322020E), was appointed as Statutory Auditors of the Company at the Annual General Meeting on September 22, 2017 for a term of 5 years to hold office till the conclusion of the 32th Annual General Meeting. The Company has received consent of the Auditors for continuation of office for the current year.

The Board of Directors, on the recommendation of the Audit Committee, have recommended the members for re-appointment of M/s P. K. Luharuka & Co., Chartered Accountants (Firm Registration no. 322020E) as the statutory auditors for the second term of three consecutive years from the conclusion of the 32nd annual general meeting until the conclusion of the 35th annual general meeting.

The resolution included at Item No. 3 of the notice convening the annual general meeting seeks members' approval to the re-appointment of M/s P. K. Luharuka & Co. as statutory auditors. In terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the term of re-appointment including the basis of recommendation for re-appointment have been disclosed in the explanatory statement forming part of the Notice convening the ensuing annual general meeting of the Company.

M/s P. K. Luharuka & Co. have confirmed that they are eligible for being appointed as Statutory Auditors of the Company for the second term of three consecutive years

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2022 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**Secretarial Audit Report**

Pursuant to section 204 of the Companies Act, 2013, the Board has appointed Sanjay Kumar Vyas, Practicing Company Secretary to undertake the audit of Secretarial and other related records of the company. The Secretarial Audit Report issued by Sanjay Kumar Vyas in Form MR-3 for the financial year ended 31st March, 2022, is also annexed herewith in Annexure-V. Your directors wish to clarify the observations made by the Auditors regarding the cases being shown as pending in the Bankshall Courts which were actually being resolved during the past years itself and for which a letter is being sent to the Registrar for removal of such cases from the pending list.

Your directors also clarify that the listing fees of the Calcutta Stock Exchange for the financial year is not being paid as the said stock exchanges is suspended from long and expected that the exchange will get de-recognised soon.

**Cost Audit & Records**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 the Company is only required to maintain its cost records in respect of the products being manufactured by the company. The Cost records are duly maintained by the company as required.

**12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUT GO:**

The information as required under clause (m) sub section (3) of section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014 is annexed herewith in Annexure- I.

**13. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 forming part of the Directors Report is available at the company's website www.kryptongroup.com.

**14. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant & material orders passed by the regulators or courts or tribunal which would impact the going concern status and future operations of the company.

**15. LISTING AT STOCK EXCHANGES**

The equity shares of the company are listed on the stock exchanges at Kolkata and Mumbai. The annual Listing fees have been paid for the financial year 2021-2022.

**16. CORPORATE GOVERNANCE**

A separate section on corporate governance together with a certificate from the Auditors of the company regarding full compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with the stock exchanges forms a part of the Report under Annexure- IV.

**17. MEETINGS**

During the year under review, seven Board Meetings and four Audit Committee Meetings were convened and held, the dates and attendance in by each Directors are given in the Corporate Governance Report. The maximum time gaps between the Meetings were within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The details of constitution of the Board and its Committee are given in the Corporate Governance Report.

**18. SECRETARIAL STANDARDS**

The Company has complied with Secretarial standards issued by the Institute of Company Secretaries of India.

**19. DIRECTORS**

Mrs. Vimala Devi Bardia (DIN: 07125170), Non-Executive Director who is liable to retire by rotation as director in accordance with the Companies Act, 2013 and being eligible, offers himself for reappointment at the forthcoming Annual General Meeting.

Mr. Jay Singh Bardia (DIN: 00467932) was re-appointed as Managing Director of the Company for a period of 3 years from January 1, 2020 to December 31, 2022. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has approved the re-appointment of the Mr. Jay Singh Bardia, as Managing Director of the Company for a further period of 3 years from January 1, 2023 to December 31, 2025 who is not liable to retire by rotation. The appointment is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting by a Special Resolution and on the remuneration as approved by the Nomination and Remuneration Committee of the Company.

Necessary information under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 1 (SS-1) issued by ICSI, in respect of directors to be appointed and re-appointed at the ensuing Annual General Meeting is given in the Annexure to the Notice convening the Annual General Meeting.

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 164 of the Companies Act, 2013 and the rules made thereunder.

**DECLARATION BY INDEPENDENT DIRECTOR:** The Company has duly received the declaration from all the Independent Directors as laid under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The declaration was placed and noted by the Board at its meeting held on 30th May, 2022.

**20. REMUNERATION POLICY**

The Board, on recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management and their remuneration which includes criteria for performance evaluation of non-executive and executive directors. A detailed Policy is also available on the website of the Company, www.kryptongroup.com.

**21. RISK MANAGEMENT POLICY**

In accordance with the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board of Directors of the Company is responsible for framing, implementing and monitoring the Risk management plans of the Company. The Company has also framed a Risk Management Policy defining the roles and responsibilities of the Committee and the same has been approved by the Board of Directors of the Company.

The Risk Management Policy is available on the website of the company, www.kryptongroup.com.

**22. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In accordance with the provision of the Companies Act, 2013 read with the Rules made therein and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, every listed company shall establish a Vigil Mechanism for the directors and employees to report their genuine concerns and grievances. A framed Vigil Mechanism is available on the company's website, www.kryptongroup.com.

The Audit Committee is entrusted with the responsibility to oversee the Vigil Mechanism.

**23. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board as a whole, Chairman and the Non-Independent Directors was carried out by the Independent Directors. This exercise was carried out in accordance with the Remuneration Policy framed by the Company within the framework of applicable laws.

The Board carried out an annual evaluation of its own performance, as well as the evaluation of the working of its committees and individual Directors, including Chairman of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. While evaluating the performance and effectiveness of the Board, various aspects of the Board's functioning such as adequacy of the composition and quality of the Board, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, execution and performance of specific duties, obligations and governance were taken into consideration.

**24. DIRECTORS RESPONSIBILITY STATEMENT**

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby states:

- That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed with proper explanation relating to material departures if any;
- That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit of your company for that period.
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities.; and

- That the directors have prepared the annual accounts on a going concern basis and
- That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- That the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**25. PARTICULARS OF EMPLOYEES**

The disclosure required under section 197 of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith in Annexure- II.

Your directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**26. ISO 9001-2015, IS 7454**

Your company operates in ISO 9000 quality assurance system as per the ISO 9001-2015 standards. The Audit was duly carried out during the year 2021-2022. The new standards are mainly customer oriented and they will help our Company to get much better controls to improve with best customer satisfaction standards.

The company has been granted the license by Bureau of Indian Standards (BIS) to use Standard Mark i.e. IS 7454 in respect of Rehabilitation equipment- Wheelchairs Folding and Adult size according to which we will manufacture highest quality of wheelchairs as per the specification.

**27. APPRECIATION**

Your directors take this opportunity to record their appreciation for the continued and sustained support and co-operation extended to the Company by the Government of India, State Governments, Financial Institutions and Banks, Dealers and Customers, Suppliers, Transporters, Employees, Shareholders and all other Stakeholders.

***Cautionary Note:***

*Certain statements made in the Director's Report and "Management Discussion & Analysis Report" which seek to describe the company's objectives, projections, estimates, expectation or predictions etc may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual result may differ from such expectations, projections, etc., whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. which the company doesn't have any direct control.*

Registered Office: Falta Special Economic Zone
Sector-1, Plot-31&32, Falta
24-Parganas (S), Pin-743504
West Bengal
CIN : L25199WB1990PLC048791

By Order of the Board
For **Krypton Industries Limited**

**Jay Singh Bardia**
Managing Director
(DIN : 00467932)

Date: 30.05.2022

## ANNEXURE - I

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

Pursuant to section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars as required in relation to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are given below:

**A) CONSERVATION OF ENERGY**

a) The steps taken or impact on Conservation of Energy are:

1. Company has carried out a close monitoring of the Electricity consumption based on KWH.
2. Company is changing normal tube lights & bulbs to LED lights & renovation factory shed so that in day time less electricity will be consumed in all the units in a phased manner to save electricity.
3. Up gradation of the capacitors has been done in the plants in order to increase the power factor and efficient utilisation of energy. It will also help in the company to reduce its electricity bills in the coming years.

**(B) TECHNOLOGY ABSORPTION**

**1. The efforts made towards technology absorption:**

Company's major focus is on PU related products in Bicycle industry & rehab care industry which has huge potential in future. We are continuously working on R&D of our existing products & we are exploring new products development in this field like PU foam products & other PU products used in rehab care industry. We have already developed high performance MCP tubeless tires for bicycles as a future substitute for Rubber Tires. Also we are doing R&D on high performance of PU tires in industrial applications which is a new area for us.

Our company is working to enhance our Rehab care unit production with same infrastructure by effective handling of man power and de bottlenecking in production.

**2. Benefit derived like product improvement, cost reduction, product development or import substitution:**

Our company has been started getting benefits of its R&D activities & cost reduction measures.

We have also been successful in cut down of our power cost and labour cost in all the units by up gradation of machines and effective utilization of manpower.

Our wheelchairs has been renewed, **IS 7454 by Bureau of Indian Standards (BIS)** which is highest quality standard for wheelchair product, which shows our dedication for quality and it will a big boost for the Company in the coming years. Also we are in process of getting BIS certification for our Safety shoes in current financial year.

**(C) Foreign Exchange Earning and Outgo:** The details of the Foreign Exchange Earning in terms of actual inflows and Foreign Exchange outgo in terms of actual outflows during the year under review are given below:

| FOREIGN EXCHANGE EARNING AND OUTGO | 2021-2022 (Rs. in '000) |
|---|---|
| 1. (A) Foreign Exchange Earning | 76,719.89 |
| 2. (B) Foreign Exchange Outgo | |
| (i) CIF VALUE OF IMPORTS | |
| • Raw materials, Component & trading Goods | 88,209.53 |
| • Stores and Spare parts & Component | 166.56 |
| • Capital Goods | 645.92 |
| • Other matters | 219.56 |

Registered Office : Falta Special Economic Zone
Sector-1, Plot-31&32, Falta
24-Parganas (S), Pin-743504
West Bengal
CIN : L25199WB1990PLC048791

For and on behalf of the Board

**Jay Singh Bardia**
Managing Director
(DIN : 00467932)

Date: 30.05.2022

ANNEXURE - II

**Statement pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

| Name of Director | Ratio to Median remuneration |
|---|---|
| Jay Singh Bardia - Managing Director | 21.25 |

Director's other than Executive Director have received sitting Fees for attending the meeting of the Board of Directors or its committees as disclosed in the Corporate Governance Report. The figures are not comparable.

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

| Director's/CEO/CFO/CS name | % increase in remuneration in the Financial year 2021-22 |
|---|---|
| Jay Singh Bardia, MD | No increment during the year |
| Pannalal Bardia, CEO | No increment during the year |
| Vinay Sipani, CFO | No increment during the year |
| Arti Baid, CS | 10% |

3. **The percentage increase in the median remuneration of employees in the financial year:** 4%.
4. **The number of permanent employees on the rolls of company:** 152 employees as on March 31, 2022.
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

   Average Salary increase of non-managerial employees for 2021-22 is 3-5%.

   Average Salary increase of managerial employees for 2021-22 is Nil.

   There were no exceptional circumstances for increase in the managerial remuneration.
6. **Affirmation that the remuneration is as per the remuneration policy of the company:** Remuneration paid during the year is as per the Remuneration Policy of the Company.

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For and on behalf of the Board

**Jay Singh Bardia**
Managing Director
(DIN: 00467932)

**ANNEXURE- III**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

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

| Sl. No. | Particulars | Details |
|---|---|---|
| 1. | Name of the subsidiary | Krypton Europe S.R.O. |
| 2. | Reporting period for the subsidiary | 31.03.2022 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Czech Koruna (CZK) 1CZK=3.3536 |
| 4. | Share capital | 3353.56 |
| 5. | Reserves & surplus | 12562.45 |
| 6. | Total assets | 18310.46 |
| 7. | Total Liabilities | 2394.45 |
| 8. | Investments | - |
| 9. | Turnover | 44983.54 |
| 10. | Profit before taxation | (1405.32) |
| 11. | Provision for taxation | - |
| 12. | Profit after taxation | (1405.32) |
| 13. | Proposed Dividend | - |
| 14. | % of shareholding | 90% |

Notes: 1. There are no subsidiaries which are yet to commence operations.
2. There are no subsidiaries which have been liquidated or sold during the year.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Since there are no associates and joint ventures as at 31 March, 2022, the information required in Part-B has not been furnished.

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West Bengal
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Date: 30.05.2022

For and on behalf of the Board

**Jay Singh Bardia**
Managing Director
(DIN: 00467932)

ANNEXURE - IV

**REPORT ON CORPORATE GOVERNANCE**

[Pursuant to SEBI (Listing Obligations and Disclosures Requirement) Regulations, ("SEBI Listing Regulations") 2015]

## 1. Company's Philosophy on Corporate Governance

The basic philosophy of corporate governance in the Company is to maximize long-term shareholder's value, keeping in view the needs and interests of all its stakeholders and to achieve business excellence. The Company is committed to transparency in all its dealings and places high emphasis on business ethics.

The Corporate Governance framework of the Company ensures that timely and accurate disclosure is being made on all material matters regarding the Company, including the financial situation, performance, ownership and governance of the Company. The Board supports principles of good governance and lays appropriate emphasis on regulatory compliance, integrity and accountability.

## 2. Board of Directors:

### a) Composition, Meetings, Attendance and Directorship(s)/Chairmanship(s)/ Membership(s)

The Board of Directors of the Company as on 31st March, 2022 comprised of total 5 Directors, consisting of One Executive Director and 4 Non Executive Directors which includes of 1 Woman Director & 2 Non Executive Independent Director. Mr. Jay Singh Bardia, Managing Director is the only Executive Director. During the year under review the Board met 7 times on 27.04.2021, 24.06.2021, 14.08.2021, 12.11.2021, 30.12.2021, 09.02.2022 & 30.03.2022.The previous Annual General Meeting was held on 30th September, 2021.

The constitution of the Board and their attendance at the Board Meetings, last Annual General Meeting and the Directorship/ Chairmanship/ Membership of Committee of each Director in other companies during the year ended 31st March 2022 are as under:

| Sl. No. | Name of Director | Attendance | | Category of Directors | No. of Directorship in other Public Limited Companies | | No. of committee* Membership/Chairmanship in other Companies | | Directorship in other Listed Equity (category of Directorship) |
|---|---|---|---|---|---|---|---|---|---|
| | | Board | Last AGM | | Listed | Others | Chairman | Members | |
| 1. | Mr. Jay S. Bardia | 07 | Yes | Promoter, Executive, Managing Director | NIL | NIL | NIL | NIL | - |
| 2. | Mr. Tilok Chand Bachhawat | 04 | Yes | Non-Executive | NIL | NIL | NIL | NIL | - |
| 3. | Mr. Pradeep Kumar Singh | 07 | Yes | Independent, Non-executive Chairman | NIL | NIL | NIL | NIL | - |
| 4. | Mr. Ravi Prakash Pincha | 07 | No | Independent, Non-executive | 1 | 1 | 0 | 1 | RDB Realty & Infrastructure Limited (Independent Non-Executive) |
| 5. | Mrs. Vimala Devi Bardia | 06 | Yes | Non-executive, Women Director | NIL | NIL | NIL | NIL | - |

*Committees include only Audit Committee and Stakeholders Relationship Committee.

None of the directors held directorship in more than 7 Listed Companies and/or 10 Public Limited Companies and/or were member in more than 10 committees or acts as a Chairman of more than 5 Committees across all Public Limited Companies in which he is a director.

None of the Independent Directors served as Independent Directors in more than 7 Listed Companies.

None of the Executive Directors served as Independent Director of any other Listed Company.

Mr. Jay Singh Bardia, Mr. Tilok Chand Bachhawat and Mrs. Vimala Devi Bardia holds 15,60,226; 2,29,657 and 2,82,000 shares respectively in the Equity capital of the Company.

No other director is related to any other director except Mr. Jay Singh Bardia and Mrs. Vimala Devi Bardia in terms of the definition of 'Relative' as given in the Companies act, 2013.

Necessary information as mentioned in SEBI Listing Regulations, 2015 has been placed before the Board for consideration.

**Competencies of Board of Directors**

The Board has identified the list of core skills/expertise/competencies as required in the context of its business for it to function effectively and are as under: -

1. Knowledge on Company's Business and of the industry in which the Company operates.
2. Behavioural Skills attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, legal, Administration and Decision Making.
4. Accounting, Financial and Management Skills.
5. Technical / Professional Skills and Specialised Knowledge in relation to Company's business.

   The Board believes that the skills/expertise/ competencies are available with the Company.

**Confirmation**

The Board of Directors of the Company has confirmed that all Independent Directors of the Company fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and they are all Independent of the management as on 31.03.2022.

**Skills / Expertise/ Competencies of Board of Directors**

The Board composition is evenly poised between members specialized in Technical & commercial fields. The specialized skills/ experience of Board Members are given hereunder: -

1. Mr. Jay Singh Bardia, Managing Director
   - Mr. Jay Singh Bardia is a Bachelor of Engineering (Electrical) and has rich experience of more than 22 years in the field of the Tyre and PU Industries. His area of core competency area includes Production and Manufacturing of Tyres, Product Quality and Testing, Business Management, Controls, Strategic decision Making, Marketing etc.
2. Mr. Pradeep Kumar Singh, Chairman, Non-Executive Independent Director
   - Mr. Singh did his Masters in MA (Hons.) from Banaras University. He is having his own transport business from more than 27 years and has vast experience in Business Management, Administration, Planning, Strategic decision Making, Marketing etc

3. Mr. Tilok Chand Bachhawat, Non-Executive Director
   - Mr. Bachhawat is qualified Chartered Accountant and carrying his own business. His core area is Financial Analysis, Strategic Management, Accounts & Taxation.
4. Mr. Ravi Prakash Pinch, Non-Executive Independent Director
   - Mr. Pincha is associated in Real estate business and he has got compressive experience in diversified areas including Financial Analysis, Project Financing, Risk Management,etc.
5. Mrs. Vimala Devi Bardia, Non-Executive Director

**Code of Conduct**

All the Directors and the members of the Senior Executives have adhered to the code of Conduct for Board of directors and Senior Executives of the Company during the year and have affirmed their compliance with the same. The Annual Report also contains a declaration to this effect duly signed by the Managing Director. The Code of conduct for Board of Directors and senior Executives is also posted on the website of the company, www.kryptongroup.com.

**3. Audit Committee:**

**Brief description of the terms of reference: -**

The Audit Committee reviews the Audit Reports submitted by the Internal Auditors, Statutory Auditors, financial results, effectiveness of internal audit process, and the Company's risk management strategy and to establish the vigil mechanism. It reviews the Company's established systems and the committee is governed by provisions of Companies Act, 2013 and Listing Agreement with the Stock Exchange and SEBI Listing Regulations, 2015.

**Composition & Attendance:-**

The Audit Committee consists of Mr. Jay Singh Bardia, Managing Director and other two Independent non-executive directors viz., Mr. Pradeep Kumar Singh, M.A. and Mr.Ravi Prakash Pincha. Mr. Pradeep Kumar Singh, an Independent Director, has been designated as the Chairman of the Committee, who is having good knowledge in finance and accountings. The Committee is mandated to meet at least four times in a year. The Company Secretary of the Company acted as the 'Secretary' to the Committee.

| SL. No. | Name of Member | Category | No. of meetings attended |
|---|---|---|---|
| 1. | Mr. Pradeep Kumar Singh | Member & Chairman | 4 |
| 2. | Mr. Jay Singh Bardia | Member | 4 |
| 3. | Mr. Ravi Prakash Pincha | Member | 4 |

Four Committee meetings were held during the year viz., on 24.06.21, 14.08.21, 12.11.21 and 09.02.22.

**4. Nomination & Remuneration Committee:**
**Brief description of terms of Reference:-**

This Committee identifies the persons, who are qualified to become Directors of the Company and who may be appointed in in senior management in accordance with the criteria laid down, and recommended to the Board their appointment and removal and also carries out evaluation of each director's performance. The Committee also formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The role and terms of reference of the Committee covers the matters as specified for Nomination & Remuneration Committee in the Companies Act, 2013 and SEBI Listing Regulations, 2015.

**Composition & Attendance:-**

The Committee consists of three non-executive Directors viz. Mr. Ravi Prakash Pincha, Mr. Pradeep Kumar Singh and Mr.T.C.Bachhawat. Mr. Ravi Prakash Pincha, Non-Executive Independent Director has been designated as the Chairman of the Committee. The meeting of the Committee held on 30th September, 2021 and the attendance during the meeting is as follows:

| SL. No. | Name of Member | Category | No. of meetings attended |
|---|---|---|---|
| 1 | Mr. Pradeep Kumar Singh | Member | 1 |
| 2 | Mr. T.C Bachhawat | Member | 1 |
| 3 | Mr. Ravi Prakash Pincha | Member & Chairman | 1 |

` **Remuneration Policy:** The Company has adopted a Remuneration Policy duly approved by its Board of Directors. A framed Remuneration Policy is also available on company's website, www.kryptongroup.com. For the performance evaluation criteria for Independent

Directors, please refer Board's Report.

**Remuneration/Commission to Director during the financial year 2021-2022:**

| Name of Director | Sitting Fees (Rs.) | Salary, Perquisites & Commission (Rs.) | Total (Rs.) |
|---|---|---|---|
| Mr. Jay Singh Bardia | - | 30,00,000 | 30,00,000 |
| Mr. Pradeep Kumar Singh | 3,500 | - | 3,500 |
| Mr. T. C. Bachhawat | 2,000 | - | 2,000 |
| Mr. Ravi Prakash Pincha | 3,500 | - | 3,500 |
| Mrs. Vimala Devi Bardia | 3,000 | - | 3,000 |

Mr. Jay Singh Bardia was re-appointed as the Managing Director for a period of 3years w.e.f. 01st January, 2020. Other than sitting fees, there was no pecuniary relationship or transactions between Company and non executive directors.

No severance fee is payable and no stock option has been given.

**5. Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee reviews & redresses the investor / queries / grievances/ complaints on the matter relating to the transfer of shares, non receipt of Annual Reports, Non receipt of dividend declared etc. The committee also looks into the matters relating to approval, transfers, transmission, consolidation and splitting of such certificates. The company adopts a policy of disposing of investor's complaint within a span of 15 days.

Due to Covid-19 Pandemic, the Shareholders/ Investors/ Grievance Committee met on 12 different occasions during the year under consideration. The committee has decided to held the meetings on

25th of every calendar month considering the investors related matters and Covid-19 and if there is a public holiday on that day then meeting holds on the immediately next working date.

**Composition of and meetings attended by the members are as under:**

| Sl. No. | Name of Directors | Category | No. of Meetings attended |
|---|---|---|---|
| 1. | Mrs. Vimala Devi Bardia | Member & Chairman | 12 |
| 2. | Mr. Pradeep Kumar Singh | Member | 12 |
| 3. | Mr. Ravi Prakash Pincha | Member | 12 |

**Investors Grievance Redressal:-**

| | |
|---|---|
| No. of shareholders Complaints received so far | Nil |
| No. of complaints not solved to the satisfaction of shareholders | Nil |
| No. of complaints pending at the end of the financial year 2021-22 | Nil |

**Name, designation and address of Compliance Officer:**
CS Arti Baid, Company Secretary

**Krypton Industries Ltd.**
410, Vardaan Building
25A, Camac Street, Kolkata- 700016
Tel: 033 22871366;
E-mail: krypton@kryptongroup.com

**6. General Body Meeting**

Details of Location and Time of last three Annual General Meeting were given below:

<table>
<tr><th>YEAR</th><th>DATE</th><th>VENUE</th><th>TIME</th></tr>
<tr><td>2018-2019</td><td>26.09.2019</td><td>FALTA SPECIAL ECONOMIC ZONE<br>Sector-1, Plot No. 31 & 32<br>Falta, 24-Parganas (S)<br>Pin - 743 504,West Bengal</td><td>11.30 AM</td></tr>
<tr><td>2019-2020</td><td>30.09.2020</td><td rowspan="2">The meeting was conducted through VC / OAVM pursuant to the MCA Circular.</td><td>11.30 AM</td></tr>
<tr><td>2020-2021</td><td>30.09.2021</td><td>11.30 AM</td></tr>
</table>

All the resolution, including special resolutions set out in the respective Notices was passed by the Shareholders. No Special Resolutions was passed using Postal ballot at the meetings held during the years under review.

No special Resolution is proposed to be passed through Postal Ballot at the forth coming Annual General Meeting.

**7. Means of Communication:**

i) The company regularly intimates un-audited quarterly financial results to the stock exchanges immediately after these on record by the Board. These Financial results are normally published in The Economics Times / Business Standard and Duranta Barta and are also posted in the website of the company ie.www.kryptongroup.com. The results are not sent individually to the shareholders.

ii) Management Discussion and Analysis Report forms part of the Report of Directors.

**8. General Shareholder Information:**

**a)**

| | |
|---|---|
| i) Annual General Meeting<br>Date,<br>Time &<br>Venue | 27th September, 2022<br>11.30 A.M.<br>(The meeting is to be conducted through VC / OAVM pursuant to the MCA Circulars and as such there is no requirement to have a venue for the AGM.) |
| ii) Date of Sending of Annual Report (via Email only) | On or before 02.09.2022 |
| iii) Book Closure | 21.09.2022 to 27.09.2022 |
| iv) Financial Year | April 2021-March 2022 |
| v) Listing of equity shares on Stock Exchanges | a) Bombay Stock Exchange<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001<br>b) Calcutta Stock Exchange<br>7, Lyons Range, Murgighata, Dalhousie, Kolkata-700001 |
| vi) Stock Code<br>ISIN | Bombay Stock Exchange - 523550<br>Calcutta Stock Exchange -Physical K-025<br>INE 951B01014 |
| vii) Registrar to issue and Share Transfer Agent | Maheshwari Datamatics Private Limited<br>23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700001 |

| | |
|---|---|
| viii) Share Transfer Systems | Information has been given at the end of point 8(a). |
| ix) Dematerialization of Shares | The shares of the company are in compulsory demat segment and are available for trading in the depository system of both the National Securities Depository Limited & Central Depository Services (India) Limited. As on 31st March, 2022, equity shares of the company forming 93.62 % of the share capital of the Company stands Dematerialized. |
| x) Outstanding GDRs /ADRs/ warrant or any Convertible Instruments, conversion date and likely impact on equity: | No such warrants has been issued till date |
| xi) Plant Locations | <u>*DIVISION - I (Tyre Division)*</u><br>Falta Special Economic Zone<br>Sector-1, Plot No. 31 & 32<br>Falta, 24-Parganas (S)<br>Pin - 743 504, West Bengal<br><br><u>*DIVISION -II (Footwear Division)*</u><br>Banganagar,<br>Diamond Harbour Road<br>Falta, 24-Parganas (S)<br>Pin- 743 513, West Bengal<br><br><u>*DIVISION - III (Wheel Division)*</u><br>Falta Special Economic Zone<br>Sector-2, Plot No. 48<br>24-Parganas (S)<br>Pin - 743 504, West Bengal<br><br><u>*DIVISION - IV (Engineering Div)*</u><br>Falta Special Economic Zone<br>Sector-2, Plot no. 32<br>24-Parganas (S)<br>Pin- 743 504, West Bengal<br><br>DIVISION - V (Plastic Division)<br>Falta Special Economic Zone<br>Sector-2, Plot No. 49 (part)<br>24-Parganas (S)<br>Pin - 743 504, West Bengal<br><br>DIVISION- VI (Sadhurhat Div.)<br>Sarisa Falta Road, Sadhurhat,<br>PS- Ramnagar,<br>24 Parganas (S),<br>West Bengal -743504 |
| xii) Address for correspondence | M/s Krypton Industries Ltd<br>410, Vardaan Building, 25A, Camac Street,<br>4th Floor, Kolkata-700016<br>E-Mail: krypton @kryptongroup.com<br>Ph: 033 22871366/ 1367, Fax -033 22871084 |
| Xiii) Website | www.kryptongroup.com |

**Information in respect of 8(a)(viii)**

**Share Transfer System**

Since the Company's shares can be traded only in demat mode, shareholders would be required to send their physical shares certificates, Demat Request Forms (DRF) etc. directly to the Registrar and Share Transfer Agent. Shareholders would also have to ensure that their respective Depository Participant do not delay in sending the DRF and physical share certificates to the aforesaid Share Transfer Agents so that no Demat requests from any shareholder remains pending with the Share Transfer Agent beyond a period of 30 days.

The Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/ 2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. SEBI vide it's notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form.

In compliance with Regulation 40(9) of the Listing Regulations all certificates have been issued within 30 days of the date of transfer, sub-division, consolidation, renewal and exchange of endorsement of calls/ allotment monies as applicable during FY 2021-22.

SEBI vide circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 had laid down common and simplified norms for processing Investor's Service request by RTAs and norms for furnishing PAN, KYC details and nomination. As per the above said circular the shareholders holding physical securities are required to mandatory furnish PAN, KYC details and Nomination by holders and are also required to link PAN with Aadhaar. The said circular stipulates that the folios wherein the required documents are not made available on or before April 1, 2023 shall be frozen by RTA. The Company had sent relevant communication to all physical holders along with relevant Forms to enable the shareholders to update the PAN, KYC and other relevant details with RTA/ Company in line with the SEBI directives. The PAN, KYC and other relevant documents are being processed by RTA on receipt from the shareholders. The relevant Forms are also made available on the company's website at www.kryptongroup.com

Members are advised to registered their details with the RTA, in compliance with the said Circular for smooth processing of their service requests.

**b. Stock Market Data: -**

Monthly high and low quotations of shares traded at Bombay Stock Exchange (BSE) and performance in relation to BSE Sensex from April 2021 to March 2022 are as under:

| Months | Krypton at BSE | | BSE SENSEX | |
|---|---|---|---|---|
| | High (Rs) | Low (Rs) | High | Low |
| April, 2021 | 9.99 | 8.00 | 50375.77 | 47204.50 |
| May, 2021 | 12.00 | 9.00 | 52013.22 | 48028.07 |
| June, 2021 | 17.19 | 10.60 | 53126.73 | 51450.58 |
| July, 2021 | 21.00 | 14.15 | 53290.81 | 51802.73 |
| August, 2021 | 15.95 | 11.55 | 57625.26 | 52804.08 |
| September, 2021 | 14.75 | 12.58 | 60412.32 | 57263.90 |
| October, 2021 | 14.40 | 13.00 | 62245.43 | 58551.14 |
| November, 2021 | 14.40 | 12.55 | 61036.56 | 56382.93 |
| December, 2021 | 20.00 | 14.01 | 59203.37 | 55132.68 |
| January, 2022 | 30.40 | 18.30 | 61475.15 | 56409.63 |
| February, 2022 | 27.95 | 22.75 | 59618.51 | 54383.20 |
| March, 2022 | 23.85 | 20.00 | 58890.92 | 52260.82 |

**c. Distribution of Shareholding:**

**i) Category wise shareholding pattern as on 31.03.2022 was as under:**

| CATEGORY | NO.OF SHARES HELD | PERCENTAGE OF SHAREHOLDING |
|---|---|---|
| **PROMOTER'S HOLDING** | | |
| Foreign Promoters | 50796 | 0.35 |
| Indian Promoters | 3897816 | 26.52 |
| **NON-PROMOTERS HOLDING** | | |
| Banks, Financial Institutions, NBFCS Registered With RBI | 25870 | 0.18 |
| Insurance Companies | - | - |
| (Central/State Govt.Institutions/ Non-Govt. Institutions) | - | - |
| Mutual Funds/Uti/trust | 2800 | 0.02 |
| Clearing Members | 39626 | 0.27 |
| Private Corporate Bodies | 1283751 | 8.73 |
| Indian Public | 8164940 | 55.55 |
| NRIs/OCBs | 1231531 | 8.38 |
| **TOTAL** | **14697130** | **100.00** |

ii) **Distribution of Share Holding As On 31.03.2022**

| Nominal Value of Shares (Rs) | Share Holders (Numbers) | Share Holders (% of Total) | No. of Shares (Numbers) | No. of Shares (% of Total) |
|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) |
| Upto 5,000 | 8599 | 88.9521 | 964242 | 6.5608 |
| 5001 to 10000 | 411 | 4.2516 | 352954 | 2.4015 |
| 10001 to 20000 | 245 | 2.5344 | 383875 | 2.6119 |
| 20001 to 30000 | 104 | 1.0758 | 267605 | 1.8208 |
| 30001 to 40000 | 38 | 0.3931 | 135485 | 0.9218 |
| 40001 to 50000 | 53 | 0.5483 | 250646 | 1.7054 |
| 50001 to 100000 | 68 | 0.7034 | 498546 | 3.3921 |
| 100001 & Above | 149 | 1.5413 | 11843777 | 80.5856 |
| **Grand Total :** | **9667** | **100.0000** | **14697130** | **100.0000** |

## 9. Disclosures

**Related Party Transactions :**

All transactions entered into with the related parties during the financial year ended 31st March, 2022 were in the ordinary course of business and on an arm's length basis and without any conflict of interest in accordance with the provisions of the Companies Act, 2013 and SEBI Regulations, 2015. Moreover, there were no materially significant related party transactions during the financial year which were in conflict with the interest of the Company. Suitable disclosures as prescribed under the applicable Accounting Standard have been made in the Note 47 to the Financial Statements.

A framed Policy on Related Party Transactions is uploaded on the Company's website, www.kryptongroup.com.

**Compliances by the Company:**

During the last 3 years no penalties or strictures have being imposed on the company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to Capital Markets.

**Whistle Blower Policy:**

The Company has adopted Whistle Blower/ Vigil Mechanism Policy for Directors and employees which has been uploaded on the company's website, www.kryptongroup.com. The Audit Committee is entrusted with the responsibility to oversee the Vigil Mechanism.

**Details of compliances with Mandatory Requirements and adoption of the non-mandatory requirements of this clause:**

All the Mandatory requirements have been appropriately complied with and the non- mandatory requirements are mentioned at the end of the Report.

**Policy on Determination of Materiality for Disclosures & Archival Policy:**

The Company has adopted a policy on determination of materiality for disclosures to disclose events or information which, in the opinion of the board of directors of the Company, are material and the same has been uploaded on the company's website, www.kryptongroup.com.

**Share Capital Reconciliation Audit:**

CA. Hari Ram Agarwal, partner of M/s H. R. Agarwal & Associates, a Practicing Chartered Accountant, carried out a Share Capital Reconciliation Audit during the year on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CSDL) and the total issued and listed capital. Any difference in aggregate is reported in quarterly reports. Moreover, number of requests confirmed after 21 days and / or number of requests pending beyond 21 days during /at the end of each quarter by / with RTA is reflected in the report along with reasons for delay, if any.

**Disclosure of Accounting Treatment**

The Company has followed all relevant applicable Accounting Standards as prescribed by The Institute of Chartered Accountants of India while preparing the financial statements.

**Proceeds from Public Issues, Right Issues and Preferential Issues, etc**

During the financial year 2021-22, the company did not issue or allot any securities to its shareholders.

**Disclosure of Risk Management**

The Company has the risk assessment and mitigation procedures in place and the same have been laid before the Board members from time to time.

**List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.**

| Facilities/Instruments | Credit rating by CRISIL |
|---|---|
| Long-Term Banking Rating (Fund based and Non Fund based facility) | CRISIL BB- Stable |
| Short-Term Banking Rating (Fund based and Non Fund based facility) | CRISIL A4+ |

**Certificate from Company Secretary in Practice**

The Company has received a certificate from a Company Secretary in Practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the board/ Ministry of Corporate Affairs or any such statutory authority.

During the year Board had accepted all mandatory recommendation made by the committee.

**Disclosure of fees to Statutory Auditor**

Total fees for all the services paid by the company on a consolidated basis a sum of Rs. 3.00 lacs for the financial year 2021-2022 to M/s P.K. Luharuka & Co., Statutory Auditor of the company.

**Disclosure of Sexual Harassment of Women at Workplace**

During the year, no complaints were filed in relation to the Sexual Harassment of Women at workplace

**Compliance**

The Disclosures on Corporate Governance as required under Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 have been adhered and complied with.

Compliance with the Non Mandatory Requirements

**i) The Board**

The company has allowed any reimbursement of expenses incurred by the Non- Executive chairman who is entitled to maintain a Chairman's office at the Company's expenses, in performance of his duties.

**ii) Shareholders Rights**

The Company’s financial results are published in the newspaper and also posted on its website www.kryptongroup.com. Hence, financial results are not sent to the shareholders. However, the company furnished the financial results on receipt of request from the shareholders.

**iii) Audit qualifications**

During the period under review, there is no audit qualification on company's financial statements.

**iv) Separate posts of Chairman and CFO**

The Company has appointed separate persons to the post of chairman and Managing Director/ CFO.

**v) Reporting of Internal Auditor**

Presently, the Internal Auditor is directly reporting to the Audit Committee

# CEO / CFO CERTIFICATION

(Pursuant to SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015)

The Board of Directors
**KRYPTON INDUSTRIES LIMITED**

Pursuant to Regulations 17(8) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, this is to certify that:

1. We have reviewed financial statements and the Cash Flow Statement for the year ended 31st March 2022, and to the best of our knowledge and belief;
   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements might be misleading;
   b) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the years, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibilities for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and Audit Committee
   a) Significant changes in internal control over financial reporting during the year.
   b) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
   c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management, or an employee having a significant role in the company's internal control system over financial reporting.

For **Krypton Industries Limited**

| | | | |
|---|---|---|---|
| | Sd/- | Sd/- | Sd/- |
| Place: Kolkata | Jay Singh Bardia | Panna Lal Bardia | Vinay Sipani |
| Date: 30.05.2022 | (Managing Director) | (Chief Executive Officer) | (Chief Financial Officer) |
| | DIN : 00467932 | | |

## Declaration on Compliance of the Company's Code of Conduct

As provided under Regulation 34(3) read with schedule V of the SEBI Listing Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with code of conduct as applicable to them for the year ended 31st March, 2022.

For **Krypton Industries Limited**

Sd/-
Jay Singh Bardia
(Managing Director)
DIN : 00467932

Place: Kolkata
Date: 30.05.2022

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of**
**Krypton Industries Limited,**

1. This certificate is issued in accordance with the terms of our engagement letter dated 30th September, 2021.

2. This report contains details of compliance of conditions of Corporate Governance by Krypton Industries Limited ('the Company'), for the year ended 31 March 2022, as stipulated in regulations 17-27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock Exchanges.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations.

**Auditors' Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes [Revised 2016] ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, except as stated as under

   The company has not made payment of Annual Listing Fees to Calcutta Stock Exchange Limited.

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

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**FOR P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No - 322020E**

**P. K. Luharuka**
**PARTNER**
**Membership No. 055782**
**UDIN : 22055782APPSZR6269**

Dated: 30.05.2022
Place: Kolkata

**ANNEXURE - V : SECRETARIAL AUDIT REPORT**

**Form No. MR - 3**
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
**KRYPTON INDUSTRIES LIMITED**
Falta Special Economic Zone Sector 1 Plot No 31
& 32 P S Diamond Harbour
Twenty Four Parganas
West Bengal, 743504

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KRYPTON INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
2. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by KRYPTON INDUSTRIES LIMITED ("The Company") for the period ended on 31st March, 2022, according to the provisions of:
   i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
   ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
   iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to th Company:-
      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
      d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations/ guidelines/ circulars/ as may be issued by SEBI from time to time;

      We further report that, there were no actions/ events in pursuance of;

      a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that having regards to the compliance system prevailing in the Company and as per the representation made by the management, the company has compiled with the specific applicable laws like:

a. Special Economic Zone Act, 2005

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

i. Secretarial Standards, SS- 1 and SS- 2 issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited, Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above, subject to the following observations:

i. The company has not made payment of Annual Listing Fee to Calcutta Stock Exchange Limited.

ii. The company has a pending case with the Bankshall Court under section 299, 63, 73 (2B) of the Companies Act, 1956 and the matter is subjudice.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Director during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period, there are no specific events or actions having a major bearing on the Company's affairs in pursuance of laws, rules, regulations and guidelines, standard, etc., referred to above.

This report is to be read with our letter of even date which is annexed "ANNEXURE - A" and forms an Integral Part of this Report.

For **Sanjay Kumar Vyas**
Practising Company Secretary
Membership No. 55689
C P No. : 21598
UDIN No. :
A055689000039329O
Peer Review No. : 1856/2022

Place : Kolkata
Date : 26.05.2022

**"ANNEXURE - A"**

(TO THE SECRETARIAL AUDIT REPORT OF KRYPTON INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022)

To,

The Members,
**KRYPTON INDUSTRIES LIMITED**
Falta Special Economic Zone Sector 1 Plot No 31
& 32 P S Diamond Harbour
Twenty Four Parganas
West Bengal, 743504

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Kumar Vyas**
Practising Company Secretary
Membership No. 55689

Place : Kolkata
Date : 26.05.2022

C P No. : 21598
UDIN No. : A0556890000393290
Peer Review No. : 1856/2022

# INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF KRYPTON INDUSTRIES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

## Opinion

We have audited the accompanying standalone financial statements of Krypton Industries Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalonefinancial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit and other comprehensive income,the changes in equityand its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of thestandalone financial statements of the current period. These matters were addressed in the context of our audit of thestandalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Description of Key Audit Matter**

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| **Revenue Recognition**<br><br>Refer Refer Note 32 to the Financial Statements.Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. During the year ended March 31, 2022, the company has recognised revenue amounting to Rs. 3247.73 Lakhs &Rs. 774.36 Lakhs from domestic and export sales respectively. Terms of salesarrangements, including the timing of transfer of control, deliveryspecifications including terms in case of exports, timing ofrecognition of sales require significant judgment in determiningrevenues. The risk is, therefore, that revenue may not getrecognised in the correct period or that revenue and associatedprofit may be misstated.<br><br>Accordingly, due to the significant risk associated with revenuerecognition in accordance with terms of Ind AS 115 'Revenue fromcontracts with customers', it has been determined to be a key auditmatter in our audit of the standalone Ind AS financial statements. | Our audit procedures included the following:-<br><br>☞ Considering Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br><br>☞ Assessing the design and tested the operating effectiveness of internalcontrols related to revenue recognition.<br><br>☞ Testing samples of individual sales transaction and tracing to sales invoices, sales orders, (received from customers) and other related documents including terms and conditions, if any.<br><br>☞ Selecting sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to underlying documents.<br><br>☞ Performing analytical review of revenue to identify any unusual trends.<br><br>☞ Assessing the relevant disclosures made within the standalone Ind ASfinancial statements. |

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| **Inventories**<br><br>Refer Note 10 to the Financial Statements. Total Inventory as at 31.03.2022 was Rs. 1406.18 Lakhs and Finished goods of Rs. 542.64 Lakhs comprise 38.59 per cent of such inventory holdings. Total Inventories are 34.96 per cent of the total turnover of the company for FY 2021-2022. | Our audit procedures included the following:-<br><br>☞ Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls over inventories including sample based physical verification.<br><br>☞ Verifying for a sample of individual products that costs have been correctly recorded. |

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| The inventories are counted by the company on a cyclical basis and accordingly provisions for obsolescence including revision in valuation to Net Realizable Value, if any, of inventories are assessed and recognized by the management in the financial statements based on management estimation as at the end of the reporting period. Significant degree of judgment is thereby required to assess the net realizable value of the inventories and appropriate level of provisioning for items which may beultimately sold below cost. Such judgment includes management's expectations forfuture sale volumes, inventory liquidation plans and future selling prices less cost tosell.<br><br>Such high holdings, existence and valuation of inventories make it a key audit matter. | ☞ Performing a review of the provisions for inventories by examiningmovements in the balance during the current year;<br><br>☞ Assessing, on a sample basis, the net realizable value of inventories as calculated by management with reference to prices achieved and costs tosell after the financial year end.<br><br>☞ Assessing the relevant disclosures made within the standalone financial statements. |

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| **<u>Deferred Tax Asset</u>**<br><br>Refer Note 23 to the Financial Statements.Deferred Tax Asset ('DTA') is recognized by the company on the Unused Tax Credits and Unused Tax Losses. Total Deferred Tax Asset on such matters stand at Rs. 55.20 Lakhs as at 31.03.2022.<br><br>DTA is recognized on such unused tax losses and unused tax credits to the extent that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The risk is, therefore, that sufficient profits may not be available in the future to utilise such Deferred Tax Asset.<br><br>Such existence and recognition of Deferred Tax Asset make it a Key Audit Matter. | <u>Our audit procedures included the following:-</u><br><br>☞ Our audit procedures included the following:-<br><br>☞ Updating our understanding of the identifiable causes behind occurrence of tax losses and assessing whether such causes are likely to recur.<br><br>☞ Obtaining an understanding from the management and assessing the accounting and financial estimates on the basis of which the company shall have sufficient taxable profits before expiry of unused tax losses and unused tax credits.<br><br>☞ Assessing the relevant disclosures made within the standalone financial statements. |

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(IndAS) specified under Section 133 of the Act.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Requirement**

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

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

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

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". 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 Auditors' 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 knowledge and belief and according to the information and explanations given to us:

   (i) The Company, as detailed in Note 43 to the standalone financial statements has disclosed the impact of pending litigations as on March 31, 2022 on its financial position in its standalone financial statements.

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented to us that, to the best of it's knowledge and belief, as disclosed in the note 57(vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any othersources or kind of funds) by the Company to or in any otherperson(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 lendor invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries")or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented to us that, to the best of it's knowledge and belief, as disclosed in the note 57(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("FundingParties"), 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; and

(c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to ournotice that has caused us to believethat the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph2(g) (iv)(a) & (b) above, contain any material mis-statement.

(v) No dividend has been declared by the company during the period under audit and hence compliance under Section 123 of The Companies Act, 2013 is not applicable.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **P. K. Luharuka & Co.**
Chartered Accountants
Firm Registration No.: 322020E

Place : Kolkata
Dated : The 30th Day of May, 2022

**Pradeep Kumar Luharuka**
Partner
Membership No. 055782
UDIN : 220555782AJWHKK3565

**Annexure "A" to Independent Auditors' Report On the Standalone Financial Statements of Krypton Industries Limited for the year ended 31ST March 2022**

Referred to in Paragraph 9 under "Report on other Legal and Regulatory Requirements" of our report of even date to the Financial Statements of the Company for the year ended March 31, 2022

(i) In respect of its Property, Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

(ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable. No discrepancies were noticed between physical stocks and the book records that were more than 10% in aggregate of each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks or financial institutions on the basis of security of current assets. In our opinion, Quarterly returns or statements filed with such Banks or financial institutions are in agreement with the books of account except the following:-

(Rs. in Lakhs)

| Quarter | Name of the Bank | Particulars | Amount as per Books of Accounts | Amount as Reported in Quarterly Return/ Statement | Difference |
|---|---|---|---|---|---|
| June, 2021 | Bank of Baroda | Book debt plus Stock less Creditors | 1269.72 | 1279.33 | (9.61) |
| September, 2021 | Bank of Baroda | Book debt plus Stock less Creditors | 1207.93 | 1217.90 | (9.97) |
| December, 2021 | Bank of Baroda | Book debt plus Stock less Creditors | 1369.93 | 1327.49 | 42.44 |
| March, 2022 | Bank of Baroda | Book debt plus Stock less Creditors | 1337.54 | 1344.05 | (6.51) |

(iii) (a) According to the information explanation provided to us and on the basis of our examination of the records of the Company, the Company has made investment in companies and granted loans to companies and other parties, in respect of which the requisite information is given below. The Company has not provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not made investments in firms, limited liability partnerships or any other parties during the year.

Based on our audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans, as mentioned below:-

| **Particulars** | **Loans (Rs. in Lakhs)** |
|---|---|
| Aggregate amount granted/provided during the year | |
| - Subsidiaries | - |
| - Others | 70.25 |
| Balance Outstanding as at balance sheet date | |
| - Subsidiaries | |
| - Others | - |
| | 219.21 |

( b) In our opinion the rate of interest and other terms and conditions on which the loans had been granted were not, prima facie, prejudicial to the interest of the company.

( c) The borrowers are regular in repaying the Principal Amounts and interest as stipulated, and are also regular in payment as applicable except for the following cases where there is no stipulation of repayment of principal and payment of interest and accordingly we are unable to comment on the regularity of principal and payment of interest.

| Name of the Entity | Amount (Rs. in Lakhs) | Remarks |
|---|---|---|
| Innovative Agents Private Limited<br>Mani Square Private Limited<br>M.H. Consultancy Services<br>Protential Trader & Credit Private Limited | 7.00<br>2.88<br>8.02<br>5.00 | Loan is repayable on demand. As informed to us, the company has not demanded repayment of the loan during the year. Thus, there is no default on the part principal amount. |

(d) According to the information explanation provided to us and on examination of records of the Company, there is no overdue amount for more than 90 days.

(e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has not any granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans:-

| Particulars | All Parties | Promoters | Related Parties |
|---|---|---|---|
| Aggregate amount of loans/ advances in nature of loans | | | |
| - Repayable on demand (A) | 22.90 | - | - |
| - Agreement does not specify any terms or period of repayment (B) | - | - | - |
| Total (A+B) | 22.90 | - | - |
| Percentage of loans/advances in nature of loans to the total loans | 10.45% | - | - |

(iv) In our opinion and to the best of information and explanations given to us the Company has complied with the provisions laid down under sections 185 or 186 of the Act with respect to loans and investments made in the current year. However, Opening balance of such loans granted to "persons in whom the director is interested" before the commencement of Section 185 still exists on Balance Sheet date.

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from the public. Therefore, the provisions of Clause (v) of Paragraph 3 of the Order are not applicable.

(vi) We have broadly reviewed the cost records maintained by the company as prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of Statutory Dues:

(a) According to the information and explanations given to us and on the basis of examination of records given to us, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Goods & Service Tax , Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Value Added Tax, cess and other statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Sales Tax, Custom Duty, Excise Duty, Value Added Tax, cess and other statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues of Goods & Service Tax, sales tax, income tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of disputes as at 31.03.2022 are set out below:-

| Sr. No. | Name of the Statute | Nature of the Dues | Amount of Demand / Dispute ( Rs. in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| 1. | Income Tax Act, 1961 | Income Tax | 13.88 | AY 2012-13 | Appeal u/s 246A before CIT (Appeals) |
| 2. | | Income Tax | 6.03 | AY 2011-12 | Appeal u/s 246A before CIT (Appeals) |

(viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

(ix) (a) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or government.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013)

(x) (a) The Company did not raise any money by way of Initial Public Offer or Further Public Offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is Not Applicable.

(b) According to the information and explanations given to us and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xi) (a) Based on our audit procedures and on the information and explanations given by the management, no material fraud on or by the Company by its officer or employees has been noticed or reported during the course of our audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the cost auditor/secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under Clause (xii) (a) to (c) of the Order is not applicable here.

(xiii) According to the information and explanations given to us and on the basis of examination of records of the Company the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions has been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

(b) We have considered the internal audit reports of the Company issued till the date of audit report, for the period under audit.

(xv) According to the information and explanations given to us and on the basis of examination of records of the Company the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly paragraph 3(xv) of Order is not applicable.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions stated in paragraph clause 3 (xvi) (a) of the order are not applicable to the company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence the provisions stated in paragraph clause 3 (xvi) (b) of the order are not applicable to the company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company.

(xvii) Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (Refer note 57 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

(xxi) According to the information and explanations given to us and on the examination of records of the company, the Company has an overseas Subsidiary wherein Reporting under Companies (Auditor's Report) Order is Not Applicable to the respective Auditor, Hence. reporting under clause 3(xxi) of the Order is not applicable.

For **P. K. Luharuka & Co.**
Chartered Accountants
Firm Registration No.: 322020E

**Pradeep Kumar Luharuka**
Partner
Membership No. 055782
UDIN : 22055782AJWHKK3565

Place: Kolkata

Dated: The 30h Day of May, 2022

**Annexure "B" to Independent Auditors' Report On the Standalone Financial Statements of Krypton Industries Limited for the year ended 31st March 2022**

Referred to in Clause (f) of Paragraph 1 under "Report on other Legal and Regulatory Requirements" of our report of even date to the financial statements of the company for the year ended March 31, 2022.

**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")**

We have audited the internal financial controls over financial reporting of Krypton Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on March 31, 2022.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note 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, both applicable to an audit of Internal Financial Control, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial 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.

**For P. K. Luharuka & Co.**
Chartered Accountants
Firm Registration No.: 322020E

**Pradeep Kumar Luharuka**
Partner
Membership No. 055782
UDIN : 22055782AJWHKK3565

Place: Kolkata
Dated: 30th Day of May, 2022

## Standalone Balance Sheet as at 31st March, 2022

| | Note No. | As at 31/03/2022 (₹ in Thousands) | As at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non Current Assets** | | | |
| (a) Property, Plant and Equipment | "2" | **1,54,105.29** | 1,52,271.21 |
| (b) Right of Use Assets | "3" | **3,259.55** | 5,319.42 |
| (c) Capital Work -in- Progress | "4" | **-** | 7,026.19 |
| (d) Financial Assets | | | |
| (i) Investments | "5" | **4,018.16** | 3,865.66 |
| (ii) Trade Receivables | | **-** | - |
| (iii) Long Term Loans | "6" | **19,630.39** | 12,015.10 |
| (iv) other Financial Assets | "7" | **3,562.20** | 3,965.06 |
| (e) Non-Current Tax Assets | "8" | **5,286.05** | 5,728.20 |
| (f) Other Non-Current Assets | "9" | **2,197.47** | 250.00 |
| | | **1,92,059.11** | 1,90,440.84 |
| **Current Assets** | | | |
| (a) Inventories | "10" | **1,40,618.34** | 1,78,167.80 |
| (b) Financial Assets | | | |
| (i) Investments | | | |
| (ii) Trade Receivables | "11" | **76,324.91** | 63,956.58 |
| (iii) Cash & Cash Equivalent | "12" | **3,253.72** | 5,618.53 |
| (iv) Bank Balances other than (iii) above | "13" | **5,552.48** | 6,201.96 |
| (v) Short Term Loans | "14" | **2,290.21** | 3,751.47 |
| (vi) Other Financial Assets | "15" | **3,136.48** | 7,916.96 |
| (c) Current Tax Assets | "16" | **34,095.46** | 29,826.95 |
| (d) Other Current Assets | "17" | **38,033.19** | 43,205.52 |
| | | **3,03,304.79** | 3,38,645.77 |
| **Total Assets** | | **4,95,363.90** | 5,29,086.61 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | "18" | **1,46,971.30** | 1,46,971.30 |
| (b) Other Equity | "19" | **1,41,021.50** | 1,32,047.48 |
| | | **2,87,992.80** | 2,79,018.78 |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | "20" | **47,056.24** | 55,641.11 |
| (ii) Other Financial Liabilities | | **-** | - |
| (iii) Non- Current Lease Liability | "21" | **1,959.27** | 3,724.41 |
| (b) Long Term Provisions | "22" | **6,585.74** | 6,120.61 |
| (c) Deferred Tax Liabilities (Net) | "23" | **9,384.65** | 4,522.16 |
| (d) Non- Current Tax Liabilities (Net) | "24" | **-** | 219.95 |
| (e) Other Non-Current Liabilities | | **-** | - |
| | | **64,985.90** | 70,228.24 |

## Standalone Balance Sheet as at 31st March, 2022

| | Note No. | As at 31/03/2022 (₹ in Thousands) | As at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | "25" | **64,497.48** | 1,00,919.42 |
| (ii) Trade Payables | "26" | | |
| - Total Outstanding dues of Micro & Small Enterprise | | **5,560.32** | 3,899.82 |
| - Total Outstanding dues of other than Micro & Small Enterprise | | **41,866.12** | 47,584.98 |
| (iii) Other Financial Liabilities | "27" | **18,602.77** | 17,059.66 |
| (iv) Lease Liabilities | "28" | **1,765.12** | 2,065.89 |
| (b) Other Current Liabilities | "29" | **4,901.03** | 5,450.98 |
| (c) Current Tax Liabilities (Net) | "30" | **620.28** | 307.82 |
| (d) Provisions | "31" | **4,572.08** | 2,551.02 |
| | | **1,42,385.20** | 1,79,839.59 |
| **Total Equity And Liabilities** | | **4,95,363.90** | 5,29,086.61 |

Summary of Significant Accounting Policies - '1'
The accompaying notes all in Integral Part of the Financial Statement.

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**ARTI BAID**
Company Secretary

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022

## Standalone Statement of Profit and Loss for the year ended 31st March, 2022

| | Note No. | Year Ended 31/03/2022 (₹ in Thousands) | Year Ended 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| **REVENUES** | | | |
| Gross Revenue from Operations | "32" | **4,05,825.10** | 3,04,396.02 |
| **Net Revenue from Operations** | | **4,05,825.10** | 3,04,396.02 |
| Other Income | "33" | **40,190.33** | 24,128.32 |
| Total Revenue | | **4,46,015.43** | 3,28,524.34 |
| **EXPENSES** | | | |
| Cost of Materials Consumed | "34" | **1,81,303.33** | 1,30,551.90 |
| Purchase of Stock in Trade | | **958.12** | 12,617.19 |
| Changes in Inventories | "35" | **6,546.75** | 14,828.92 |
| Employee Benefits Expenses | "36" | **54,019.31** | 50,468.86 |
| Power and Fuel | "37" | **8,574.66** | 8,019.43 |
| Finance Cost | "38" | **16,151.75** | 17,902.09 |
| Depreciation and Amortization | "39" | **20,424.22** | 16,014.99 |
| Other Expenses | "40" | **1,07,691.07** | 76,293.08 |
| **Total Expenses** | | **3,95,669.21** | 3,26,696.46 |
| **Profit before Exceptional items and Tax** | | **50,346.22** | 1,827.88 |
| Exceptional Items | | **36,263.66** | - |
| **Profit before Tax** | | **14,082.56** | 1,827.88 |
| Tax Expenses: | | | |
| Current Tax | "41" | - | - |
| Deferred Tax | | **5,096.31** | (739.59) |
| Tax pertaining to earlier years | | - | - |
| **Profit/ (Loss) for the Year** | | **8,986.25** | 2,567.47 |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified subsquently to Profit & Loss** | | | |
| i. Remeasurement of post -employment benefits plans | | **(16.53)** | 95.47 |
| ii. Tax relating to above items | | **(4.30)** | 24.82 |
| Total other Comprehensive Income for the year net of tax | | **(12.23)** | 70.65 |
| **Total Comprehensive Income for the year** | | **8,974.02** | 2,638.12 |
| **Earning per Equity Share** | | | |
| Basic & Diluted EPS (₹) | "42" | **0.61** | 0.17 |
| Summary of significant accounting policies | "1" | | |

The accompanying accounting notes are an integral part of the financial statements.

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**ARTI BAID**
Company Secretary

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022

## Standalone Cash Flow Statement for the year ended 31st March, 2022

| | Year ended 31/03/2022 (₹ in Thousands) | Year ended 31/03/2021 (₹ in Thousands) |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Profit before Tax** | **14,082.56** | 1,827.88 |
| Adjustment for : | | |
| Finance Costs | **16,151.75** | 17,902.09 |
| Unrealized Foreign exchange gain/(loss) | **185.19** | (322.10) |
| Provision for expected credit loss on receivables | **1,907.71** | 853.50 |
| Depreciation and Amortization Expenses | **15,387.79** | 16,014.99 |
| Other Income | **-** | (327.03) |
| Current Service Cost for Gratuity | **677.70** | 865.24 |
| Rental Income | **-** | (913.00) |
| Liabilities/Provisions written back | **2,292.54** | (952.79) |
| Interest Income | **(1,518.08)** | (1,351.75) |
| Profit on Sale of Assets | **(500.62)** | (29.52) |
| Net (gain)/loss on fair value changes of investments measured at FVTPL | **(152.50)** | (22.86) |
| **Operating profit before working capital changes** | **48,514.04** | 33,544.65 |
| Changes in working Capital: | | |
| Inventories | **37,549.46** | 3,431.96 |
| Trade and other Receivables | **(15,715.08)** | 7,513.90 |
| Trade and other Payables | **(4,058.36)** | 27,417.42 |
| (Increase)/Decrease in Loans | **(6,154.03)** | (883.89) |
| (Increase)/Decrease in Financial Assets | **5,680.32** | (4,431.17) |
| (Increase)/Decrease in other Assets | **(601.50)** | (30,317.84) |
| Increase/(Decrease) in other Financial Liabilities | **1,543.11** | 3,609.11 |
| Increase/(Decrease) in other Liabilities | **1,835.10** | (8,458.01) |
| Increase/(Decrease) in Lease Liabilities | **(4,085.01)** | (3,082.60) |
| Increase/(Decrease) in Provisions | **2,486.19** | 1,207.39 |
| **Cash generation from Operation** | **66,994.24** | 29,550.92 |
| Payment of Direct Taxes (net) | - | - |
| **Net Cash generated/ (used) - Operating Activities** | **66,994.24** | 29,550.92 |

## Standalone Cash Flow Statement for the year ended 31st March, 2022

| | | |
|---|---|---|
| **B. CASH FLOW FROM INVESTMENT ACTIVITIES** | | |
| Purchase of Fixed Assets | **(15,484.96)** | (16,896.04) |
| Capital work in progress | **7,026.19** | (4,420.05) |
| Investments in Subsidiary | **-** | - |
| Purchase of Investments | **-** | - |
| Sale of Fixed Assets | **823.50** | 340.00 |
| Assets Written off | **-** | 6,621.08 |
| Rent received | **-** | 913.00 |
| Interest Received | **121.90** | 356.76 |
| **Net Cash Generated/ (Used) - Investing Activities** | **(7,513.37)** | (13,085.25) |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Payment towards Lease Liability (net) | **(3,279.92)** | (768.00) |
| Proceeds/Repayment of Long-term Borrowings | **(8,584.87)** | 11,650.15 |
| Proceeds/ Repayment of Short-term Borrowings (Net) | **(36,421.94)** | (9,756.78) |
| Finance Cost Paid | **(13,558.95)** | (15,717.27) |
| **Net Cash Generated/ (Used) - Financing Activities** | **(61,845.68)** | (14,591.90) |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents** | **(2,364.81)** | 1,873.77 |
| Add : Opening Cash and Cash Equivalents | **5,618.53** | 3,744.76 |
| **Closing Cash and Cash Equivalents** | **3,253.72** | 5,618.53 |

**Notes:**

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement" as specified in the Companies (Accounting Standard) Rule 2006. "
2. Figures have been regrouped/ rearranged wherever necessary.

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**ARTI BAID**
Company Secretary

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022

## Standalone Statement of Changes in Equity for the year ended 31st March, 2022

### A. Equity Share Capital

| Equity Share of INR 10 each issued, subscribed and fully paid | Numbers | Amount (₹ '000) |
|---|---|---|
| Balances at April 01, 2020 | 14697130 | 1,46,971.30 |
| Changes in equity Share capital during the year | - | - |
| Balances at March 31, 2021 | 14697130 | 1,46,971.30 |
| Changes in equity Share capital during the year | - | - |
| **Balances at March 31, 2022** | **14697130** | **1,46,971.30** |

### B. Other Equity

| Particular | Reserve & Surplus | | | | |
|---|---|---|---|---|---|
| | Securities Premium | General Reserve | Retained Earnings | OCI | Total |
| As at April 01, 2020 | **36553.40** | **5,707.51** | **88,553.97** | **(1,078.49)** | **1,29,736.39** |
| Profit /(Loss) for the year | - | | 2,567.47 | | 2,567.47 |
| Items of Other Comphrehensive Income, net of tax | - | - | - | - | - |
| Remeasurements of defined benefit plans | - | - | - | 70.65 | 70.65 |
| Other Adjustments | - | - | (327.03) | - | (327.03) |
| **Balances at March 31, 2021** | **36553.40** | **5707.51** | **90794.41** | **(1007.84)** | **1,32,047.48** |
| Profit /(Loss) for the year | - | - | 8,986.25 | - | **8,986.25** |
| Items of Other Comphrehensive Income, net of tax | - | - | - | - | **-** |
| Remeasurements of defined benefit plans | - | - | - | (12.23) | **(12.23)** |
| other Adjustments: | - | - | - | - | **-** |
| **Balances at March 31, 2022** | **36553.40** | **5707.51** | **99780.66** | **(1020.07)** | **1,41,021.50** |

The accompanying notes are an integral part of the financial statements.

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

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In terms of our attached report of even date
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**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**1. Summary of Significant Accounting Policies and Other Explanatory Information**

**I. GENERAL CORPORATE INFORMATION**

Krypton Industries Limited ("The Company") with its registered office at Falta Special Economic Zone, Sector - 1, Plot No. 31 & 32, P.S - Diamond Harbour, 24 Parganas South, West Bengal - 743504. The Company is engaged in Manufacture and Sale of Tubeless Tyres, Commode Chairs, P.U. Shoe Soles, P.U. Sandals/ Chappals and trading in Tubeless Tyres, Wheel Chairs and its accessories, Walker, Cycle Accessories, Plastic Rims, Crutches, Rollators, etc.

The financial statements were authorised for issue by the Company's Board of Directors on 30th May, 2022.

**II. BASIS OF PREPARATION:**

**a) Statement in Compliance with Indian Accounting Standards (Ind AS)**

The standalone financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All figures have been rounded off to the nearest thousand, unless otherwise indicated.

**Historical cost convention**

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

- certain financial assets and liabilities that are measured at fair value; and

- defined benefit plans - plan assets measured at fair value.

***Current versus non-current classificationnon :***

The Company presents all its assets and liabilities in the standalone balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria asset out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**III. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Revenue from contract with customers**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

At contract inception, Company assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products or services to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount ofconsideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products and rendering of certain services, revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods or services. There are no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

The Company recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

***Customer Incentive:***

The Company usually have customer Incentive programs for their customers based on the sales from time to time. The Company grants incentive to only those customers who have qualifying sales, at certain percentage of total transaction made by them during the said periods.

***Job Work:***

The Company has entered into Job Work arrangements with big OEM's, and products are manufactured on their behalf and accordingly, the revenues from such arrangements have been recorded as part of gross revenue.

***Income from export incentives and Other Operating Income:***

Export incentives and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the incentive will be received.

Insurance Claims are accounted to the extent the company is reasonably certain of their ultimate collection.

***Interest income:***

Interest income is recorded on accrual basis.

**(b) Property, plant and equipment**

***Recognition and initial measurement:***

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are added in the asset's carrying amount/recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost ofsuch item can be measured reliably. All other repairs and maintenance expenses are charged to the standalone statement of profit and loss in the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the standalone statement of profit and loss.

Refer Note No. 2 to Financial Statements.

***Capital work-in-progress:***

Property, plant and equipment which are not ready for intended use as on the balance sheet date are disclosed as "Capital work-in-progress".

***Subsequent measurement (depreciation and useful lives):***

Depreciation is provided on a pro-rata basis on the written down value (WDV) method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Depreciation of land acquired under finance lease and leasehold improvements is provided over their respective lease period or estimated useful life whichever is shorter. Residual values, useful lives and method of depreciation of property, plant and equipment isreviewed at each Balance Sheet date and any change in them is adjusted prospectively.

***Category of asset Useful life***

| | |
|---|---|
| Buildings | 30 years |
| Plant and equipment (inc. Mould) | 15 years |
| Furniture and fixtures | 10 years |
| Office equipment | 3 - 5 years |
| Vehicles | 8-10 years |

Freehold land is carried at historical cost.

The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Refer Note No. 2 to Financial Statements.

***De-recognition:***

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the standalone statement of profit and loss, when the asset is de-recognized.

***Intangible assets and Amortisation***

Acquired intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the Statement of Profit and Loss.

Intangible assets, if any, are amortised over a period of five years under straight line method.

The amortisation period and the amortisation method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortisation period is changed accordingly.

Intangible assets under development is stated at cost which includes expenses incurred in connection with development of intangible assets in so far as such expenses relate to the period prior to getting the assets ready for use.

**(c) Government Grants**

Government grants are recognised at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed or netted off with related expenses. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue. Grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

**(d) Financial Instruments**

**A) Financial Assets**

**Classification:** The Company classifies its financial assets in the following measurement categories depending on theCompany's business model for managing such financial assets and the contractual cash flow terms ofthe asset.

(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(ii) those subsequently measured at amortized cost.

For assets measured at fair value, gains or losses are either recorded in the statement of profit and loss or other comprehensive income.Investmentsin debt instruments are classified depending on the businessmode lmanaging such investments.The Company re-classifies the debt investments when and only when there are a change in business model managing those assets. For investments in equity instruments recording of gains or losses shall depend on whether the Company has made an irrevocable election at the time of initial recognition to account for such equity investments atfair value through other comprehensive income.

**Measurement:** At initial recognition, the Company measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit orloss are expensed in the statement of profit and loss as and when they are incurred.

***Debt instruments***

Subsequent measurement of debt instruments depends on the Company's business model managing such debt instruments and the contractual cash flow characteristics ofthe instrument.There are three measurement categories into which the debt instruments are classified:

(i) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) Fair value through other comprehensive income (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 Fair value through Other Comprehensive Income (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 recognized in profit and loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.Again or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in statement of profit and lossin the period in which it arises.

*Equity instruments:* The Company classifies all its equity investments at fair value through profit and loss or at fair value through other comprehensive income basis. Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gains/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

**Impairment:**

The Company assesses the expected credit losses for its financial assets at amortized cost and FVTOCI debt instruments. Impairment methodology applied depends on whether there has been a significant increase in credit risk and the loss amount assessed depends upon past events, present conditions and future economic scenario.

In accordance with Ind AS 109: Financial instruments, the company recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of profit and loss.

**Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022**

**De-recognition:**

A financial asset is de-recognized when:

(i) Contractual right to receive cash flows from such financial asset expires;
(ii) Company transfers the contractual right to receive cash flows from the financial asset; or
(iii) Company retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Where the Company has neither transferred nor retained substantially all risks and rewards of ownership ofthe financial asset, the financial asset is de-recognised if the Company does not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in such financial asset.

**B) Financial Liabilities**

**Classification & Measurement**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

**De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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 or loss.

**C) Offsetting**

Financial assets and financial liabilities are offset andthe net amount presented in the balance sheet when,and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**D) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment loss is charged to the Statement of Profit & Loss Account in the year in which anasset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimates used to determine the assets recoverable amountsince the last impairment loss was recognised.

**(e) Measurement of Fair Values**

A number of the accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account 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 market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

o Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

o Level 2 - Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

o Level 3 - Inputs which are unobservable inputs for the asset or liability.

**(f) Borrowings**

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

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months afterthe reporting period.

**(g) Borrowing costs**

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

Borrowing costs that are directly attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use.

Transaction Costs in respect of long term borrowings are amortised over the tenure of respective loans using Effective Interest Rate (EIR) method. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(h) Inventories**

Raw materials, packing materials, work-in-progress, stores and spares, finished goods and stock-in-trade are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost of inventories comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from the tax authorities), cost of conversion and all other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In determining the cost of manufactured finished goods and work-in-progress an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and conditions are considered. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Adequate allowance is made for obsolete and slow moving items.

Refer Note No. 10 to Financial Statements.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise of cash-on-hand and short term demand deposits with banks. The Company considers it's highly liquid, short-term investments (having maturity less than three months) which can be readily converted to fixed/determinable amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents.

Refer Note No. 12 & 13 to Financial Statements.

**(j) Foreign currency transactions**

**Transactions and balances:**

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the exchange rates prevailing on the balance sheet dates are recognized in the standalone statement of profit and loss.

**(k) Employee benefits expense**

**(i) Short term employee benefits**

Short-term employee benefit obligations aremeasured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**(ii) Post-retirement benefits**

Post-retirement benefits to employees can either be through defined contribution plans or defined benefit plans. A defined contribution plan is a post-employmentbenefit plan under which an entity pays fixed contributions into a separate entity and will haveno legal or constructive obligation to pay furtheramounts. The Company makes specified monthly contributions towards Government administered provident fund and pension schemes.The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company operates a Defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses,the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and (ii) Net interest expense or income

The current and non-current bifurcation is done as per Actuarial report.

Refer Notes 22, 31, 36 and 50 to the Financial Statements.

**(l) Leases**

- **Company as a Lessor**

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

- **Company as a Lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straightline basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

**Right-of-Use Assets (ROU Assets)**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The rights of use assets are also subject to impairment. Refer to the accounting policies in Note 1.III.b Impairment of nonfinancial assets.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

**Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present valueof lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option toterminate the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Short-term Leases and Leases of Low-Value Assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date anddo not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(m) Provisions, contingent liabilities and contingent assets**

**Provisions:**

Provisions are recognized when there is 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 of such obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date.

Refer Note No. 22 & 31 to Financial Statements.

**Contingent liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Refer Note No. 43 to Financial Statements.

**Contingent assets:** Contingent assets are not recognized in the financialstatement. However when there is a virtual certainty that an inflow of resources embodying economic benefits will arise from the contingent asset, such asset and the related income is recognized in the period in which the changes occurred.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**(n) Income tax**

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rates with adjustments for changes in deferred tax assets orliabilities attributable to temporary differences and unused tax losses or credits.

Current tax is calculated based on tax laws enacted orsubstantively enacted at the end ofthe reporting period.

Deferred tax is recognized on temporary differences arising from the tax bases of assets and liabilities and their respective carrying amounts in the financial statements at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet Date.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet 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. Unrecognized Deferred tax Assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognized in OCI or equity, deferred/current tax is also recognized in OCI or equity.

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the standalone statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is notreasonably certain that normal income tax will be paid during the specified period.

Current tax assets and tax liabilities are offsetted where the entity has a legally enforceable right to offset and intends eitherto settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balancesrelate to the same taxation authority.

**(o) Segment reporting**

As per Ind AS 108: Operating Segments, the Company has identified the following operating segments:

(i) Tyre, Rims & Wheel

(ii) Footwear

(iii) Hospital Equipments

**(p) Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditionsthat existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**(q) Earnings per share**

Basic earnings per share is computed by dividing the net profit or loss before OCI for the period by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change in the resources. For the purpose of calculating diluted earnings per equity share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet dates, theCompany has no dilutive potential equity shares.

**(r) Estimation of uncertainties relating to the Global Health Pandemic from COVID-19 :**

The Company has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of COVID-19 pandemic on various elements of its financial statements.

The management has used the principles of prudence in applying judgements, estimates and assumptions andbased on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. However, the eventual outcome of the impact of the COVID-19 pandemic may be different from those estimated as on the date of approval of these financial statements.

**s) Significant Judgements And Key Sources Of Estimation In Applying Accounting Policies**

Information about significant judgements and key sources of estimation 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:

- **Recognition of Deferred Tax Assets:**

  The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- **Useful Lives of Depreciable/Amortisable Assets (Property, Plant and Equipment and Intangible Assets):**

  Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- **Extension and Termination Option in Leases:**

  Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

- **Defined Benefit Obligation (DBO):**

  Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- **Provisions and Contingencies:**

  The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS - 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- **Impairment of Financial Assets:**

  The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Allowances for Doubtful Debts:**

  The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

- **Fair Value Measurement of Financial Instruments:**

  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

### 2 Property, Plant And Equipment

Summary of cost and net carrying amount of each class of tangible assets are given below:

| | Cost | | Accumulated Depreciation | | Net Carrying Amount | |
|---|---|---|---|---|---|---|
| | **31/3/2022** | 31/3/2021 | **31/3/2022** | 31/3/2021 | **31/3/2022** | 31/3/2021 |
| | **( ₹Thousands)** | (₹Thousands) | **(₹Thousands)** | (₹Thousands) | **(₹Thousands)** | (₹Thousands) |
| Freehold Land | **14,649.18** | 14,649.18 | **-** | - | **14,649.18** | 14,649.18 |
| Buildings | **88,996.80** | 82,301.23 | **18,781.30** | 17,000.22 | **70,215.50** | 65,301.01 |
| Plant and Machinery | **1,04,197.49** | 1,02,019.63 | **50,680.48** | 44,204.35 | **53,517.01** | 57,815.28 |
| Furniture and Fixtures | **9,676.56** | 8,813.79 | **4,462.62** | 3,586.91 | **5,213.94** | 5,226.88 |
| Electrical Installation | **8,748.75** | 8,748.75 | **4,953.21** | 4,266.45 | **3,795.54** | 4,482.30 |
| Office Equipment | **1,930.04** | 1,714.99 | **907.97** | 759.84 | **1,022.07** | 955.15 |
| Computers | **518.41** | 331.91 | **225.77** | 184.29 | **292.64** | 147.62 |
| Vehicles | **9,585.13** | 8,116.94 | **4,185.72** | 4,423.15 | **5,399.41** | 3,693.79 |
| | **2,38,302.36** | 2,26,696.42 | **84,197.07** | 74,425.21 | **1,54,105.29** | 1,52,271.21 |

**(a). Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31/03/2022 are as under:**

| **Cost** | As at 31/03/2021 | **Additions** | **Other Adjustments** | **As at 31/03/2022** |
|---|---|---|---|---|
| | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) |
| Freehold Land | 14,649.18 | **-** | **-** | **14,649.18** |
| Buildings | 82,301.23 | **9,594.43** | **2,898.86** | **88,996.80** |
| Plant and Machinery | 1,02,019.63 | **6,659.72** | **4,481.86** | **1,04,197.49** |
| Furniture and Fixtures | 8,813.79 | **862.77** | **-** | **9,676.56** |
| Electrical Installation | 8,748.75 | **-** | **-** | **8,748.75** |
| Office Equipment | 1,714.99 | **215.05** | **-** | **1,930.04** |
| Computers | 331.91 | **186.50** | **-** | **518.41** |
| Vehicles | 8,116.94 | **3,002.92** | **1,534.73** | **9,585.13** |
| | 2,26,696.42 | **20,521.39** | **8,915.45** | **2,38,302.36** |
| Previous Year | 2,22,147.36 | 16,078.97 | 11,529.91 | 2,26,696.42 |
| **Accumulated Depreciation** | | | | |
| Freehold Land | - | - | - | - |
| Buildings | 17,000.22 | **3,309.86** | **1,528.78** | **18,781.30** |
| Plant and Machinery | 44,204.35 | **7,291.63** | **815.50** | **50,680.48** |
| Furniture and Fixtures | 3,586.91 | **875.71** | **-** | **4,462.62** |
| Electrical Installation | 4,266.45 | **686.76** | **-** | **4,953.21** |
| Office Equipment | 759.84 | **148.13** | **-** | **907.97** |
| Computers | 184.29 | **41.48** | **-** | **225.77** |
| Vehicles | 4,423.15 | **974.35** | **1,211.78** | **4,185.72** |
| | 74,425.21 | **13,327.92** | **3,556.06** | **84,197.07** |
| Previous Year | 65,068.55 | 13,955.14 | 4,598.48 | 74,425.21 |

Note : The title deeds of all the immovable properties (other than the properties where the company is the lessee and the lesae agreements are duly executed in favour of the lessee) are held in the name of the Company.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**3 Right of Use Assets**

| | As at | |
|---|---|---|
| **Right of Use Assets** | **31/03/2022** | 31/03/2021 |
| **Particulars** | **(₹Thousands)** | (₹Thousands) |
| **As at 01st April** | **9,439.12** | 8,417.97 |
| Additions for the Year | **-** | - |
| Add: Other Adjustments | **-** | 1,021.15 |
| Disposal | **-** | - |
| **As at 31 March 2022** | **9,439.12** | 9,439.12 |
| **Accumulated Depreciation** | | |
| **As at 01st April** | **4,119.70** | 1,855.62 |
| Charge for the Year | **2,059.87** | 2,059.85 |
| Add: Other Adjustments | **-** | 204.23 |
| Disposal | **-** | - |
| **As at 31 March 2022** | **6,179.57** | 4,119.70 |
| **Net Block** | | |
| **As at 31 March 2022** | **3,259.55** | 5,319.42 |

Refer Note - 49 for detailed disclosure as per Ind AS-116.

**4 Capital Work-in-Progress:**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹ Thousands) |
| **Capital WIP (Building, Plant & Machinery)** | | |
| **Balance at the beginning of the year** | **7,026.19** | 2,606.14 |
| Add : Additions during the year | **-** | 7,026.19 |
| Less: Capitalisations during the year | **7,026.19** | 2,606.14 |
| Less: CWIP written off during the year | **-** | - |
| **Balance at the end of the year** | **-** | 7,026.19 |

Note :

i. **Ageing schedule of Capital work-in-progress (CWIP) is as below:**

| **Amount in CWIP for a period of** | **As at 31.03.2022** | | **As at 31.03.2021** | |
|---|---|---|---|---|
| | **Projects in progress** | **Projects temporarily suspended** | **Projects in progress** | **Projects temporarily suspended** |
| Less than 1 Year | **-** | - | 7,026.19 | - |
| 1-2 years | **-** | - | - | - |
| 2-3 years | **-** | - | - | - |
| More than 3 years | **-** | - | - | - |
| | - | **-** | 7,026.19 | **-** |

ii. There are no projects as on each reporting period where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**5 Investments**

| | As at 31/03/2022 (₹Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|
| **Investment in Foreign Subsidiary (at Cost)** | **2815.34** | 2815.34 |
| - Krypton Europe s.r.o., 90% holding in Capital | | |
| **Investments (Non-Trade)** | | |
| Investments in Equity Instruments ( Unquoted) (a) | **94.00** | 94.00 |
| Gold Coins (Desginated at Fair Value thorugh Profit & Loss) | **692.26** | 596.57 |
| Sovereign Gold Bond (Desginated at Fair Value thorugh Profit & Loss) | **416.56** | 359.75 |
| | **4,018.16** | 3,865.66 |

**a. Disclosure with regard to investments in bodies corporate are given below:**

| | | Face value per Unit | As at 31/03/2022 Numbers | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 Numbers | As at 31/03/2021 (₹ Thousands) |
|---|---|---|---|---|---|---|
| **i. Other Investments** | | | | | | |
| Investments in Equity Instruments (Unquoted)- (Measured at Cost) | | | | | | |
| Krypton Developers Limited | Others | 10 | **9,400** | **94.00** | 9,400 | 94.00 |
| I Care International Private Limited | Others | 10 | **10,800** | **108.00** | 10,800 | 108.00 |
| Less: Impairment in value of Investments | | | **-** | **(108.00)** | - | (108.00) |
| | | | **20,200** | **94.00** | 20,200 | 94.00 |

**6 Long Term Loans (At Amortised Cost)**

| | As at 31/03/2022 (₹Thousands) | As at 31/03/2021 (₹ Thousands) |
|---|---|---|
| **Long Term Loans** | | |
| Loans to Others<br>*Secured, Considered Good* | - | - |
| Loans to Others<br>*Unsecured, Considered Good* | **8,993.68** | 2,098.28 |
| Loans to Related Parties<br>*Unsecured, Considered Good* | **10,636.71** | 9,916.82 |
| Loans which have significant increase in Credit Risk | - | - |
| Loans to Others- Credit impaired | - | - |
| | **19,630.39** | 12,015.10 |

Note : There are no outstanding loans from directors or other officers of the Company either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member are as under.

| Name | Loan Amount (₹) as at 31.03.2022 | Loan amount (₹) as at 31.03.21 | Terms & Payemnt |
|---|---|---|---|
| i) Hulashchand Tarachand Baradia HUF | 6255.77 | 5792.38 | Interest on Loan is receivable@ 8% and principal amount is to be paid in 2027. |
| ii) Tarachand Estates Private Limited | 4380.94 | 4124.44 | |

**7 Other Financial Assets**

| | As at 31/03/2022 (₹Thousands) | As at 31/03/2021 (₹ Thousands) |
|---|---|---|
| Security Deposits<br>*Unsecured, Considered Good* | **1,996.45** | 1,939.31 |
| Loans/ Advances to Others<br>*Unsecured, Considered Good* | **1565.75** | 1565.75 |
| Other Receivables (Disputed) | – | 460.00 |
| | **3,562.20** | 3,965.06 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

| | | As at | |
|---|---|---|---|
| | | **31/03/2022** | 31/03/2021 |
| **8** | **Non -Current Tax Assets** | **(₹ Thousands)** | (₹ Thousands) |
| | Income Tax Deducted at Source | **4,682.33** | 4,518.05 |
| | Duties & Taxes | **603.72** | 1,210.15 |
| | | **5,286.05** | 5,728.20 |

| | | As at | |
|---|---|---|---|
| | | **31/03/2022** | 31/03/2021 |
| **9** | **Other Non -Current Assets** | **(₹ Thousands)** | (₹ Thousands) |
| | Capital Advances | **2,197.47** | 250.00 |
| | | **2,197.47** | 250.00 |

**10 Inventories (At Cost or NRV whichever is lower)**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹ Thousands) |
| Raw Materials | **51,053.71** | 59,244.00 |
| Work -in- Progress | **11,809.95** | 13,193.16 |
| Consumable stores | **706.70** | 1,749.48 |
| Finished Goods | **54,264.24** | 80,906.46 |
| Stock -in -Trade | **2,222.60** | 5,748.53 |
| Stores & Spares | **14,108.75** | 10,368.61 |
| Upper (Produced Raw Material) | **6,401.52** | 6,428.08 |
| Packing Materials | **50.87** | 529.48 |
| | **1,40,618.34** | 1,78,167.80 |

Note: Inventories are pledged against the borrowings obtained by the company as referred in Note no. 20 & 25

| | | As at | |
|---|---|---|---|
| **11** | **Trade Receivables (at Amortised Cost)** | **31/03/2022** | 31/03/2021 |
| | | **(₹Thousands)** | (₹ Thousands) |
| | Trade receivables considered good - Secured | **-** | - |
| | Trade receivables considered good - Unsecured | **78,258.46** | 64,979.77 |
| | Trade receivables which have significant increase in credit risk | **-** | - |
| | Trade receivables - credit impaired | **-** | - |
| | Less: Allowances for doubtful Debts | **1,933.55** | 1,023.19 |
| | **TOTAL** | **76,324.91** | 63,956.58 |

Note: 1. Trade Receivables are pledged against the borrowings obtained by the company as referred in Note no. 20 & 25.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

2 **Ageing schedule of trade receivables is as below:**

| As at 31st March, 2022<br>Particulars | Less than- 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| | Outstanding for following periods from due date of Payment | | | | | |
| (i) Undisputed Trade Receivables - considered good | 54,396.39 | 2,305.52 | 2803.51 | 2862.27 | 15890.77 | 78,258.46 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| | 54396.39 | 2305.52 | 2803.51 | 2862.27 | 15890.77 | 78258.46 |

| As at 31st March, 2021<br>Particulars | Less than- 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| | Outstanding for following periods from due date of Payment | | | | | |
| (i) Undisputed Trade Receivables - considered good | 41,655.23 | 3,214.58 | 3882.54 | 878.98 | 15348.44 | 64,979.77 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk- | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| | 41655.23 | 3214.58 | 3882.54 | 878.98 | 15348.44 | 64979.77 |

There is no unbilled due from debtors as on 31 March 2022 (31 March 2021: nil)

3 There are no amount receivable from directors or other officers of the Company either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**12 Cash & Cash Equivalent**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹Thousands)** | (₹Thousands) |
| Cash and Cash Equivalents: | | |
| Cash on hand | **3,116.17** | 4,066.00 |
| Balance with Bank | - | - |
| Current A/c | **137.55** | 1,552.53 |
| | **3,253.72** | 5,618.53 |

**13 Bank Balances other than cash & cash Equivalent**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹Thousands)** | (₹Thousands) |
| **Bank Balances** | | |
| Fixed Deposits maturing within 12 months | **5,552.48** | 6,201.96 |
| | **5,552.48** | 6,201.96 |

**14 Short term Loans (at Amortised Cost)**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹Thousands)** | (₹Thousands) |
| **Short Term Loans** | | |
| Loans to Others | - | - |
| *Secured, Considered Good* | | |
| Loans to Others | **2,290.21** | 3,751.47 |
| *Unsecured, Considered Good* | | |
| Loans to Related Parties | - | - |
| *Unsecured, Considered Good* | | |
| Loans which have significant increase in Credit Risk | - | - |
| Loans to Others- Credit impaired | - | - |
| | **2,290.21** | 3,751.47 |

Note:

1 There are no outstanding loans from directors or other officers of the Company either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member.

**15 Other Financial Assets (at Amortised Cost)**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹Thousands)** | (₹Thousands) |
| Security Deposits | **998.47** | 63.36 |
| Unsecured, Considered Good | | |
| Other Receivables (TDS Receivables) | **70.79** | - |
| Loans/ Advances to Others | **1,428.13** | 1,403.13 |
| Other Receivables (including Insurance Claim) | **-** | 6,429.53 |
| Duty scripts | **639.09** | 20.94 |
| | **3,136.48** | 7,916.96 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

| 16 | Current Tax Assets | As at 31/03/2022 (₹Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|---|
| | Duties & Taxes | **466.48** | 501.37 |
| | GST | **33,367.91** | 29,054.56 |
| | TCS Receivable | **18.60** | 14.14 |
| | TDS Receivable | **242.47** | 256.88 |
| | | **34,095.46** | 29,826.95 |

Note : Balances with government authorities primarily include amounts realisable from goods and servicestax,state excise authorities and transitional credit carried forward under the goods and services tax regime. These are expected to be realised within a period of one-year, by off-setting the same against the output goods and services tax liability on goods supplied by the Company. Accordingly these balances have been classified as current assets.

| 17 | Other Current Assets | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 (₹ Thousands) |
|---|---|---|---|
| | Advances to Suppliers | **36,065.86** | 41,686.70 |
| | Advances against Wages | **341.17** | 340.03 |
| | Prepaid Insurance/ Expenses | **1,626.16** | 1178.79 |
| | | **38,033.19** | 43,205.52 |

Note : There are no outstanding debts from directors or other officers of the Company either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member.

**18 Equity Share Capital**

| | As at 31/03/2022 (₹Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|
| **Authorized Share Capital :** | | |
| 2,16,00,000 (Previous year 2,16,00,000) Equity Shares of ₹ 10 each. | **216,000.00** | 216,000.00 |
| **Issued, Subscribed and Paid-up :** | | |
| 1,46,97,130 (Previous year 1,46,97,130) Equity Shares of ₹10 each fully paid-up | **146,971.30** | 146,971.30 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**A. Reconciliation of Shares outstanding at the beginning and at the end of year are given below:**

| Particulars | 2021-22 | | 2020-21 | |
|---|---|---|---|---|
| | Numbers | (₹Thousands) | Numbers | (₹Thousands) |
| Equity Shares outstanding at the beginning of the year | 1,46,97,130 | 1,46,971.30 | 1,46,97,130 | 1,46,971.30 |
| Add: Equity Shares Issued during the year | - | - | - | - |
| Less: Equity Shares bought back/ redeemed during the year | - | - | - | - |
| Equity Shares outstanding at the end of the year | 1,46,97,130 | 1,46,971.30 | 1,46,97,130 | 1,46,971.30 |

**B. Terms / Rights attached to Equity Shares:**

The company has only one class of equity shares having a par value of ₹10 per share.Each share holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

**C. Details of shareholders holding more than 5 percent shares of the Company as on reporting date are given below:**

| Name of shareholder | As at 31/03/2022 | | As at 31/03/2021 | |
|---|---|---|---|---|
| | Numbers of Shares held | Percentage of Holding | Numbers of Shares held | Percentage of Holding |
| **Jay Singh Bardia** | 1,560,226 | 10.62% | 15,60,226 | 10.62% |
| **Panna Lal Bardia** | 1,609,944 | 10.95% | 16,09,944 | 10.95% |

Note: Shareholding of Panna Lal Bardia includes holding of Hulashchand Tarachand Bardia (HUF) in which Panna Lal Bardia is Karta

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

D. **Details of Promoters' shareholding in the Company**

| | Name of Promoter and Promoter Group | % change during the year | As at 31st March 2022 No of Shares | As at 31st March 2022 % of Total Shares | As at 31st March 2021 No of Shares | As at 31st March 2021 % of Total Shares |
|---|---|---|---|---|---|---|
| 1 | Jay Singh Bardia | 0 | 1560226 | 10.6159 | 1560226 | 10.6159 |
| 2 | Pannalal Bardia | 0 | 1122869 | 7.6401 | 1122869 | 7.6401 |
| 3 | Panna Lal Bardia | 0 | 487075 | 3.3141 | 487075 | 3.3141 |
| 4 | Vimala Devi Bardia | 0 | 282000 | 1.9187 | 282000 | 1.9187 |
| 5 | Tilok Chand Bachhawat | 0 | 126082 | 0.8579 | 126082 | 0.8579 |
| 6 | Bachhawat Tilok Chand | 0 | 103575 | 0.7047 | 103575 | 0.7047 |
| 7 | Binod Kumar Sipani | 0 | 79085 | 0.5381 | 79085 | 0.5381 |
| 8 | Suchi Bothra | 0 | 45158 | 0.3073 | 45158 | 0.3073 |
| 9 | Alka Bardia | 0 | 45000 | 0.3062 | 45000 | 0.3062 |
| 10 | Tansukh Gulgulia | (0.0068) | 25700 | 0.1749 | 26700 | 0.1817 |
| 11 | Tansukh Gulgulia | (0.0089) | 20987 | 0.1428 | 22300 | 0.1517 |
| 12 | Piyush Baid | (0.0306) | 59 | 0.0004 | 4559 | 0.031 |
| 13 | Ruchi Rampuria | - | 50796 | 0.3456 | 50796 | 0.3456 |
| | **Total** | **(0.0463)** | **3948612** | **26.8667** | **3955425** | **26.9130** |

E. No additional shares were alloted asa fully paid up by way of Bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the company during last five years.

19 **Other Equity**

| | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|
| General Reserve | **5,707.51** | 5,707.51 |
| Securities Premium Account | **36,553.40** | 36,553.40 |
| **Retained Earnings** | | |
| Opening Balance | **90,794.41** | 88,553.97 |
| Add: Profit/(loss) for the year | **8,986.25** | 2,567.47 |
| Add: adjustments due to transition to Ind AS | **-** | - |
| Add: Other Adjustments | **-** | (327.03) |
| **Net Retained Earnings** | **99,780.66** | 90,794.41 |
| Other Comprehensive Income | | |
| Balances at the beginning | **(1,007.84)** | (1,078.49) |
| Add: Remeasurement of defined benefits plans (net of Tax) | **(12.23)** | 70.65 |
| | **(1,020.07)** | (1,007.84) |
| | **1,41,021.50** | 1,32,047.48 |

**Nature and purpose of reserves:**

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**General Reserve**

General Reserve has been created out of profits earned by the Company in the previous years. General reserves are free reserves and can be utilised in accordance with the requirements of the Companies Act, 2013.

**Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of Section 52 of the Companies Act, 2013

**Retained Earnings**

Retained Earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

**Other Comprehensive Income (OCI)**

OCI reserve includes the net gain/loss on fair value of Investments and remeasurements of defined benefits plans.

**20 Borrowings (At Amortised Cost)**

| | Non Current Maturities | | Current Maturities | |
|---|---|---|---|---|
| | **31/03/2022** | 31/03/2021 | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹ Thousands) | **(₹ Thousands)** | (₹Thousands) |
| **Term Loans:** | | | | |
| From Banks & NBFCs (Secured) | **43,001.90** | 51,139.93 | **9,448.64** | 18,661.21 |
| From Related Parties (Unsecured) (Refer Note No. 47) | **-** | - | **4,000.00** | 4,000.00 |
| From Other Parties (Unsecured) | **2,193.53** | 4,235.04 | **268.72** | 2,953.99 |
| **Car Loan (Secured)** | **1,860.81** | 266.14 | **809.91** | 663.34 |
| | **47,056.24** | 55,641.11 | **14,527.27** | 26,278.54 |
| The above amount includes | | | | |
| Securred Borrowings | **44,862.71** | 51,406.07 | **10,258.55** | 19,324.55 |
| Unsecured Borrowings | **2,193.53** | 4,235.04 | **4,268.72** | 6,953.99 |
| Amount disclosed under the head Short Term Borrowings" (Note 25)" | **-** | - | **(14,527.27)** | (26,278.54) |
| **Net Amount** | **47,056.24** | 55,641.11 | **-** | - |

**Notes :**

A. Car Loan from Bank of Baroda was taken during the FY 2021-22 & the loan is repayable in 60 monthly installment of ₹ 35430 inclusive of interest from the date of loan.The car loan is secured by hypothection of Kia Seltos.

B. The Car Loan from HDFC BANK was taken during the Financial Period 2021-22 and the loan is repayable in 36 EMIs of ₹ 30396/- inclusive of interest from the date of loan. This loan is secured by hypothecation of the Car Hyundai Venue.

C. The Car Loan from HDFC Bank was taken during the Financial Period 2020-21 and the loan is repayable in 36 EMIs of ₹ 15819/- inclusive of interest from the date of loan. This loan is secured

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

by hypothecation of the Bolero Car .

D. The Term Loan from Kotak Mahindra Bank LTD was sanctioned during the Financial Year 2021-22 and carries floating interest rate of applicable REPO rate @4.00% plus 3.3% spread p.a. i.e 7.30% (as per Sanction Letter dated 12.01.2022) with a sanctioned Loan Amount of ₹ 392 Lakhs. The loan is repayable in 120 equatable monthly installments of amounting ₹ 461230/- starting from 10.03.2022. The term loan is secured by the Exclusive Equitable Mortgage over the entire industrial Property at Mouza - Sankua, P.S. - Ramnagar, 24 Parganas (South), Khorda, Falta P.Z. Road, J.L. No. 59 & 41, Dag No. 439, 440 & 441, including Land and Civil Structure constructed thereon, and hypothecation of Machineries procured or to be procured out of the Term Loan. Further, the loans are secured by the personal guarantee of Mr. J.S Bardia, the Managing Director of the company.

E. The Demand Loan to meet working capital requirement due to Covid19 from Bank of Baroda was sanctioned during the Financial Year 2020-21 and carries interest @ BRLLR i.e 6.85% with monthly rests (as per latest Sanction Letter dated 06.03.2021) with a Limit of ₹75 Lakhs. The loan is repayable in 18 installments, monthly from December, 2020 bearing Principal Amount of ₹4.17 Lakhs along with interest. This loan is secured by Hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days These loans are further secured by Equitable Mortgage of Leasehold Land at Falta and structure standing thereon in the name of the company together with Plant and Machinery thereon, lien on FDR, assignment of Keymen LIP. The loan is further secured by the personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated March 2021)

F. The Demand Loan to meet working capital requirement due to Covid19 from Bank of Baroda was sanctioned during the Financial Year 2020-21 and carries interest @ BRLLR plus 1% i.e 7.85% with monthly rests (as per latest Sanction Letter dated 06.03.2021) with a Limit of ₹175 Lakhs. The loan is repayable in 36 installments, after completion of 12 months of moratorium bearing Principal Amount of ₹4.86 Lakhs along with interest. This loan is secured by Hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days These loans are further secured by Equitable Mortgage of Leasehold Land at Falta and structure standing thereon in the name of the company together with Plant and Machinery thereon, lien on FDR, assignment of Keymen LIP. The loan is further secured by the personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated March 2021)

G. An unsecured Business Loan was taken from Bajaj Finserv Limited of ₹17.41 lakhs during FY 2017-18 for a period of 96 months and carries fixed interest @ 18% (as per sanction letter dated 28.03.2017) on payment of equitable monthly interest of ₹ 26115/- and principal due on 02.04.2025.

H. The SME Demand Loan to meet working capital requirement due to Covid-19 was taken from Magma Fincorp Limited of ₹ 9.28 lakhs during FY 2020-21 and carries interest @ 14% with monthly rest (as per sanction letter dated 03/07/2022) repayable in 48 equal monthly installments of ₹ 31717/- after completion of 12 months of moratorium from the sanction date.

I. There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

| | As at | |
|---|---|---|
| **21 Non Current Lease Liability** | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹ Thousands) |
| Non Current Lease Liability (Refer Note No. 49) | **1,959.27** | 3,724.41 |
| | | - |
| | **1,959.27** | 3,724.41 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

### 22. Long Term Provisions

| | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 (₹ Thousands) |
|---|---|---|
| Provision for Gratuity | **6,585.74** | 6,120.61 |
| | **6,585.74** | 6,120.61 |

### 23. Deferred Tax Liabilities

| | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|
| Deferred Tax Liabilities | **14,573.63** | 12,981.78 |
| Less: Deferred Tax Assets | **5,188.98** | 8,459.62 |
| Add: Other Adjustments | **-** | - |
| **Deferred Tax Liabilities (Net)** | **9,384.65** | 4,522.16 |

**Movement in Deferred tax liabilities /(Assets) Balances**

| | April 1, 2021 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive Income | March 31, 2022 |
|---|---|---|---|---|
| **Defered Tax Liabilities** | | | | |
| Arising out of temporary difference in depreciable assets | 12,528.09 | 1,823.89 | - | 14,351.98 |
| On Remeasurements of defined benefit plans | - | - | - | - |
| On arising out of Fair Value Measurements | 341.07 | (8.64) | - | 332.43 |
| On lease liabilities (net of right of use assets) | 20.76 | (6.12) | - | 14.64 |
| Others (including Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year) | 81.39 | (217.28) | - | (135.89) |
| | **12,971.31** | **1,591.85** | **-** | **14,563.16** |
| **Deferred tax (assets):** | | | | |
| Arising out of temporary difference in depreciable assets | - | - | - | - |
| On arising out of Fair Value Measurements | 242.99 | 33.47 | - | 276.46 |
| On Remeasurements of defined benefit plans | (181.12) | (525.29) | 4.30 | (702.11) |
| On lease liabilities (net of right of use assets) | 70.19 | (19.16) | - | 51.03 |
| On account of unutilized Tax Credit | 5,094.88 | 229.52 | - | 5,324.40 |
| On account of unutilized Tax Losses | 3,195.89 | (3,000.67) | - | 195.22 |
| Others (including Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year) | 36.79 | 7.19 | - | 43.98 |
| | **8,459.62** | **(3,274.94)** | **4.30** | **5,188.98** |
| | **4511.69** | **4866.79** | **4.30** | **9374.18** |
| Add : Other Adjustments | 10.47 | - | - | 10.47 |
| | **4,522.16** | **4,866.79** | **(4.30)** | **9,384.65** |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**Movement in Deferred tax liabilities /(Assets) Balances**

| | April 1, 2020 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive Income | March 31, 2021 |
|---|---|---|---|---|
| **Defered Tax Liabilities** | | | | |
| Arising out of temporary difference in depreciable assets | 13,594.16 | (1,066.07) | - | 12,528.09 |
| On Remeasurements of defined benefit plans | - | - | - | - |
| On arising out of Fair Value Measurements | 116.84 | 224.23 | - | 341.07 |
| On lease liabilities (net of right of use assets) | - | 20.76 | - | 20.76 |
| Others (including Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year) | - | 81.39 | - | 81.39 |
| | **13,711.00** | **(739.69)** | **-** | **12,971.31** |
| **Deferred tax assets:** | | | | |
| Depreciable assets | - | - | - | - |
| On arising out of Fair Value Measurements | - | 242.99 | - | 242.99 |
| On Remeasurements of defined benefit plans | 526.06 | (682.36) | (24.82) | (181.12) |
| On lease liabilities (net of right of use assets) | 54.49 | 15.70 | - | 70.19 |
| On account of unutilized Tax Credit | 5,094.88 | - | - | 5,094.88 |
| On account of unutilized Tax Losses | 3,298.94 | (103.05) | - | 3,195.89 |
| Others (including Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year) | (489.83) | 526.62 | - | 36.79 |
| | **8,484.54** | **(0.10)** | **(24.82)** | **8,459.62** |
| | **5,266.46** | **(739.59)** | **24.82** | **4,511.69** |
| Add : Other Adjustments | - | - | - | 10.47 |
| | **5,226.46** | **(739.59)** | **24.82** | **4,522.16** |

24. **Non-Current Tax Liabilities (Net)**

| | As at 31/03/2022 (₹Thousands) | 31/03/2021 (₹Thousands) |
|---|---|---|
| Duties & Taxes | **-** | **219.95** |
| | **-** | **219.95** |

25 **Current Liabilities : Borrowings (At Amortised Cost)**

| | 31/03/2022 (₹Thousands) | 31/03/2021 (₹Thousands) |
|---|---|---|
| Cash Credit (Secured) | **25,879.29** | 61,498.93 |
| Packing Credit (Secured) | **24,090.92** | 13,141.95 |
| Current Marurities of Long-term Borrowings (Refer Note No. 20) | **14,527.27** | 26,278.54 |
| | **64,497.48** | 1,00,919.92 |

A. "The Packing Credit from Bank of Baroda has been renewed during the financial year 2020-21 and carries floating interest @ 1 Year BRLLR @6.85%+Strategic Premium (0.25%)+0.75 % p.a. i.e. 7.85% with monthly rests subject to Limit of ₹ 300 Lacs. The loan is secured by hypothecation of both present and future stock of Raw material, Work in progress, Finished goods, Stores and spares, Lodgement of Letter of Credit/Company Order, WTPCG of ECGC, Equitable Mortgage of Land and Building/Factory Shed. Further, the loans are secured by personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. "(As per sanction letter dated March 2021)."

B. The Cash credit from Bank of Baroda was renewed during the financial year 2020-21 with a limit ₹ 690.00 Lakhs and carries interest rate of 1 Year BRLLR @6.85%+Strategic Premium (0.25%)+2.85 % p.a. i.e. 9.95%at a floating rate with monthly rests. The loan is repayable as per term each along with interest, from the date of loan. This loan is secured by Hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days These loans are further secured by Equitable Mortgage of Leasehold Land at Falta and structure standing thereon in the name of the company together with Plant and Machinery thereon, lien on FDR, assignment of Keymen LIP. The loan is further secured by the personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated March 2021)

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

C. The Term Loan from Kotak Mahindra Bank LTD was sanctioned during the Financial Year 2021-22 and carries floating interest rate of applicable REPO rate @4.00% plus 3.3% spread p.a. i.e 7.30% (as per Sanction Letter dated 12.01.2022) with a sanctioned Loan Amount of ₹ 392 Lakhs. The loan is repayable in 120 equatable monthly installments of amounting ? 461230/- starting from 10.03.2022. The term loan is secured by the Exclusive Equitable Mortgage over the entire industrial Property at Mouza - Sankua, P.S. - Ramnagar, 24 Parganas (South), Khorda, Falta P.Z. Road, J.L. No. 59 & 41, Dag No. 439, 440 & 441, including Land and Civil Structure constructed thereon, and hypothecation of Machineries procured or to be procured out of the Term Loan. Further, the loans are secured by the personal guarantee of Mr. J.S Bardia, the Managing Director of the company.

D. There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

E. Details of differences between quarterly returns of current assets filed with banks in comparision with the books of accounts

(₹ in Lacs)

| | Quarter | Name of Bank | Particulars of Securities Provided | Amount as per Books of Accounts | Amount as reported in the Quarterly reports/statements | Amount of Difference |
|---|---|---|---|---|---|---|
| i. | June, 2020 | Bank of Baroda | Book debt plus stock less Creditors | 1,470.71 | 1,439.56 | 31.15 |
| ii. | September, 2020 | Bank of Baroda | Book debt plus stock less Creditors | 1,459.85 | 1,456.92 | 2.93 |
| iii. | December, 2020 | Bank of Baroda | Book debt plus stock less Creditors | 1,344.61 | 1,336.65 | 7.96 |
| iv. | March, 2021 | Bank of Baroda | Book debt plus stock less Creditors | 1,411.58 | 1,410.95 | 0.63 |
| v. | June, 2021 | Bank of Baroda | Book debt plus stock less Creditors | 1,269.72 | 1,279.33 | (9.61) |
| vi. | September, 2021 | Bank of Baroda | Book debt plus stock less Creditors | 1,207.93 | 1,217.90 | (9.97) |
| vii. | December, 2021 | Bank of Baroda | Book debt plus stock less Creditors | 1,369.93 | 1,327.49 | 42.44 |
| viii. | March, 2022 | Bank of Baroda | Book debt plus stock less Creditors | 1,337.54 | 1,344.05 | (6.51) |

* Also above debtors doesnot include Books Debts. Stock & creditors of Sadhurhat unit as its not pledged with Bank of Baroda.

** Discrepancies are mainly due to provisison / accruals and reclassifications / adjustments, not considered while wubmitting details to the banks.

*** There is not material difference considering size of our books of accounts. Above details includes Debtors which due and not crossed 90 days from due date.

### 26 Trade Payables (At Amortised Cost)

| | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 (₹ Thousands) |
|---|---|---|
| Total Outstanding dues of Micro & Small Enterprise | **5,560.32** | 3,899.82 |
| Total Outstanding dues of other than Micro & Small Enterprise | **41,866.12** | 47,584.98 |
| | **47,426.44** | 51,484.80 |

Note:

a. Ageing schedule of trade payables: (₹ in 000)

| | As at 31 March 2022 | Outstanding for following periods from transaction date: Less than 1 years | 1-2 years | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| i | Undisputed Dues-MSME | 5548.93 | 1.88 | 9.51 | - | **5,560.32** |
| ii. | Undisputed Dues- Others | 41,271.15 | 264.22 | 330.75 | - | **41,866.12** |
| iii. | Disputed Dues-MSME | - | - | - | - | **-** |
| iv. | Disputed Dues- Others | - | - | - | - | **-** |
| | | - | - | - | - | **47,426.44** |
| | Unbilled Trade Payables | - | - | - | - | - |
| | **Total** | | | | | **47,426.44** |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

| | As at 31 March 2021 | Outstanding for following periods from transaction date Less than 1 years | 1-2 years | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| i | Undisputed Dues-MSME | 3,404.81 | 292.71 | 117.74 | 84.56 | 3,899.82 |
| ii. | Undisputed Dues- Others | 47,448.83 | 10.22 | 125.93 | - | 47,584.98 |
| iii. | Disputed Dues-MSME | - | - | - | - | - |
| iv. | Disputed Dues- Others | - | - | - | - | - |
| | | | | | | 51,484.80 |
| | Unbilled Trade Payables | - | - | - | - | - |
| | **Total** | | | | | **51,484.80** |

### 27 Other Financial Liabilities (At Amortised Cost)

| | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|
| Interest accured and Due | **1,979.18** | 1,459.10 |
| Interest accured but not Due | **214.62** | 298.62 |
| Payables | | |
| For Wages & salaries | **3,629.82** | 3354.81 |
| For Capital Goods | **139.36** | - |
| For Other Expenses | **12,369.79** | 11669.63 |
| Provision for Audit Fees | **270.00** | 277.5 |
| | **18,602.77** | 17,059.66 |

### 28 Current Lease Liability

| | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|
| Current Lease Liability (Refer Note No. 49) | **1,765.12** | 2,065.89 |
| | **1,765.12** | 2,065.89 |

### 29 Other Current Liabilities

| | As at 31/03/2022 (₹Thousands) | As at 31/03/2021 (₹ Thousands) |
|---|---|---|
| Customers' credit balances | **4,497.14** | 4,870.15 |
| Statutory dues Payables | | |
| ESIC & PF Payable | **388.19** | 568.73 |
| Professional Tax Payable | **15.70** | 12.1 |
| | **4,901.03** | 5,450.98 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**30 Current Tax Liabilities (Net)**

| | As at 31/03/2022 (₹Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|
| TDS | **382.86** | 300.94 |
| Duties & taxes | **7.90** | 6.88 |
| Provision for tax | **229.52** | - |
| | **620.28** | 307.82 |

**31 Current Provisions**

| | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 (₹ Thousands) |
|---|---|---|
| Provision for Gratuity | **853.29** | 1,037.45 |
| Provision for Discount | **3,718.79** | 1,513.57 |
| | **4,572.08** | 2,551.02 |

| | **Detailed summary of the Provisions :** | **Provision for Discount** |
|---|---|---|
| i. | Opening balances as on 01.04.2021 | 1,513.57 |
| | Add: Addition during the year | 3,718.79 |
| | Less: Adjusted amount during the year | 1,513.57 |
| | **Closing balance as on 31.03.2022** | **3,718.79** |
| ii. | Opening balances as on 01.04.2020 | - |
| | Add: Addition during the year | 1,513.57 |
| | Less: Adjusted amount during the year | - |
| | **Closing balance as on 31.03.2021** | **1,513.57** |

**32 Revenue from Operations :**

| | As at 31/03/2022 (₹Thousands) | As at 31/03/2021 (₹Thousands) |
|---|---|---|
| **Sale of Products** | | |
| M.C.P. Tyres & Armrest - Overseas | **77,012.05** | 55,370.00 |
| M.C.P. Tyres & Armrest - Domestic | **1,08,467.48** | 1,26,268.49 |
| Bedding & furnishing | **-** | 602.46 |
| P.U. Shoe Sole - Domestic | **771.89** | 4,516.63 |
| P.U. Sandles - Domestic | **-** | - |
| Hospital Equipments - Domestic | **692.23** | 538.63 |
| Wheel Chair & Commode Chair - Domestic | **1,99,314.61** | 85,103.66 |
| Crutch and Walking Aids - Domestic | **2,115.56** | 2,999.30 |
| Spares - Domestic | **9,326.32** | 3,646.97 |
| Spares - Export | **369.97** | 722.18 |
| Sale of Trading Goods/Raw Materials- Exports | **53.85** | 1,061.56 |
| Sale of Trading Goods/Raw Materials | **4,084.86** | 17,891.27 |
| **Sale of Services** | | |
| Job Work charges | **-** | - |
| **Other Operating Revenues** | | |
| Other Operating Income- Tooling Cost | **3,616.28** | 4,761.87 |
| Other Operating Income | **-** | 913.00 |
| **Gross Revenue from Operations** | **4,05,825.10** | 3,04,396.02 |

**Note:**

(i) Sales are net of price adjustments settled during the year by the Company and discounts, trade incentives, VAT, Sales Tax, GST etc.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**33 Other Income:**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹ Thousands) |
| Discount Received | **7.22** | 8.02 |
| Interest Income on Bank Deposits | **202.87** | 345.88 |
| Interest Income on Loan & Others | **1,307.99** | 1,005.87 |
| Gain/Loss on Sale of Duty Scripts | **-** | (52.52) |
| Gain/Loss on Sale of Assets | **500.62** | 29.65 |
| (Gain)/ Loss on foreign currency transactions and translation | **-** | - |
| Fair Valuation of Gold through P/L | **152.50** | 22.86 |
| MEIS Scheme | **639.09** | 1,151.50 |
| Insurance Claim Received | **37,380.04** | 21,617.06 |
| | **40,190.33** | 24,128.32 |

**34 Cost of Materials Consumed:**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹ Thousands) |
| Raw Material | | |
| Opening Stock | **59,244.00** | 45,504.04 |
| Add: Purchased | **1,83,800.49** | 1,44,291.86 |
| | **2,43,044.49** | 1,89,795.90 |
| Less: Loss of Stock due to fire | **10,687.45** | - |
| Less: Closing stock | **51,053.71** | 59,244.00 |
| | **1,81,303.33** | 1,30,551.90 |

**35 Changes in Inventories:**

| | | As at | |
|---|---|---|---|
| | | **31/03/2022** | 31/03/2021 |
| | | **(₹ Thousands)** | (₹Thousands) |
| **Opening Inventories** | | | |
| Finished Goods | | **80,906.46** | 87,528.47 |
| Stock-in-Trade | | **5,748.53** | 448.30 |
| Work -in- progress | | **13,193.16** | 20,118.94 |
| Upper (Produced Raw Materials) | | **6,428.08** | 13,009.44 |
| | (A) | **1,06,276.23** | 1,21,105.15 |
| **Less: Loss of Stock due to fire** | | | |
| Finished Goods | (B) | **25,031.17** | - |
| **Less: Closing Inventories** | | | |
| Finished Goods | | **54,264.24** | 80,906.46 |
| Stock-in-Trade | | **2,222.60** | 5,748.53 |
| Work -in- progress | | **11,809.95** | 13,193.16 |
| Upper (Produced Raw Materials) | | **6,401.52** | 6,428.08 |
| | (C) | **74,698.31** | 1,06,276.23 |
| **Changes in Inventories (A-B-C)** | | **6,546.75** | 14,828.92 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**36 Employee Benefits Expenses:**

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹Thousands) |
| Salaries and Wages | **49,676.38** | 44,731.06 |
| Contribution to Provident and other Funds | **2,812.60** | 2,919.63 |
| Employee Welfare | **852.63** | 1,952.93 |
| Gratuity | **677.70** | 865.24 |
| | **54,019.31** | 50,468.86 |

| | As at | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹Thousands) |
| **37 Power and Fuel:** | | |
| Power and Fuel | **8,574.66** | 8,019.43 |
| | **8,574.66** | 8,019.43 |

| | **As at** | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| **38 Finance Costs:** | **(₹ Thousands)** | (₹ Thousands) |
| Interest Expenses | **14,434.97** | 16,015.89 |
| Other Borrowing Cost | **1,079.85** | 1,044.55 |
| Interest on Lease Liabilities | **636.93** | 841.65 |
| | **16,151.75** | 17,902.09 |

| | As at | |
|---|---|---|
| **39 Depreciation and Amortization Expenses:** | **31/03/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹ Thousands) |
| Depreciation and Amortization Expenses | **13,327.92** | 13,955.14 |
| Impairment Adjustments | **5,036.43** | - |
| Depreciation on ROU Assets | **2,059.87** | 2,059.85 |
| | **20,424.22** | 16,014.99 |

As at

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**40 Other Expenses:**

| | 31/03/2022 (₹ Thousands) | 31/03/2021 (₹ Thousands) |
|---|---|---|
| Advertisement | **113.18** | 113.22 |
| AMC Charges | **93.02** | 83.42 |
| Consumption of Stores and Spares | **50,425.78** | 26,314.70 |
| Job Work | **6,440.81** | 1,437.32 |
| Repairs to Buildings | **91.05** | 136.86 |
| Repairs to Machinery | **106.96** | 33.31 |
| Other Repairs & Maintenance | **1,138.06** | 969.42 |
| Rates and Taxes | **1,078.17** | 1,964.75 |
| Rent | **210.34** | 30.34 |
| Insurance | **1,094.85** | 1,187.69 |
| Auditors' Remuneration - (a) | **300.00** | 300.00 |
| Delivery Charges | - | - |
| Freight and Forwarding Expenses (Net) | **17,988.19** | 14,863.69 |
| (Gain)/ Loss on foreign currency transactions and translation (Note 44) | **1,510.29** | 701.81 |
| Travelling and Conveyance Expenses | **2,207.19** | 1,959.56 |
| Bank Charges | **3,385.64** | 1,239.48 |
| Managerial Remuneration & Director sitting fees | **3,012.00** | 3,010.00 |
| Staff Welfare | **56.16** | 7.32 |
| Interest on late payment of CST/Tax | **63.72** | 980.46 |
| Printing and Stationery | **114.02** | 315.95 |
| Security Charges | **1,304.90** | 1,342.84 |
| Telephone, Telegram and Postage | **176.85** | 153.95 |
| Petrol | **901.12** | 425.64 |
| Vehicle Running and Maintenance Expenses | **275.24** | 505.25 |
| Sales Promotion Expenses | **2,745.78** | 183.46 |
| Commission and Brokerage | **745.62** | 971.22 |
| Professional Fees | **2,857.80** | 3,472.59 |
| Sundry Balance Written off | **2,292.54** | (952.79) |
| Miscellaneous Expenses | **2,218.22** | 1,342.34 |
| Discount Allowed (Net) | **1,323.79** | 4,329.82 |
| GST written off | **8.03** | (1.26) |
| Postage & Telegram | **530.02** | 873.75 |
| Donation & Subscription | **199.80** | 89.39 |
| Assets written off | **-** | 6,621.08 |
| AGM Expenses | **63.19** | 14.91 |
| Allowances for Bad Debts | **1,907.71** | 853.50 |
| Listing Fees | **400.00** | 418.09 |
| Provision for Warranty | **311.03** | - |
| | **1,07,691.07** | 76,293.08 |

**(a). Details of Auditors' Remuneration are as follows:**

| | | |
|---|---|---|
| **Statutory Auditors:** | | |
| Audit Fees | **250.00** | 250.00 |
| Taxation matters | **50.00** | 50.00 |
| | **300.00** | 300.00 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

| | | As at | |
|---|---|---|---|
| | | **31/03/2022** | 31/03/2021 |
| **41** | **Tax Expenses** | **(₹ Thousands)** | (₹ Thousands) |
| | **Current Tax** | | |
| | Current Tax for the year | - | - |
| | Tax adjustments for earlier years | - | - |
| | **Deferred Tax** | | |
| | Deferred Tax for the year | **5,096.31** | (739.59) |
| | | **5,096.31** | (739.59) |
| | Deferred Tax on OCI | **(4.30)** | 24.82 |

| | | As at | |
|---|---|---|---|
| **42** | **Earning per Equity Share (EPS)** | **31/03/2022** | 31/03/2021 |
| | | **(₹ Thousands)** | (₹ Thousands) |
| | Net Profit/ (loss) after Tax as per Statement of Profit & Loss Account | **8,986.25** | 2,567.47 |
| | Weighted average number of Equity shares (Numbers) | **1,46,97,130.00** | 1,46,97,130.00 |
| | Basic & diluted earnings per Share (in Rs.) | **0.61** | 0.17 |

| | | As at | |
|---|---|---|---|
| 43 | **Contingent Liabilities and Commitments :** | **31/03/2022** | 31/03/2021 |
| | | **(₹Thousands)** | (₹Thousands) |
| | **Contingent Liabilities** | | |
| | (a) Bank Guarantees given for WBSEB and superintending Engineering | **2213.56** | 3,372.34 |
| | (b) Income Tax Demands | **1990.79** | 1,990.79 |
| | (c) Other money for which the Company is contingently liable: | | |
| | i. Export Bills discounted with bank | **-** | - |
| | ii. Letter of credit/ SBLC | **19,001.86** | 16,305.44 |

Note: The above Tax matters are lying at various appellate forums and the management is confident of succeeding in all these matters based on legal precedences and expert opinions.

| | | As at | |
|---|---|---|---|
| 44 | **Gain or loss on foreign currency transaction and translation :** | **31/03/2022** | 31/03/2021 |
| | | **(₹Thousands)** | (₹Thousands) |
| | Loss on foreign currency transactions and translation | **2,358.72** | 1209.26 |
| | Gain on foreign currency transactions and translation | **848.43** | 507.45 |
| | **(Gain)/ Loss on foreign currency transactions and translation (Net)** | **1,510.29** | 701.81 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**45 Segment Reporting**

**A. Primary Segment Reporting (by Business Segment) :**

(a). The Company has three reportable segments viz. Tyre,Rim and Wheels, Footwear and Hospital Equipments which have been identified in line with IND AS-108 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:

(b). Inter-segment transfers are based on market rates.

(c). The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are as follows:

| | Year ended 31/03/2022 | | | | Year ended 31/03/2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Tyre, Rim & Wheel | Footwear | Hospital Equipments | Total | Tyre, Rim & Wheel | Footwear | Hospital Equipments | Total |
| | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) |
| **REVENUE** | | | | | | | | |
| Total | 4,91,893.42 | 10,089.42 | 1,64,740.28 | 6,66,723.12 | 3,53,415.99 | 8,191.97 | 85,548.61 | 4,47,156.57 |
| Inter Segment | | | | (2,60,898.02) | | | | (1,42,760.55) |
| Excise Duty | | | | | | | | |
| External | | | | 4,05,825.10 | | | | 3,04,396.02 |
| **RESULTS** | | | | | | | | |
| Segment Results | 54,530.45 | (19,765.25) | (4,530.89) | 30,234.31 | 37,281.68 | (12,273.72) | (5,277.99) | 19,729.97 |
| Unallocated Corporate Income | | | | - | | | | - |
| Unallocated corporate Expenses | | | | - | | | | - |
| Finance Costs | | | | (16,151.75) | | | | (17,902.09) |
| Tax Expenses | | | | (5,096.31) | | | | 739.59 |
| Profit for the year | | | | 8,986.25 | | | | 2,567.47 |
| **OTHER INFORMATION** | | | | | | | | |
| **Assets:** | | | | | | | | |
| Segment Assets | 2,85,238.34 | 1,29,149.94 | 80,975.62 | 4,95,363.90 | 3,01,973.85 | 1,54,622.59 | 72,490.17 | 5,29,086.61 |
| Unallocated Corporate Assets | | | | - | | | | |
| Total Assets | | | | 4,95,363.90 | | | | 5,29,086.61 |
| **Liabilities:** | | | | | | | | |
| Segment Liabilities | 1,09,090.32 | 20,612.06 | 12,682.82 | 1,42,385.20 | 1,02,770.41 | 51,972.05 | 26,556.23 | 1,81,298.69 |
| Unallocated Corporate Liabilities | | | | 9,384.65 | | | | 4,522.16 |
| Total Liabilities | | | | 1,51,769.85 | | | | 1,85,820.85 |
| Capital Expenditure | 6,839.12 | 3,533.20 | 3,122.88 | 13,495.20 | 7,643.77 | 8,138.91 | 296.27 | 16,078.95 |
| Depreciation and Amortization | 6,489.00 | 4,401.62 | 2,437.30 | 13,327.92 | 7,553.37 | 4,009.54 | 2,392.23 | 13,955.14 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**B. Secondary Segment Reporting (by Geographical demarcation):**

(a) The secondary segment is based on geographical demarcation i.e. India and Overseas.

(b) The Company's revenue from external customers and by geographical location are follows:

| | Year ended 31/03/2022 | | | | Year ended 31/03/2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | India | Overseas | Export (Sez) | Total | India | Overseas | Export (Sez) | Total |
| | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) |
| Revenue | 3,24,777.95 | 81,052.15 | - | 4,05,825.10 | 2,42,480.41 | 61,915.61 | - | 3,04,396.02 |

**46 DISCLOSURES PURSUANT TO IND AS - 115**

**(i) Revenue Disaagregation on the basis of primary geographical markets, major product lines and timing of revenue rocognition etc. is as under:-**

| Particulars | (₹Thousands) For the year ended 31st March 2022 | (₹Thousands) For the year ended 31st March 2021 |
|---|---|---|
| **A. Primary geographical markets** | | |
| Within India | **3,24,772.95** | 2,42,480.41 |
| Overseas | **81,052.15** | 61,915.61 |
| Total | **4,05,825.10** | 3,04,396.02 |
| **B. Major products** | | |
| Tyre, Rim & Wheel | **1,85,479.53** | 1,81,638.49 |
| Footwear | **771.89** | 5,119.09 |
| Hospital Equipments | **2,11,818.69** | 93,010.74 |
| Sale of Trading Goods/Raw Materials | **4,138.71** | 18,952.83 |
| **Total** | **4,02,208.82** | 2,98,721.15 |

C. The Company recognises revenue at apoint in time. The contracts with customers are of short term duration and all sales are direct to customers.

(ii) **Contract Balances:** The following table provides information about receivables, contract assets and contract liabilities from contract with customers

| Particulars | (₹Thousands) As at 31st March 2022 | (₹Thousands) As at 31st March 2021 |
|---|---|---|
| Receivables, which are included in 'Trade receivables' (Refer Note - 11) | **78,258.46** | 64,979.77 |
| Contract assets | - | - |
| Contract liabilities | - | - |
| **Total (Assets - Liabilities)** | **78,258.46** | 64,979.77 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**47 Related Party Disclosures:**

**A. List of Related Parties :**

**(i). Key Managerial Personnel :**

| | | |
|---|---|---|
| a) | Managing Director | Sri Jay Singh Bardia* |
| b) | Non Executive Directors | i) Sri T.C.Bachhawat<br>ii) Sri Pradeep Kumar Singh<br>iii) Sri Ravi Prakash Pincha<br>iv) Smt Vimala Devi Bardia ** |
| c) | Chief Executive Officer | Sri P. L. Bardia *** |
| d) | Chief Financial Officer | CA Vinay Sipani |
| e) | Company Secretary | CS Arti Baid |

* Sri Jay Singh Bardia is related to Smt Vimala Devi Bardia, Non-Executive Director and Sri P.L. Bardia, Chief Executive Officer of the Company.

** Smt Vimala Devi Bardia is related to Sri Jay Singh Bardia, the Managing Director of the Company and Sri P.L.Bardia, the Chief Executive Officer of the Company

*** Sri P.L.Bardia is related to Sri Jay Singh Bardia, the Managing Director of the Company and Smt Vimala Devi Bardia, Non-Executive Director of the Company.

**(ii). Related to Key Managerial Personnel:**

| | | |
|---|---|---|
| a) | Others | i) Sri K. L. Bardia<br>ii) Hulashchand Tarachand Bardia HUF<br>iii) Tarachand Estates Pvt Ltd. |

**(iii) Entities over which Control exist**

| | | |
|---|---|---|
| a) | Subsidiary Company -90% holding in Capital | i) Krypton Europe s.r.o. |

**B. Disclosure of transactions between the Company and Related Parties during the year in the ordinary course of business and status of outstanding balances at year end:**

| | | For Year Ended | |
|---|---|---|---|
| i. | **KEY MANAGERIAL PERSONNEL** | **31/03/2022** | 31/03/2021 |
| | | **(₹Thousands)** | (₹Thousands) |
| **(a).** | **Remuneration to Key Managerial Personnel:** | | |
| | Managing Director | **3,000.00** | 3,000.00 |
| | Non Executive Directors | **12.00** | 10.00 |
| | Chief Executive Officer | **2,400.00** | 2,400.00 |
| | Chief Financial Officer | **1,415.20** | 1,415.20 |
| | Company Secretary | **675.00** | 568.87 |
| | | **7,502.20** | 7,394.07 |
| **(b).** | **Remuneration to Related Parties:** | | |
| i | Digvijay Singh Bardia, Relative of Mr.Jay Singh Bardia, MD & Mr. Pannalal Bardia, CEO | **600.00** | 600.00 |
| | | **600.00** | 600.00 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**ii. OTHERS**

| | Year ended 31st March, 2022 | | | | Year ended 31st March, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Sri K. L. Bardia | Hulashchand Tarachand Bardia HUF | Tarachand Estate Pvt. Ltd. | Krypton Europe s.r.o | Sri K. L. Bardia | Hulashchand Tarachand Bardia HUF | Tarachand Estate Pvt. Ltd. | Krypton Europe s.r.o |
| | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) |
| **Transaction held** | | | | | | | | |
| Interest and Dividend taken | - | 463.39 | 256.50 | - | - | 526.58 | 246.05 | - |
| Rent & Amenities given | - | 420.00 | - | - | - | 240.00 | - | - |
| Security given | - | - | - | - | - | - | - | - |
| Loans, Advances and Deposits given/paid | - | - | - | - | 1,000.00 | - | 150.00 | - |
| Loans, Advances and Deposits received | - | - | - | - | - | - | - | - |
| Investment made | - | - | - | - | - | - | - | - |
| Sales made during the year | - | - | - | 15,137.42 | - | - | - | 14,106.60 |
| **Outstanding Balances:** | - | | | | | | | |
| Loans, Advances and Deposits given | - | 6,255.77 | 4,380.94 | - | - | 5,792.38 | 4,124.43 | - |
| Loans, Advances and Deposits taken (inclusive of interest) | 4,000.00 | - | - | - | 4,000.00 | - | - | - |

**Note: Terms & Conditions of Transcations with related parties:** Purchase and Sales from/to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transaction with other vendors.

### 48 Additional information pursuant to paragraphs 5(A)(viii) of Part II of Schedule III to the Companies Act, 2013 are follows:

**A. C.I.F. value of imports by the Company (Excluding imported items purchased locally):**

| | For year ended | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹Thousands)** | (₹Thousands) |
| Raw Materials, Trading Goods & Components | **88,209.53** | 81,336.73 |
| Stores and Spares | **166.56** | 817.28 |
| Plant & Machinery/ Capital in Work in Progress | **645.92** | 529.88 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**. Expenditure in foreign currency during the year:**

| | For year ended | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| | **(₹Thousands)** | (₹ Thousands) |
| Other matters | **219.56** | 174.83 |

| | For year ended | |
|---|---|---|
| | **31/03/2022** | 31/03/2021 |
| D. **Earnings in Foreign Exchange:** | **(₹Thousands)** | (₹Thousands) |
| Export of Goods on F.O.B. basis (Excluding exports to SEZ unit/EOU) | **76,719.89** | 55,550.55 |

**49 Disclosure pursuant to IND AS-116- Lease**

a) In accordance with IND AS-116 Right of use assets (ROU Assets) stand at ₹ 3259.55 and a corresponding lease liabilty of ₹ 3724.39 has been recognised in the Balance Sheet. The changes in the carrying value of right of use assets for the year ended 31st March, 2022 are disclosed in Note 3.

b) "In the statement of profit and loss for the current year, rent expenses which was earlier recognised under other expenses is now recognised as depreciation of right of use assets and interest on lease liabilities"under finance cost. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The total cash outflows for the year ended 31st March, 2022 is ₹ 3280.00 (₹000).*

**Expenses recognised in Statement of Profit & Loss Account:**

| **Particulars** | **31/03/2022** | **31/03/2021** |
|---|---|---|
| **Finance Cost** | | |
| Interest Expenses on Lease Liability | 636.93 | 841.65 |
| **Depreciation** | | |
| Depreciation on ROU Assets | 2,059.87 | 2,059.85 |

c) The weighted average incremental borrowing rate of 11% has been applied to lease liabilities recognised in the balance sheet.

d) As per the requirement of Ind AS-107, maturity analysis of lease liabilities have been shown under maturity analysis for financial liabilities under liquidity risk (Refer Note 52).

e) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are suffi cient to meet the obligation related to lease liabilities as and when they fall due.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

50 **Disclosure in accordance with Ind AS-19 on employee benefits expense Gratuity and other Post-employment benefits plan:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/ separation. This is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Post - retirement benefit plans .

| | | | **For the Year ended 31st March, 2022 (₹Thousands)** | For the Year ended 31st March, 2021 (₹Thousands) |
|---|---|---|---|---|
| I. | **Expenses recognised in the Statement of Profit & Loss** | | **Gratuity** | **Gratuity** |
| | 1 | Current sevice Cost | **677.70** | 865.24 |
| | 2 | Past Service Cost * | **-** | - |
| | 3 | Interest Cost | **486.75** | 461.24 |
| | 4 | Expected Return on Plan Assets | **-** | - |
| | 5 | Total | **1,164.45** | 1,326.48 |
| | **Expenses recognised in OCI** | | | |
| | 6 | Actuarial (Gain) / Losses | **16.53** | (95.74) |
| | 7 | Total Expenses | **1,180.98** | 1,230.74 |

Note: * Past Service Cost aries due to Increase in Gratuity Ceiling from Rs. 10,00,000/- to Rs. 20,00,000/-.

| | | | | |
|---|---|---|---|---|
| **II.** | **Net Assets /Liability recognised in the Balance Sheet** | | | |
| | 1 | Present Value of defined Benefit Obligations | **10,324.26** | 12,530.09 |
| | 2 | Fair Value of Plan Assets | **2,885.22** | 5,372.04 |
| | 3 | Net Assets / Liabilities | **(7,439.04)** | (7,158.05) |
| **III** | **Changes in Obligations during the year** | | | |
| | 1 | Present Value of Defined Benefit Obligation at the beginning of the year | **12,530.09** | 12,738.81 |
| | 2 | Current Service Cost / Plan amendments | **677.70** | 865.24 |
| | 3 | Interest Cost | **852.05** | 840.76 |
| | 4 | Benefits Paid | **(3570.21)** | (1638.58) |
| | 5 | Actuarial (Gains) / Losses | | |
| | | Arising from changes in experience | **196.80** | (41.96) |
| | | Arising from changes in demographic assumptions | **-** | - |
| | | Arising from changes in financial assumptions | **(362.17)** | (234.18) |
| | 6 | Total | **(2,205.83)** | (208.72) |
| | 7 | Present Value of Defined Benefit Obligation at the end of the year | **10,324.26** | 12,530.09 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

| IV. | Change in the Fair Value of Plan Assets during the year | | For the Year ended 31st March, 2022 (₹Thousands) | For the Year ended 31st March, 2021 (₹Thousands) |
|---|---|---|---|---|
| | 1 | Plan assets at the beginning of the year | **5,372.04** | 5,750.26 |
| | 2 | Expected return on plan assets / Investment Income | **183.39** | 198.86 |
| | 3 | Contribution by employer | **900.00** | 1,061.50 |
| | 4 | Actual Benefits Paid | **(3,570.21)** | (1,638.58) |
| | 5 | Actuarial Gains / (Losses) | **-** | - |
| | 6 | Plan assets at the end of the year | **2,885.22** | 5,372.04 |
| | 7 | Actual return on Plan Assets | **-** | - |

| | | | |
|---|---|---|---|
| V | **The major categories of plan assets as a percentage Investments with Insurer** | | |
| | Investment with Insurer. | **100%** | 100% |
| VI | **Actuarial Assumptions** | | |
| | **Financial Assumptions** | **31.03.2022** | 31.03.2021 |
| | Discount Rate | **7.20%** | 6.80% |
| | Expected rate of return on plan assets | **-** | - |
| | **Demographic Assumptions** | | |
| | Mortality Rate (% of IALM 06-08) | **100%** | 100% |
| | Normal Retirement Age | **58 years** | 58 years |
| | Attrition Rates, based on age (% p.a. for all age) | **2.00** | 2.00 |
| VII | The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market | **5% p.a** | 5% p.a |
| VIII | Contribution to Provident and Other Funds includes ₹ 28.13 lacs (2020-21 - ₹ 29.20 lacs ) paid towards Defined Contribution Plans | | |
| IX | **Maturity profile of the defined benefit obligation** | | |
| | Weighted average duration of the defined benefit obligation | **9 years** | 10 years |
| | Expected benefit payments for the year ending | | |
| | Not later than 1 year | **853.29** | 1037.45 |
| | Later than 1 year and not later than 5 years | **3994.16** | 4317.86 |
| | Later than 5 year and not later than 10 years | **4419.20** | 4829.56 |
| | More than 10 years | **13134.47** | 17009.38 |
| X | **Amounts for the current and previous two periods are as follows:** | | |
| | **Gratuity** | **31.03.2022** | 31.03.2021 |
| | Defined Benefit Obligation | **10,324.26** | 12,530.09 |
| | Plan Assets | **2,885.22** | 5,372.04 |
| | Surplus / (deficit) | **(7,439.04)** | (7,158.05) |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

XI **The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:**

| | 31-Mar-22 | | 31-Mar-21 | |
|---|---|---|---|---|
| **Assumptions** | **Discount rate (a)** | | Discount rate (a) | |
| Sensitivity level | **1% Increase** | **1% Decrease** | **1% Increase** | **1% Decrease** |
| Impact on Gratuity liability | **(817.95)** | **947.91** | (1,070.08) | 1,247.27 |
| **Assumptions** | **Future salary increases (b)** | | **Future salary increases (b)** | |
| Sensitivity level | **1% Increase** | **1% Decrease** | **1% Increase** | **1% Decrease** |
| Impact on Gratuity liability | **957.72** | **(862.66)** | 1,268.49 | (1,122.43) |

51. **Disclosure on Financial Instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

**Financial Asset and Liabilities (Non current and current)** (Rs. in thousands)

| Particulars | **As at 31st March 2022** | | | As at 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | Fair value through statement of profit and loss | Fair value through other compre-hensive income | Amortised cost | Fair value through statement of profit and loss | Fair value through other comprehe-nsive income | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| Equity instruments | **94.00** | - | - | 94.00 | - | - |
| Gold | **692.26** | - | - | 596.57 | - | - |
| Soverign Gold Bond | **416.56** | - | - | 359.75 | - | - |
| Investment in Subsidiary | - | - | **2815.34** | - | - | 2815.34 |
| Loans | - | - | **21920.60** | - | - | 15766.57 |
| Trade receivables | - | - | **76324.91** | - | - | 63956.58 |
| Cash and cash equivalents | - | - | **3253.72** | - | - | 5618.53 |
| Other bank balances | - | - | **5552.48** | - | - | 6201.96 |
| Other financial assets | | | | | | |
| Other deposits, advances & receivables | - | - | **6698.68** | - | - | 4992.49 |
| **Total financial assets** | **1202.82** | - | **116565.73** | 1050.32 | - | 99351.47 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

| Particulars | As at 31st March 2022 | | | As at 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | Fair value through statement of profit and loss | Fair value through other compre-hensive income | Amortised cost | Fair value through statement of profit and loss | Fair value through other comprehe-nsive income | Amortised cost |
| **Financial liabilities** | | | | | | |
| Borrowings (including current maturities) | - | - | **1,11,553.72** | - | - | 1,56,560.53 |
| Lease liabilities | - | - | **3,724.39** | - | - | 5,790.30 |
| Trade payables | - | - | **47,426.44** | - | - | 51,484.80 |
| Other financial liabilities | | | | | | |
| " Interest accrued but not due on " borrowings " | - | - | **214.62** | - | - | 298.62 |
| " Interest accrued but due on " borrowings " | - | - | **1,979.18** | - | - | 1,459.10 |
| Employee related liabilities | - | - | **3,629.82** | - | - | 3,354.81 |
| Security deposits and others | - | - | **12,779.15** | - | - | 11,947.13 |
| Total financial liabilities | - | - | **1,81,307.32** | - | - | 2,30,895.29 |

i) These investments in Gold are not held for trading. Upon application of IndAS - 109 - Financial Instruments, the Company has chosen to measure the investments in Gold at FVTPL as the management believes that presenting fair value gains and losses relating to these investments in the standalone statement of profit and loss is a proper disclosure by the Company.

ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, advance to manufacturing units, trade payables and other financial liabilities approximate the carrying amount largely due to short term maturity of these instruments.In relation to Trade Receivables, however, impairement loss based on historically obseved default rates has been provided for and carrying of Trade Receivables has been reduced by this amount. For long-term borrowings at fixed/floating rates, management evaluatesthat their fair value will not be significantly different from the carrying amount.

b **Fair Value hiearchy**

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

- Level 1: quoted prices (unadjusted) in active markets for financial instruments
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For assets and liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

**Financial Asset and Liabilities (Non current and current)** (₹ in thousands)

| Particulars | As at 31st March 2022 | | | As at 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | **LEVEL I** | **LEVEL II** | **LEVEL III** | LEVEL I | LEVEL II | LEVEL III |
| **Financial assets** | | | | | | |
| **i. Measurement at amortised cost** | | | | | | |
| **Investments** | | | | | | |
| Investment in Subsidiary | - | - | **2,815.34** | - | - | 2,815.34 |
| Loans | - | - | **21,920.60** | - | - | 15,766.57 |
| Trade receivables | - | - | **76,324.91** | - | - | 63,956.58 |
| Cash and cash equivalents | - | - | **3,253.72** | - | - | 5,618.53 |
| Other bank balances | - | - | **5,552.48** | - | - | 6,201.96 |
| Other financial assets | | | | | | |
| Other deposits, advances & receivables | - | - | **6,698.68** | - | - | 4,992.49 |
| **Sub total** | - | - | **1,16,565.73** | - | - | 99,351.47 |
| **ii. Measured at fair value through profit or loss Investments** | | | | | | |
| Equity instruments | **-** | **94.00** | **-** | - | 94.00 | - |
| Gold | **692.26** | **-** | **-** | 596.57 | - | - |
| Soverign Gold Bond | **416.56** | **-** | **-** | 359.75 | - | - |
| **Sub total** | **1,108.82** | **94.00** | **-** | 956.32 | 94.00 | - |
| **Total financial assets** | **1,108.82** | **94.00** | **1,16,565.73** | 956.32 | 94.00 | 99,351.47 |
| **Financial liabilities** | | | | | | |
| i. Measurement at amortised cost | | | | | | |
| Borrowings (including current maturities) | **-** | **-** | **1,11,553.72** | - | - | 1,56,560.53 |
| Lease liabilities- | **-** | **-** | **3,724.39** | - | - | 5,790.30 |
| Trade payables | **-** | **-** | **47,426.44** | - | - | 51,484.80 |
| Other financial liabilities | | | | | | |
| Interest accrued but not due on borrowings | **-** | **-** | **214.62** | - | - | 298.62 |
| Interest accrued but due on borrowings | **-** | **-** | **1,979.18** | - | - | 1,459.10 |
| Employee related liabilities | **-** | **-** | **3,629.82** | - | - | 3,354.81 |
| Security deposits and others | **-** | **-** | **12,779.15** | - | - | 11,947.13 |
| **Total financial liabilities** | **-** | **-** | **1,81,307.32** | - | - | 2,30,895.29 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

52 **Financial Risk Management Objectives and policies**

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments and deposits. The Company also holds investments in Gold and Sovereign Gold Bond.

The Company has a Risk Management Committee that ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company. The Board of Directors also review these risks and related risk management policy.

The market risks, credit risks and Liquidity risks are further explained below :

**1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTOCI investments, trade payables, trade receivables, etc.

**a. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. Such foreign currency exposures are not hedged by the Company. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

| Foreign Currency Risk : | Year Ended 31/03/2022 | | Year Ended 31/3/2021 | |
|---|---|---|---|---|
| | (USD '000) | (₹ Thousands) | (USD '000) | (₹Thousands) |
| **In USD** | | | | |
| Trade Receivables & Advances | **101.3162** | **7,680.49** | 96.3882 | 7,084.99 |
| Trade Payables & Advances | **473.474** | **35,892.69** | 593.995 | 43,661.44 |

| Foreign Currency Risk : | Year Ended 31/03/2022 | | Year Ended 31/03/2021 | |
|---|---|---|---|---|
| | (Euro '000) | (₹Thousands) | ( Euro '000) | (₹Thousands) |
| **In Euro** | | | | |
| Trade Receivables | **15.5876** | **1,319.64** | 2.7000 | 232.34 |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

b. **Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in USD/Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

| Particulars | **31.03.2022** | 31.03.2021 |
|---|---|---|
| | **Gain /(Loss)** | Gain /(Loss) |
| INR appreciates by 5% | (1,344.64) | (1,817.15) |
| INR Depreciates by 5% | 1,344.84 | 1,817.15 |

c. **Commodity Price Sensivity**

The Company's Investment in Gold is suspectible to market price risk arising gfrom uncertainity about future prices of Gold. The following table shows the effect on price changes in Gold Investments.

| Particulars | **31.03.2022** | 31.03.2021 |
|---|---|---|
| | **Gain /(Loss)** | Gain /(Loss) |
| Gold Rate appreciates by 5% | 34.61 | 29.82 |
| Gold Rate Depreciates by 5% | (34.61) | (29.82) |

2 **Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. The Company monitors its risk by determining its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs. The Company manages its liquidity risk in a manner so as to meet its normal fi nancial obligations without any signifi cant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversifi ed funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fi xed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be used as and when required; such credit facilities are reviewed at regular basis.

a. **Maturity analysis for financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date -

**(₹ in thousands)**

| **Particulars** | **On demand** | **0 to 6 Months** | **More than 6 months to 1 year** | **More than 1 year** | **Total** |
|---|---|---|---|---|---|
| **As at 31st March, 2022** | | | | | |
| Non-derivative | | | | | |
| Borrowings (including current maturities) (Refer Note - 20, 25 & 27) | 25,879.29 | 29,354.56 | 9,263.64 | 47,056.24 | **1,11,553.72** |
| lease liabilities (Refer Note - 21 & 28) | - | 882.56 | 882.56 | 1,959.27 | **3,724.39** |
| Trade payables (Refer Note - 26) | - | 47,426.44 | - | - | **47,426.44** |
| Other financial liabilities (Refer Note -27) | - | 18,602.77 | - | - | **18,602.77** |
| | **25,879.29** | **96,266.33** | **10,146.20** | **49,015.51** | **18,1307.32** |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

**As at 31st March, 2021**

**Non-derivative**

| | | | | | |
|---|---|---|---|---|---|
| Borrowings (including current maturities) (Refer Note - 20, 25 & 27) | 61,498.93 | 22,804.23 | 16,616.27 | 55,641.11 | **1,56,560.53** |
| Lease liabilities (Refer Note - 21 & 28) | - | 1,032.95 | 1,032.95 | 3,724.41 | **5,790.30** |
| Trade payables (Refer Note - 26) | - | 51,484.80 | - | - | **51,484.80** |
| Other financial liabilities (Refer Note -27) | - | 17,059.66 | - | - | **17,059.66** |
| | **61,498.93** | **92,381.63** | **17,649.21** | **59,365.52** | **2,30,895.29** |

**3 Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**a. Trade receivables**

A significant part of the Company's sales are under the 'cash and carry' model which entails no credit risk. For others, an impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are from several industries.

**ECL Movement Sheet**

| **Particulars** | **Amount ('000)** |
|---|---|
| Opening Balance of ECL as on April 01, 2021 | 1,023.19 |
| Add: Created During the Year | 1,907.71 |
| Less: Adjusted during the year | 997.35 |
| **Closing balances of ECL as on March 31, 2022** | **1,933.55** |

**53 Capital Management**

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

**54 MSME DISCLOSURE in MSME FORMAT**

Disclosures under the Micro, Small and Mediaum Enterprises Development Act, 2006 are provided as under for the year 2021-22 to the extend that company has received intimation from suppliers regarding their status under the Act.

| | **Detail Of Dues to Micro and Small Enterprises as Defined under MSMED Act, 2006:** | **2021-22** | **2020-21** |
|---|---|---|---|
| a) | Principal and interest amount remaining unpaid | | |
| | Principal | 5560.32 | 3899.82 |
| | Interest | - | - |
| b) | The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year. | - | - |

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

| | | | |
|---|---|---|---|
| c) | The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year. | - | - |
| d) | The amount of interest due and payable for the 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. | - | - |
| e) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| f) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006. | - | - |

The Company is Continously taking necessary steps for receiving intimations from suppliers regarding the status under the Micro, Small & Medium Enterprises Development Act, 2006 and discolsures. relating to amounts unpaid as at the year end along with interest paid or payable, if any as requied under the said Act have been given on the basis of such intimation received till your end.

**55** Pursuant to requirement u/s 186 of the Companies Act, 2013:-

(a) Investments made and loans given have been disclosed in the Financial Statements.

(b) The Loans have been used by the borrower for business purposes only.

(c) The company has not provided guarantee in respect of any loans taken by others.

56 **Significant Accounting Judgements, Estimates & Assumptions**

The ratios as per the latest amendment to Schedule III are as below

| S. NO, | | RATIOS | 31.03.2022 | 31.03.2021 | Variances | Reason for Variance |
|---|---|---|---|---|---|---|
| A. | | **Liquidity Ratio** | | | | |
| | 1 | **Current ratio**<br>(Current assets/Current liabilities) | 2.13 | 1.88 | 13% | Less than 25% Reporting not required |
| B. | | **Solvency Ratios** | | | | |
| | 2 | **Debt - equity ratio**<br>(Total debt/Shareholders' equity)<br>(Total debt: Non-current borrowings + Current borrowings + Current maturities of long term borrowings)<br>(Shareholders' equity : Equity share capital + Other equity - Capital reserve - Revaluation surplus) | 0.39 | 0.56 | -31% | Due to reduction of Debt and less utilization of Cash Credit account |
| | 3 | **Debt service coverage ratio**<br>(EBITDA/Debt service)<br>(EBITDA : Profit before taxes + Finance cost + Depreciation and amortisation expense + Loss on sale of PPE + PPE and other intangible assets written off )<br>[Debt service : Interest and Lease payments + Principal repayments of non - current borrowings] | 1.61 | 0.81 | 100% | Lower Debt repayment in future |
| C. | | **Utilization Ratios** | | | | |
| | 4 | **Inventory turnover ratio**<br>(Sale of products/Average inventories | 2.55 | 1.69 | 50% | Due to fire there is reduction in stock of on unit and better inventory management |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 5 | **Trade payables turnover ratio**<br>(Sale of products/Average inventories) | 5.79 | 4.50 | 29% | Due higher sales in current year |
| | 6 | **Trade payable turnover ratio**<br>(Net Credit Purchases/Average trade payables)<br>(Net Credit Purchases : Gross Credit Purchases - Purchase Return) | 4.79 | 4.45 | 8% | Less than 25% Reporting not required |
| | 7 | **Net capital turnover ratio**<br>(Revenue from operations/Average working capital)<br>(Working capital: Current assets - Current liabilities) | 2.54 | 1.98 | 28% | Due to inrease in revenue and better working capital management. |
| D. | **Profitability ratios** | | | | | |
| | 8 | **Return on equity (ROE)**<br>(Net Profit after taxes/Average shareholders' equity)<br>(Shareholders' equity : Equity share capital + Other equity - Capital reserve - Revaluation surplus) | 0.008 | 0.002 | 243% | High profit due to increase in sales and reduction in cost |
| | 9 | **Net profit ratio**<br>(Net profit after tax/Revenue from operations) | 0.022 | 0.008 | 163% | High profit due to increase in sales and reduction in cost |
| | 10 | **Return on Capital Employed**<br>(Earning before interest and taxes (EBIT)/Average capital employed)<br>(EBIT: Profit before taxes + Finance cost)<br>[Capital Employed: Equity share capital + Other equity - Capital reserve - Revaluation surplus + Non current borrowings + Current borrowings + Current maturities of long - term borrowings + Deferred tax liabilities] | 0.16 | 0.05 | 252% | High profit due to increase in sales and reduction in cost |
| | 11 | **Return on investment**<br>(Net income on investments/Average investment funds in current and non current investments)<br>(Net income on investments : Interest income on investments + Dividend income + Net gain on sale/fair value changes of investments) | 0.135 | 0.022 | 515% | Primarily due to fair valuation |

## 57 OTHER REGULATORY INFORMATION

i. "The Company has not been declared wilful defaulter by any bank or financial institution or lender in the financial year 2020-21 and financial year "2021-22."

ii. The Conmpany does not have any Benami Property. Further, No proceedings has been initiated or pending against the company in the financial year 2020-21 and financial year 2021-22 for holding any benami property under the "Benami Transactions (Prohibition)Act, 1988 (45 of 1988) and rules made thereunder.

iii. "The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms "or period of repayment to promoters, directors, KMPs and the related parties."

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

iv. "The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 "of the Companies Act, 1956."

v. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

vi. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vii "The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:"(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or"(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"

viii. The Company does not have any transaction which 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.

ix. The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

x. The Company has not filed any Scheme of Arrangements in terms of Sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.

xi. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**58 Significant Accounting Judgements, Estimates & Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and are reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures. Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the financial statements is as follows:

**a) Employee benefit plans**

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details refer Note 50.

**b) Fair value measurement**

When the fair values of financials assets and financial liabilities recorded in the standalone balance sheet cannot be measured based on quoted prices in active markets,

**c) Classification of leases:**
Refer note 1.III (l) for details.

**d) Recognition of deferred tax assets:**
Refer note 1.III (n) for details

## Notes to the Standalone Financial Statements as at and for the year ended 31st March 2022

e) **Provision for litigations and tax disputes**

The likelihood of outcome of litigations and tax disputes are estimated by the management based on past experiences, legal advice, other public information etc. For further details, refer Note 43.

**59** The Company is periodically monitoring the situation arising due to COVID-19 pandemic considering both internal and external information available upto the date of the approval of these financial statements and has assessed the recoverability of the carrying value of its assets as at 31st March, 2022. Based on the assessment, the Company does not anticipate any material impact on these financial statements.

**60** Fire had occurred in our Tyre Div/Unit situated at Falta Special Economic Zone (FSEZ), Plot no, 31 & 32, Sector-1, 24 Parganas (South), West Bengal-743504 on 11th April, 2021 around 2.00 PM leading to extensive damage to the factory.The Company have received the final insurance claim of Rs. 373.80 Lakhs against loss due to fire incident occurred in our Tyre Div/Unit situated at Falta Special Economic Zone (FSEZ), Plot no. 31 & 32, Sector-1, 24 Parganas (South), West Bengal-743504 on 11th April, 2021.

**61** The company has reclassified/rearranged/regrouped previous year figures to conform to this year's classification, where necessary.

Note : Signatories to all Notes from 1 to 61

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**VINAY SIPANI**
Chief Financial Officer

**ARTI BAID**
Company Secretary

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: 30.05.2022

## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF KRYPTON INDUSTRIES LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Krypton Industries Limited("hereinafter referred to as the Holding Company") and its Subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2022 and the Consolidated Statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including summary of 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, and based on the consideration of reports of other auditor on separate financial statement of such subsidiary as was audited by the other auditor, 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 accounting principles generally accepted in India, of the consolidated State of affairs of the Group as at 31st March, 2022, of its consolidated Profitand other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit report of the other auditor referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

**Description of Key Audit Matter**

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| **Revenue Recognition**<br><br>Refer Note 33 to the Financial Statements. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. During the year ended March 31, 2022, the Group has recognised revenue amounting to Rs. 3247.73 Lakhs & Rs. 1109.46 Lakhs from domestic and overseas sales respectively. Terms of sales arrangements, including the timing of transfer of control, delivery specifications including terms in case of exports, timing of recognition of sales require significant judgment in determining revenues. The risk is, therefore, that revenue may not get recognised in the correct period or that revenue and associated profit may be misstated.<br><br>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone Ind AS financial statements. | Our audit procedures included the following:-<br><br>☞ Considering Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br><br>☞ Assessing the design and tested the operating effectiveness of internal controls related to revenue recognition.<br><br>☞ Testing samples of individual sales transaction and tracing to sales invoices, sales orders, (received from customers) and other related documents including terms and conditions, if any.<br><br>☞ Selecting sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to underlying documents.<br><br>☞ Performing analytical review of revenue to identify any unusual trends.<br><br>☞ Assessing the relevant disclosures made within the standalone Ind AS financial statements. |

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| **Inventories**<br><br>Refer Note 10 to the Financial Statements. Total Inventory as at 31.03.2022 was Rs. 1461.44 Lakhs and Finished goods of Rs. 542.64 Lakhs comprise 37.13 per cent of such inventory holdings. Total Inventories are 33.54 per cent of the total turnover of the company for FY 2021-2022. | Our audit procedures included the following:-<br><br>☞ Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls over inventories including sample based physical verification. |

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| The inventories are counted by the Group on a cyclical basis and accordingly provisions for obsolescence including revision in valuation to Net Realizable Value, if any, of inventories are assessed and recognized by the management in the financial statements based on management estimation as at the end of the reporting period. Significant degree of judgment is thereby required to assess the net realizable value of the inventories and appropriate level of provisioning for items which may be ultimately sold below cost. Such judgment includes management's expectations for future sale volumes, inventory liquidation plans and future selling prices less cost to sell.<br><br>Such high holdings, existence and valuation of inventories make it a key audit matter. | ☞ Verifying for a sample of individual products that costs have been correctly recorded.<br><br>¢ Performing a review of the provisions for inventories by examining movements in the balance during the current year;<br><br>¢ Assessing, on a sample basis, the net realizable value of inventories as calculated by management of the Group with reference to prices achieved and costs to sell after the financial year end.<br><br>¢ Assessing the relevant disclosures made within the consolidated financial statements. |

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| **Deferred Tax Asset**<br><br>Refer Note 24 to the Financial Statements. Deferred Tax Asset ('DTA') is recognized by the Group on the Unused Tax Credits and Unused Tax Losses. Total Deferred Tax Asset on such matters stand at Rs. 55.20 Lakhs as at 31.03.2022.<br><br>DTA is recognized on such unused tax losses and unused tax credits to the extent that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The risk is, therefore, that sufficient profits may not be available in the future to utilise such Deferred Tax Asset.<br><br>Such existence and recognition of Deferred Tax Asset make it a Key Audit Matter. | Our audit procedures included the following:-<br><br>☞ Updating our understanding of the identifiable causes behind occurrence of tax losses and assessing whether such causes are likely to recur.<br><br>☞ Obtaining an understanding from the management and assessing the accounting and financial estimates on the basis of which the company shall have sufficient taxable profits before expiry of unused tax losses and unused tax credits.<br><br>☞ Assessing the relevant disclosures made within the consolidated financial statements. |

**Information other than the Consolidated financial statements and Auditors' Report thereon**

The Holding Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the consolidated financial statements and our auditors' 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' Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

**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 a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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 auditors' 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.

**Other Matters**

We did not audit the financial statements of the Subsidiary whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 183.10 Lakhs as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 449.84 Lakhs, total net Loss after tax (before consolidation adjustments) of Rs. 15.58 Lakhs and net cash outflows of Rs 96.68 Lakhs for the year ended on that date, as considered in the consolidated annual financial statements. This financial statement has been audited by its respective independent auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates is based solely on the audit report of the other auditor.

The Subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by other auditor under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of its Subsidiary located outside India is based on the report of such other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated annual financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports the other auditor and the financial statements/financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, based on our audit of the Holding Company and on consideration of report of the other auditor on separate financial statement of such subsidiary as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and report of the other auditor.

(c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid Consolidated financial statements comply Ind AS specified under Section 133 of the Act.

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding 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 Holding Company's internal financial controls over financial reporting.; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statement:

(i) The Group, as detailed in Note 44 to the consolidated financial statements has disclosed the impact of pending litigations as on March 31, 2022 on its financial position in its consolidated financial statements.

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

(iv) (a) The management has represented to us that, to the best of it's knowledge and belief, as disclosed in the note 55(vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented to us that, to the best of it's knowledge and belief, as disclosed in the note 55 (vii) to the financial statements, 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; and

(c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph 2(g) (iv)(a) & (b) above, contain any material mis-statement.

(v) No dividend has been declared by the company during the period under audit and hence compliance under Section 123 of The Companies Act, 2013 is not applicable.

**2. With respect to the matter to be included in the Auditors' Report under Section 197(16):**

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **P. K. Luharuka & Co.**
Chartered Accountants
Firm Registration No.: 322020E

Place : Kolkata
Dated : The 30th Day of May, 2022

**Pradeep Kumar Luharuka**
Partner

Membership No. 055782
UDIN : 22055782AJWJOD7869

**Annexure "A" to Independent Auditors' Report On the Consolidated Financial Statements of Krypton Industries Limited for the year ended 31 March 2022**

Referred to in Clause (f) of Paragraph 1 under "Report on other Legal and Regulatory Requirements" of our report of even date to the financial statements of the company for the year ended March 31, 2022.

**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")**

We have audited the internal financial controls over financial reporting with reference to consolidated financial statements of Krypton Industries Limited (hereinafter referred to as "the Holding Company") as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on March 31, 2022.

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

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria with reference to the consolidated financial statements established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 the Holding 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 internal financial controls over financial reporting with reference to consolidated financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note 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, both applicable to an audit of Internal Financial Control, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria with reference to consolidated financial statement established by the Holding 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 P. K. Luharuka & Co.**
Chartered Accountants
Firm Registration No.: 322020E

**Pradeep Kumar Luharuka**
Partner
Membership No. 055782
UDIN : 22055782AJWJOD7869

Place: Kolkata
Dated: The 30th Day of May, 2022

## Consolidated Balance Sheet as at 31st March, 2022

| PARTICULARS | | Note No. | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non Current Assets** | | | | |
| (a) | Property, Plant and Equipment | "2" | **1,56,080.54** | 1,52,271.21 |
| (b) | Right of Use Assets | "3" | **3,259.55** | 5,319.42 |
| (c) | Capital Work -in- Progress | "4" | **-** | 7,026.19 |
| (d) | Financial Assets | | | |
| | (i) Investments | "5" | **1,202.82** | 1,050.32 |
| | (ii) Trade Receivables | | **-** | - |
| | (iii) Long Term Loans | "6" | **19,630.39** | 12,015.10 |
| | (iv) other Financial Assets | "7" | **3,562.20** | 3,965.06 |
| (e) | Non-Current Tax Assets | "8" | **5,286.05** | 5,728.20 |
| (f) | Other Non-Current Assets | "9" | **2,197.47** | 250.00 |
| | | | **1,91,219.02** | 1,87,625.50 |
| **Current Assets** | | | | |
| (a) | Inventories | "10" | **1,46,144.25** | 1,84,856.40 |
| (b) | Financial Assets | | | |
| | (i) Investments | | **-** | - |
| | (ii) Trade Receivables | "11" | **76,818.21** | 66,608.85 |
| | (iii) Cash & Cash Equivalent | "12" | **9,692.56** | 21,426.07 |
| | (iv) Bank Balances other than (iii) above | "13" | **5,552.48** | 6,201.96 |
| | (v) Short Term Loans | "14" | **2,290.21** | 3,751.47 |
| | (vi) Other Financial Assets | "15" | **3,136.48** | 7,916.96 |
| (c) | Current Tax Assets | "16" | **36,845.38** | 30,067.21 |
| (d) | Other Current Assets | "17" | **38,033.19** | 43,205.52 |
| | | | **3,18,512.76** | 3,64,034.44 |
| | **Total Assets** | | **5,09,731.78** | 5,51,659.94 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| (a) | Equity Share Capital | "18" | **1,46,971.30** | 1,46,971.30 |
| (b) | Other Equity | "19" | **1,51,887.57** | 1,44,500.49 |
| (c) | Non-Controlling Interest | "20" | **1,760.07** | 1,920.83 |
| | | | **3,00,618.94** | 2,93,392.62 |

## Consolidated Balance Sheet as at 31st March, 2022

| PARTICULARS | Note No. | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | "21" | **47,056.24** | 55,641.11 |
| (ii) Other Financial Liabilities | | **-** | - |
| (iii) Non-Current Lease Liability | "22" | **1,959.27** | 3,724.41 |
| (b) Long Term Provisions | "23" | **6,585.74** | 6,120.61 |
| (c) Deferred Tax Liabilities (Net) | "24" | **9,384.65** | 4,522.16 |
| (d) Other Non-Current Tax Liabilities | "25" | **-** | 219.95 |
| (e) Other Non-Current Liabilities | | **-** | - |
| | | **64,985.90** | 70,228.24 |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | "26" | **64,497.48** | 1,00,919.42 |
| (ii) Trade Payables | "27" | | |
| - Total Outstanding dues of Micro & Small Enterprise | | **5,560.32** | 3,899.82 |
| - Total Outstanding dues of other than Micro & Small Enterprise | | **42,145.71** | 51,081.38 |
| (iii) Other Financial Liabilities | "28" | **20,064.92** | 17,385.49 |
| (iv) Lease Liabilities | "29" | **1,765.12** | 2,065.89 |
| (b) Other Current Liabilities | "30" | **4,901.03** | 5,576.04 |
| (c) Current Tax Liabilities (Net) | "31" | **620.28** | 3,773.43 |
| (d) Provisions | "32" | **4,572.08** | 3,337.61 |
| | | **1,44,126.94** | 1,88,039.08 |
| **Total Equity And Liabilities** | | **5,09,731.78** | 5,51,659.94 |

Summary of significant accounting policies "1"
The accompanying notes are an integral part of the financial statements.

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**ARTI BAID**
Company Secretary

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

| PARTICULARS | Note No. | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| **REVENUES** | | | |
| Gross Revenue from Operations | "33" | **4,36,044.16** | 4,25,723.38 |
| **Net Revenue from Operations** | | **4,36,044.16** | 4,25,723.38 |
| Other Income | "34" | **40,190.33** | 24,128.32 |
| Total Revenue | | **4,76,234.49** | 4,49,851.70 |
| **EXPENSES** | | | |
| Cost of Materials Consumed | "35" | **1,81,303.33** | 1,30,551.90 |
| Purchase of Stock in Trade | | **19,200.07** | 94,596.59 |
| Changes in Inventories | "36" | **7,709.44** | 14,122.79 |
| Employee Benefits Expenses | "37" | **59,365.04** | 63,559.55 |
| Power and Fuel | "38" | **8,580.27** | 8,037.37 |
| Finance Cost | "39" | **16,151.75** | 17,902.09 |
| Depreciation and Amortization | "40" | **20,444.75** | 16,014.99 |
| Other Expenses | "41" | **1,15,269.32** | 83,548.60 |
| **Total Expenses** | | **4,28,023.97** | 4,28,333.88 |
| **Profit before Exceptional Items and Tax** | | **48,210.52** | 21,517.82 |
| **Exceptional Items** | | **36,263.66** | - |
| **Profit before Tax** | | **11,946.86** | 21,517.82 |
| Tax Expenses: | "42" | | |
| Current Tax | | **-** | 3,435.60 |
| Deferred Tax | | **5,096.31** | (739.59) |
| Tax pertaining to earlier years | | **5,096.31** | 2,696.01 |
| **Profit/ (Loss) for the Year** | | **6,850.55** | 18,821.81 |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified subsquently to Profit & Loss** | | | |
| **i. Remeasurement of post -employment benefits plans** | | **(16.53)** | 95.47 |
| **ii. Tax relating to above items** | | **(4.30)** | 24.82 |
| | | **(12.23)** | 70.65 |
| **Items that will be reclassified subsquently to Profit & Loss** | | | |
| **i. Change in foreign Currency Translation Reserve** | | **381.75** | (353.70) |
| **ii. Tax relating to above items** | | - | - |
| | | **381.75** | (353.70) |
| **Total other Comprehensive Income for the year net of tax** | | **369.52** | (283.05) |
| **Total Comprehensive Income for the year** | | **7,220.07** | 18,538.76 |

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

| | Note No. | 31/03/2022 (₹ in Thousands) | 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| **Earning per Equity Share** | | | |
| **Basic & Diluted EPS (₹)** | "43" | **0.48** | 1.17 |
| **Profit for the year attributable to:** | | | |
| Owners of the Company | | **7,020.98** | 17,190.54 |
| Non-Controlling Interest | | **(170.43)** | 1,631.27 |
| **Other Comprehensive Income for the year attributable to:** | | | |
| Owners of the Company | | **366.10** | (249.65) |
| Non-Controlling Interest | | **3.42** | (33.40) |
| **Total Comprehensive Income for the year attributable to:** | | | |
| Owners of the Company | | **7,387.08** | 16,940.89 |
| Non-Controlling Interest | | **(167.01)** | 1,597.87 |

Summary of significant accounting policies "1"

The accompanying accounting notes are an integral part of the financial statements.

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**ARTI BAID**
Company Secretary

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022

## Consolidated Cash Flow Statement for the year ended 31st March, 2022

| PARTICULARS | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Profit before Tax** | **11,946.86** | 21,517.82 |
| Adjustment for : | | |
| Finance Costs | **16,151.75** | 17,902.09 |
| Unrealized Foreign exchange gain/(loss) | **185.19** | (322.10) |
| Provision for expected credit loss on receivables | **1,907.71** | 853.50 |
| Depreciation and Amortization Expenses | **15,408.32** | 16,014.99 |
| Other Income | **-** | (327.03) |
| Current Service Cost for Gratuity | **677.70** | 865.24 |
| Rental Income | **-** | (913.00) |
| Liabilities/Provisions written back | **2,292.54** | (952.79) |
| Interest Income | **(1,518.08)** | (1,351.75) |
| Profit on Sale of Assets | **(500.62)** | (29.52) |
| Net (gain)/loss on fair value changes of investments measured at FVTPL | **(152.50)** | (22.86) |
| **Operating profit before working capital changes** | **46,398.87** | 53,234.59 |
| Changes in working Capital: | | |
| Inventories | **38,712.15** | 2,725.82 |
| Trade and other Receivables | **(10,887.36)** | 5,406.19 |
| Trade and other Payables | **(7,275.17)** | 29,911.44 |
| (Increase)/Decrease in Loans | **(6,154.03)** | (883.89) |
| (Increase)/Decrease in Financial Assets | **5,832.82** | (4,431.17) |
| (Increase)/Decrease in other Assets | **(3,111.16)** | (22,292.94) |
| Increase/(Decrease) in other Financial Liabilities | **2,679.43** | 3,661.56 |
| Increase/(Decrease) in other Liabilities | **(4,048.11)** | (19,405.03) |
| Increase/(Decrease) in Lease Liabilities | **(4,084.84)** | (3,082.60) |
| Increase/(Decrease) in Provisions | **1,699.60** | 1,993.98 |
| **Cash generation from Operation** | **59,762.20** | 46,837.95 |
| Payment of Direct Taxes (net) | **-** | - |
| **Net Cash generated/ (used) - Operating Activities** | **59,762.20** | 46,837.95 |
| **B. CASH FLOW FROM INVESTMENT ACTIVITIES** | | |
| Purchase of Fixed Assets | **(17,458.00)** | (16,896.04) |
| Capital work in progress | **7,026.00** | (4,420.05) |
| Sale of Fixed Assets | **823.00** | 340.00 |
| Assets Written off | **-** | 6,621.08 |
| Transaction with Non-Controlling Interest | **(160.75)** | 1,802.66 |
| Purchase of Investments | **-** | - |
| Others | **-** | (5,387.17) |
| Rent received | **-** | 913.00 |
| Interest Received | **121.90** | 356.76 |
| **Net Cash Generated/ (Used) - Investing Activities** | **(9,647.85)** | (16,669.76) |

## Consolidated Cash Flow Statement for the year ended 31st March, 2022

| PARTICULARS | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Payment towards Lease Liability (net) | **(3,280.00)** | (768.00) |
| Repayment of Long-term Borrowings | **(8,586.86)** | 11,650.15 |
| Proceeds/ Repayment of Short-term Borrowings (Net) | **(36,422.00)** | (9,756.78) |
| Finance Cost Paid | **(13,559.00)** | (15,717.27) |
| **Net Cash Generated/ (Used) - Financing Activities** | **(61,847.86)** | (14,591.90) |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents** | **(11,733.51)** | 15,576.29 |
| Add : Opening Cash and Cash Equivalents | **21,426.07** | 5,849.78 |
| **Closing Cash and Cash Equivalents** | **9,692.56** | 21,426.07 |

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement" as specified in the Companies (Accounting Standard) Rule 2006.
2. Figures have been regrouped/ rearranged wherever necessary.

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**ARTI BAID**
Company Secretary

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022

## Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

**A. Equity Share Capital**

| | Numbers | Amount (₹ in Thousands) |
|---|---|---|
| **Equity Shares of INR 10 each issued, subscribed and fully paid** | | |
| **Balances at April 01, 2020** | 14697130 | 1,46,971.30 |
| Changes in equity Share capital during the year | - | - |
| **Balances at March 31, 2021** | **14697130** | **1,46,971.30** |
| Changes in equity Share capital during the year | - | - |
| **Balances at March 31, 2022** | **14697130** | **1,46,971.30** |

**B Other Equity** **(₹ '000)**

| Particulars | Attributable to the owners of the Company — Reserve & Surplus: Securities Premium | General Reserve | Retained Earnings | Foreign currency Translation reserve | OCI | Total Attributable to the Owners of the Company | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|
| **Balances at April 01, 2020** | **36,553.40** | **5,707.51** | **86,636.46** | **67.75** | **(1078.49)** | **1,27,886.63** | **118.16** | **1,28,004.79** |
| Profit /(Loss) for the year | - | - | 17,190.54 | - | - | 17,190.54 | 1,631.27 | 18,821.81 |
| other Adjustments: | - | - | (327.03) | - | - | (327.03) | - | (327.03) |
| Transaction with non-controlling Interest | - | - | - | - | - | - | 204.80 | 204.80 |
| Other Comprehensive Income (net of tax) for the year 2020-2021 | - | - | - | (320.30) | 70.65 | (249.65) | (33.40) | (283.05) |
| other Adjustments: | - | - | - | - | - | - | - | - |
| **Balances at March 31, 2021** | **36,553.40** | **5,707.51** | **1,03,499.97** | **(252.55)** | **(1007.84)** | **1,44,500.49** | **1,920.83** | **1,46,421.32** |
| Profit /(Loss) for the year | - | - | **7,020.98** | - | - | **7,020.98** | **(170.43)** | 6,850.55 |
| other Adjustments: | - | - | - | - | - | - | - | - |
| Transaction with non-controlling Interest | - | - | - | - | - | - | **6.25** | **6.25** |
| Other Comprehensive Income (net of tax) for the year 2021-2022 | - | - | - | **378.33** | **(12.33)** | **366.10** | **3.42** | **369.52** |
| other Adjustments: | - | - | - | - | - | - | - | - |
| **Balances at March 31, 2022** | **36,553.40** | **5,707.51** | **1,10,520.95** | **125.78** | **(1020.07)** | **1,51,887.57** | **1,760.07** | **1,53,647.64** |

The accompanying notes are an integral part of the financial statements.

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**ARTI BAID**
Company Secretary

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022

## Notes to Consolidated financial statements as at and for the year ended 31st March, 2022

### 1. Summary of Significant Accounting Policies and Other Explanatory Information

#### I. GROUP'S BACKGROUND

The Consolidated financial statements comprise of financial statements of Krypton Industries Limited ("the parent Company") and its subsidiary (collectively, the Group) for the year ended 31st March, 2022.

The Parent company is a Public Limited Company, incorporated and domiciled in India. The Registered office of the Parent Company is located at Falta Special Economic Zone, Sector - 1, Plot No. 31 & 32, P.S - Diamond Harbour, 24 Parganas South, West Bengal - 743504.

The Company's Subsidiary, namely Krypton Europe S.R.O., a limited liability Company in the Jilemnice, Nadrazní 48, Zip code- 514 01, ID Nr. 086 72 440, Czech Republic, registered with the Commercial Register with County Courtin Hradec Králové, section C, Nr. 44819.

The Group is engaged in Manufacture and Sale of Tubeless Tyres, Commode Chairs, P.U. Shoe Soles, P.U. Sandals/ Chappals and trading in Tubeless Tyres, Wheel Chairs and its accessories, Walker, Cycle Accessories, Plastic Rims, Crutches, Rollators, etc.

The consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on 30th May 2022.

#### II. BASIS OF PREPARATION:

**a) Statement in Compliance with Indian Accounting Standards (Ind AS)**

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. These financial statements are the first consolidated financial statements of the Group under Ind AS.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All figures have been rounded off to the nearest thousand, unless otherwise indicated.

**Historical cost convention**

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

- certain financial assets and liabilitiesthat are measured at fair value; and
- defined benefit plans - plan assets measured at fair value.

**Current versus non-current classificationnon:**

The Group presents all its assets and liabilities in the Consolidated balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria asset out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

## III. SIGNIFICANT ACCOUNTING POLICIES

### (a) Revenue from contract with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products or services to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products and rendering of certain services, revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods or services. There are no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

The Group recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

## Notes to Consolidated financial statements as at and for the year ended 31st March, 2022

**Customer Incentive:**

The Group usually have customer Incentive programs for their customers based on the sales from time to time. The Group grants incentive to only thosecustomers who have qualifying sales, at certain percentage of total transactionmade by them during the said periods.

**Job Work:**

The Group has entered into Job Work arrangements with big OEM's,and products are manufactured on their behalf and accordingly, the revenues from such arrangements have been recorded as part of gross revenue.

**Income from export incentives and other operating Income:**

Export incentives and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the incentive will be received. Insurance Claims are accounted to the extent the company is reasonably certain of their ultimate collection

**Interest income:**

Interest income is recorded on accrual basis.

**(b) Property, plant and equipment**

***Recognition and initial measurement:***

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are added in the asset's carrying amount/ recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost ofsuch item can be measured reliably.All other repairs and maintenance expenses are charged to the standalone statement of profit and loss in the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the consolidated statement of profit and loss.

Refer Note No. 2 to consolidated Financial Statements.

***Capital work-in-progress:***

Property, plant and equipment which are notready forintended use as on the balance sheet date are disclosed as "Capital work-in-progress".

***Subsequent measurement (depreciation and useful lives):***

Depreciation is provided on a pro-rata basis on the written down value (WDV) method based on estimated useful life prescribed under Schedule II of the CompaniesAct, 2013. Depreciation of land acquired under finance lease and leasehold improvements is provided over their respective lease period or estimated useful life whichever is shorter. Residual values, useful lives and method of depreciation of property, plant and equipment isreviewed at eachBalance Sheet date and any change in themis adjusted prospectively.

| ***Category of asset Useful life*** | |
|---|---|
| Buildings | 30 years |
| Plant and equipment (inc.Mould) | 15 years |
| Furniture and fixtures | 10 years |
| Office equipment | 3 - 5 years |
| Vehicles | 8-10 years |

Freehold land is carried at historical cost.

The Group believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Refer Note No. 2 to Consolidated Financial Statements.

***De-recognition:***

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Consolidated statement of profit and loss, when the asset is de-recognized.

***Intangible assets and Amortisation***

Acquired intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss asincurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the Statement of Profit and Loss.

Intangible assets, if any, are amortised over a period of five years under straight line method.

The amortisation period and the amortisation method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortisation period is changed accordingly.

Intangible assets under development is stated at cost which includes expenses incurred in connection with development of intangible assets in so far as such expenses relate to the period prior to getting the assets ready for use.

**(c) Government Grants**

Government grants are recognised at their fair values when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed or netted off with related expenses. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue. Grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

**(d) Financial Instruments**

**A) Financial Assets**

**Classification:** The Group classifies its financial assets in the following measurement categories depending on the Company's business modelfor managing such financial assets and the contractual cash flow terms ofthe asset.

(i) those to be measured subsequently atfair value (either through other comprehensive income, or through profit or loss), and

(ii) those subsequently measured at amortized cost.

For assets measured at fair value, gains or losses are either recorded in the statement of profit and loss or other comprehensive income. Investments in debt instruments are classified depending on the business mode lmanaging such investments.The Group re-classifies the debt investments when and only when there are a change in business model managing those assets. For investments in equity instruments recording of gains or losses shall depend on whether the Group has made an irrevocable election at the time of initial recognition to account for such equity investments at fair value through other comprehensive income.

**Measurement:** At initial recognition, the Group measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit orloss are expensed in the statement of profit and loss as and when they are incurred.

***Debt instruments***

Subsequent measurement of debt instruments depends on the Group's business model managing such debt instruments and the contractual cash flow characteristics of the instrument.There are three measurement categories into which the debt instruments are classified:

(i) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) Fair value through other comprehensive income (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 Fair value through Other Comprehensive Income (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 recognized in profit and loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.Again or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in statement of profit and lossin the period in which it arises.

*Equity instruments:* The Group classifies all its equity investments at fair value through profit and loss or at fair value through other comprehensive income basis. Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gains/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

**Impairment**:

The Group assesses the expected credit losses for its financial assets at amortized cost and FVTOCI debt instruments. Impairment methodology applied depends on whether there has been a significant increase in credit risk and the loss amount assessed depends upon past events, present conditions and future economic scenario.

In accordance with Ind AS 109: Financial instruments, the Group recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of profit and loss.

**De-recognition:**

A financial asset is de-recognized when:

(i) Contractual right to receive cash flows from such financial asset expires;

(ii) Group transfers the contractual right to receive cash flows from the financial asset; or

(iii) Group retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Where the Group has neither transferred nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group does not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in such financial asset.

**B) Financial Liabilities**

**Classification & Measurement**

Financial liabilities are classified as measured atamortised cost or FVTPL. A financial liability is classifiedas at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains andlosses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

**De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the samelender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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 or loss.

**C) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when,and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**D) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.An asset is impaired when the carrying amount ofthe asset exceeds the recoverable amount. There coverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment loss is charged to the Statementof Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised.

**(e) Measurement of Fair Values**

A number of the accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

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 takes into account 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 market participant that would use the asset in its highest and best use.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs which are unobservable inputs for the asset or liability.

**(f) Borrowings**

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months afterthe reporting period.

**(g) Borrowing costs**

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

Borrowing costs that are directly attributable to the acquisition or construction of qualifying asset are capitalized as part ofthe cost ofsuch assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use.

Transaction Costs in respect of long-term borrowings are amortised over the tenure of respective loans using Effective Interest Rate (EIR) method. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(h) Inventories**

Raw materials, packing materials, work-in-progress, stores and spares, finished goods and stock-in-trade are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost of inventories comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from the tax authorities), cost of conversion and all other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In determining the cost of manufactured finished goods and work-in-progress an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and conditions are considered. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, lessthe estimated costs of completion and the estimated costs necessary to make the sale. Adequate allowance is made for obsolete and slow moving items.

Refer Note No. 10 to Consolidated Financial Statements.

## Notes to Consolidated financial statements as at and for the year ended 31st March, 2022

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise of cash-on-hand and short-term demand deposits with banks. The Group considers it's highly liquid, short-term investments (having maturity less than three months) which can be readily converted to fixed/determinable amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents.

Refer Note No. 12 & 13 to Consolidated Financial Statements.

**(j) Foreign currency transactions**

**Transactions and balances:**

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the exchange rates prevailing on the balance sheet dates are recognized in the Consolidated statement of profit and loss.

**(k) Employee benefits expense**

**(i) Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**(ii) Post-retirement benefits**

Post-retirement benefits to employees can either be through defined contribution plans or defined benefit plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund and pension schemes. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.The Group operates a Defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and (ii) Net interest expense or income

The current and non-current bifurcation is done asper Actuarial report.

Refer Notes 23, 32, 37 and 50 to the Consolidated Financial Statements.

**(l) Leases**

**- Company as a Lessor**

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards ofownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**- Company as a Lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straightline basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

**Right-of-Use Assets (ROU Assets)**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The rights of use assets are also subject to impairment. Refer to the accounting policies in Note I.III.6 Impairment of non financial assets.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

## Notes to Consolidated financial statements as at and for the year ended 31st March, 2022

**Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Short-term Leases and Leases of Low-Value Assets**

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date anddo not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(m) Provisions, contingentliabilities and contingent assets**

**Provisions:**

Provisions are recognized when there is 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 of such obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date.

Refer Note No. 23 & 32 to consolidated Financial Statements.

**Contingent liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Refer Note No. 44 to Consolidated Financial Statements.

**Contingent assets:** Contingent assets are not recognized in the financialstatement. However when there is a virtual certainty that an inflow of resources embodying economic benefits will arise from the contingent asset, such asset and the related income is recognized in the period in which the changes occurred.

**(n) Income tax**

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rates with adjustmentsfor changesin deferred tax assets orliabilities attributable to temporary differences and unused tax losses or credits.

Current tax is calculated based on tax laws enacted orsubstantively enacted at the end of the reporting period.

Deferred tax is recognized on temporary differences arising from the tax bases of assets and liabilities and their respective carrying amounts in the consolidated financial statements at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet Date.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet 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. Unrecognized Deferred tax Assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognized in OCI or equity, deferred/current tax is also recognized in OCI or equity.

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Consolidated statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is notreasonably certain that normal income tax will be paid during the specified period.

Current tax assets and tax liabilities are off-setted where the entity has a legally enforceable right to offset and intends eitherto settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## Notes to Consolidated financial statements as at and for the year ended 31st March, 2022

**(o) Segment reporting**

As per IndAS 108: Operating Segments, the Group has identified the following operating segments:

(i) Tyre, Rims & Wheel

(ii) Footwear

(iii) Hospital Equipments

**(p) Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**(q) Earnings per share**

Basic earnings per share is computed by dividing the net profit or loss before OCI for the period by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change in the resources. For the purpose of calculating diluted earnings per equity share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet dates, the Group has no dilutive potential equity shares.

**(r) Estimation of uncertainties relating to the Global Health Pandemic from COVID-19 :**

The Group has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of COVID-19 pandemic on various elements of its financial statements.

The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. However, the eventual outcome of the impact of the COVID-19 pandemic may be different from those estimated as on the date of approval of these financial statements.

**(s) Significant Judgements and Key Sources Of Estimation In Applying Accounting Policies**

Information about significant judgements and key sources of estimation 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:

- **Recognition of Deferred Tax Assets:**

  The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- **Useful Lives of Depreciable/Amortisable Assets (Property, Plant and Equipment and Intangible Assets):**

  Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- **Extension and Termination Option in Leases:**

  Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

- **Defined Benefit Obligation (DBO):**

  Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- **Provisions and Contingencies:**

  The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS - 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- **Impairment of Financial Assets:**

  The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Allowances for Doubtful Debts:**

  The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

- **Fair Value Measurement of Financial Instruments:**

  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

## IV. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements which relate to Krypton Industries Limited and its subsidiary company, have been prepared on the following basis -

i. The financial statements of the Company and its subsidiaries are consolidated by combining like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealised profit/ loss included therein. Deferred tax, if any, has been created on temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions as per Ind AS12: Income Taxes.

ii. 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 the same reporting date as that of the parent Company, i.e., year ended on 31 March.

iii. With respect to our subsidiary domiciled out of India, assets and liabilities are translated to Indian Rupees at exchange rates prevailing at the reporting period end. Income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

Differences arising on such translation are accumulated in foreign currency translation reserve and attributed to non-controlling interests proportionately.

iv. The subsidiary companies considered in the financial statements are as follows:

| Name | Country Incorporation | % of Ownership of Interest as on March 31, 2022 | % of Ownership of Interest as on March 31, 2021 |
|---|---|---|---|
| Krypton Europe S.R.O. | Czech Republic | 90% | 90% |

**v. Non-controlling interest**

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets as at the date of acquisition. Changes in Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

### 2. Property, Plant And Equipment

Summary of cost and net carrying amount of each class of tangible assets are given below:

| | Cost | | Accumulated Depreciation | | Net Carrying Amount | |
|---|---|---|---|---|---|---|
| | **31/3/2022** | 31/03/2021 | **31/3/2022** | 31/03/2021 | **31/3/2022** | 31/03/2021 |
| | **(₹ Thousands)** | (₹ Thousands) | **(₹ Thousands)** | (₹Thousands) | **(₹ Thousands)** | (₹Thousands) |
| Freehold Land | **14,649.18** | 14,649.18 | **-** | - | **14,649.18** | 14,649.18 |
| Buildings | **88,996.80** | 82,301.23 | **18,781.30** | 17,000.22 | **70,215.50** | 65,301.01 |
| Plant and Machinery | **1,04,197.49** | 1,02,019.63 | **50,680.48** | 44,204.35 | **53,517.01** | 57,815.28 |
| Furniture and Fixtures | **9,676.56** | 8,813.79 | **4,462.62** | 3,586.91 | **5,213.94** | 5,226.88 |
| Electrical Installation | **8,748.75** | 8,748.75 | **4,953.21** | 4,266.45 | **3,795.54** | 4,482.30 |
| Office Equipment | **1,930.04** | 1,714.99 | **907.97** | 759.84 | **1,022.07** | 955.14 |
| Computers | **518.41** | 331.91 | **225.77** | 184.29 | **292.64** | 147.62 |
| Vehicles | **11,580.91** | 8,116.94 | **4,206.25** | 4,423.15 | **7,374.66** | 3,693.79 |
| | **2,40,298.14** | 2,26,696.42 | **84,217.60** | 74,425.21 | **1,56,080.54** | 1,52,271.21 |

**(a). Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31/03/2022 are as under:**

| **Cost** | As at 31/03/2021 | Additions | Other Adjustments including Disposal/Write off | As at 31/03/2022 |
|---|---|---|---|---|
| | (₹ Thousands) | (₹ Thousands) | (₹Thousands) | (₹Thousands) |
| Freehold Land | 14,649.18 | **-** | **-** | **14,649.18** |
| Buildings | 82,301.23 | **9,594.43** | **2,898.86** | **88,996.80** |
| Plant and Machinery | 1,02,019.63 | **6,659.72** | **4,481.86** | **1,04,197.49** |
| Furniture and Fixtures | 8,813.79 | **862.77** | **-** | **9,676.56** |
| Electrical Installation | 8,748.75 | **-** | **-** | **8,748.75** |
| Office Equipment | 1,714.99 | **215.05** | **-** | **1,930.04** |
| Computers | 331.91 | **186.50** | **-** | **518.41** |
| Vehicles | 8,116.94 | **4,998.70** | **1,534.73** | **11,580.91** |
| | 2,26,696.42 | **22,517.17** | **8,915.45** | **2,40,298.14** |
| Previous Year | 2,22,147.36 | 16,078.97 | 11,529.91 | 2,26,696.42 |

| **Accumulated Depreciation** | As at 31/03/2021 | Additions | Other Adjustments including Disposal/Write off | As at 31/03/2022 |
|---|---|---|---|---|
| | (₹ Thousands) | (₹ Thousands) | (₹Thousands) | (₹Thousands) |
| Freehold Land - | - | - | - | - |
| Buildings | 17,000.22 | **3,309.86** | **1,528.78** | **18,781.30** |
| Plant and Machinery | 44,204.35 | **7,291.63** | **815.50** | **50,680.48** |
| Furniture and Fixtures | 3,586.91 | **875.71** | **-** | **4,462.62** |
| Electrical Installation | 4,266.45 | **686.76** | **-** | **4,953.21** |
| Office Equipment | 759.84 | **148.13** | **-** | **907.97** |
| Computers | 184.29 | **41.48** | **-** | **225.77** |
| Vehicles | 4,423.15 | **994.88** | **1,211.78** | **4,206.25** |
| | 74,425.21 | **13,348.45** | **3,556.06** | **84,217.60** |
| Previous Year | 65,068.55 | 13,955.14 | 4,598.48 | 74,425.21 |

Note:

1 The title deeds of all the immovable properties (other than properties where the Holding Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Holding Company.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

| | | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| 3 | **Right of Use Assets** | | |
| | **As at 01st April** | **9,439.12** | 8,417.97 |
| | Additions for the Year | **-** | - |
| | Add: Other Adjustments | **-** | 1,021.15 |
| | Disposal | - | - |
| | **As at 31 March 2022** | **9,439.12** | 9,439.12 |
| | **Accumulated Depreciation** | | |
| | **As at 01st April** | **4,119.70** | 1,855.62 |
| | Charge for the Year | **2,059.87** | 2,059.85 |
| | Add: Other Adjustments | **-** | 204.23 |
| | Disposal | - | - |
| | **As at 31 March 2022** | **6,179.57** | 4,119.70 |
| | **Net Block** | | |
| | **As at 31 March 2022** | **3,259.55** | 5,319.42 |
| | Refer Note - 49 for detailed disclosure as per Ind AS-116. | | |
| 4 | **Capital Work-in-Progress:** | | |
| | **Capital WIP (Building, Plant & Machinery)** | | |
| | **Balance at the beginning of the year** | **7,026.19** | 2,606.14 |
| | Add : Additions during the year | **-** | 7,026.19 |
| | Less: Capitalisations during the year | **7,026.19** | 2,606.14 |
| | Less: CWIP written off during the year | **-** | - |
| | **Balance at the end of the year** | **-** | 7,026.19 |

Note:

i. **Ageing schedule of Capital work-in-progress (CWIP) is as below:**

| Amount in CWIP for a period of | As at 31.03.2022 | | As at 31.03.2021 | |
|---|---|---|---|---|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Less than 1 Year | - | - | 7,026.19 | - |
| 1-2 years | - | - | - | - |
| 2-3 years | - | - | - | - |
| More than 3 years | - | - | - | - |
| | - | - | 7,026.19 | - |

ii. There are no projects as on each reporting period where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

| | | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| 5 | **Investments** | | |
| | Investments (Non-Trade) | | |
| | Investments in Equity Instruments ( Unquoted) (a) | **94.00** | 94.00 |
| | Gold Coins (Desginated at Fair Value thorugh Profit & Loss) | **692.26** | 596.57 |
| | Sovereign Gold Bond (Desginated at Fair Value thorugh Profit & Loss) | **416.56** | 359.75 |
| | | **1,202.82** | 1,050.32 |

**A. Disclosure with regard to investments in bodies corporate are given below:**

| | | | Face value per Unit | As at 31/03/2022 Numbers | As at 31/03/2022 (₹ Thousands) | As at 31/03/2021 Numbers | As at 31/03/2021 (₹ Thousands) |
|---|---|---|---|---|---|---|---|
| i. | **Other Investments** **Investments in Equity Instruments (Unquoted)- (Measured at Cost)** | | | | | | |
| | Krypton Developers Limited | Others | 10 | **9,400** | **94.00** | 9,400.00 | 94.00 |
| | I Care International Private Limited | Others | 10 | **10,800** | **108.00** | 10,800 | 108.00 |
| | Less: Impairment in value of Investments | | | **-** | **(108.00)** | - | (108.00) |
| | | | | **20,200** | **94.00** | 20,200 | 94.00 |

| | | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| 6 | **Long term loans (at Authorised Cost)** | | |
| | **Long Term Loans** | | |
| | Loans to Others<br>Secured, Considered Good | - | - |
| | Loans to Others<br>Unsecured, Considered Good | **8,993.68** | 2,098.28 |
| | Loans to Related Parties<br>Unsecured, Considered Good | **10,636.71** | 9,916.82 |
| | Loans which have significant increase in Credit Risk | **-** | - |
| | Loans to Others- Credit impaired | **-** | - |
| | | **19,630.39** | 12,015.10 |

Note : There are no outstanding loans from directors or other officers of the Group either severally or jointly with any other person. Details of amount receivable from firms or private companies respectively in which any director is a partner or a director or a member are here as under:

(₹ in Thousands)

| Name | Loan amount (₹) as at 31.03.22 | Loan amount (₹) as at 31.03.21 | Terms of Repayment |
|---|---|---|---|
| Hulashchand Tarachand Bardia HUF | 6,255.77 | 5,792.38 | Interest on loan receivable @ 8% and principal amount to be paid in 2027 |
| TaraChand Estates Private Limited | 4,380.94 | 4,124.44 | |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

| | | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| 7 | **Other Financial Assets** | | |
| | Security Deposits | **1,996.45** | 1,939.31 |
| | Unsecured, Considered Good | | |
| | Loans/ Advances to Others | **1565.75** | 1565.75 |
| | Unsecured, Considered Good | | |
| | Other Receivables (Disputed) | **-** | 460.00 |
| | | **3,562.20** | 3,965.06 |
| 8 | **Non -Current Tax Assets** | | |
| | Income Tax Deducted at Source | **4,682.33** | 4518.05 |
| | Duties & Taxes | **603.72** | 1,210.15 |
| | | **5,286.05** | 5,728.20 |
| 9 | **Other Non -Current Assets** | | |
| | Capital Advances | **2,197.47** | 250.00 |
| | | **2,197.47** | 250.00 |
| 10 | **Inventories** | | |
| | Raw Materials | **51,053.71** | 59,244.00 |
| | Work -in- Progress | **11,809.95** | 13,193.16 |
| | Consumable stores | **706.70** | 1,749.48 |
| | Finished Goods | **54,264.24** | 80,906.46 |
| | Stock -in -Trade | **7,748.51** | 12,437.13 |
| | Stores & Spares | **14,108.75** | 10,368.61 |
| | Upper (Produced Raw Material) | **6,401.52** | 6,428.08 |
| | Packing Materials | **50.87** | 529.48 |
| | | **1,46,144.25** | 1,84,856.40 |

Note: Inventories are pledged against the borrowings obtained by the company as referred in Note no. 21 & 26

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

| | | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| 11 | **Trade Receivables (at Amortised Cost)** | | |
| | Trade receivables considered good - Secured | | - |
| | Trade receivables considered good - Unsecured | | |
| | | **78,751.76** | 67,632.04 |
| | Trade receivables which have significant increase in credit risk | **-** | - |
| | Trade receivables - credit impaired | **-** | - |
| | Less: Allowances for doubtful Debts | **1,933.55** | 1,023.19 |
| | **TOTAL** | **76,818.21** | 66,608.85 |

Note:

1 Trade Receivables are pledged against the borrowings obtained by the company as referred in Note no. 21 & 26

2 Ageing schedule of trade receivables is as below:

(₹ in Thousands)

| As at 31st March, 2022 Particulars | Outstanding for following periods from due date of Payment Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Undisputed Trade Receivables - considered good | 54,889.69 | 2,305.52 | 2803.51 | 2862.27 | 15890.77 | **78,751.76** |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk - | - | - | - | - | - | |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk - | - | - | - | - | - | |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| | 54889.69 | 2305.52 | 2803.51 | 2862.27 | 15890.77 | **78751.76** |

| As at 31st March, 2021 Particulars | Outstanding for following periods from due date of Payment Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Undisputed Trade Receivables - considered good | 44,307.50 | 3,214.58 | 3882.54 | 878.98 | 15348.44 | 67,632.04 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| | 44307.5 | 3214.58 | 3882.54 | 878.98 | 15348.44 | 67632.04 |

* There is no unbilled due from debtors as on 31 March 2022 (31 March 2021: nil)

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

3 There are no amount receivable from directors or other officers of the Group either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member.

| | | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| 12 | **Cash & Cash Equivalent** | | |
| | Cash on hand | **3,116.17** | 4,066.00 |
| | Balance with Bank | | |
| | Current A/c | **6,576.39** | 17,360.07 |
| | | **9,692.56** | 21,426.07 |
| 13 | **Bank Balances other than cash & cash Equivalent** | | |
| | **Bank Balances** | | |
| | Fixed Deposits maturing within 12 months | **5,552.48** | 6,201.96 |
| | | **5,552.48** | 6,201.96 |
| 14 | **Short term Loans (at Amortised Cost)** | | |
| | **Short Term Loans** | | |
| | Loans to Others | **-** | - |
| | Secured, Considered Good | | |
| | Loans to Others | **2,290.21** | 3,751.47 |
| | Unsecured, Considered Good | | |
| | Loans to Related Parties | **-** | - |
| | Unsecured, Considered Good | | |
| | Loans which have significant increase in Credit Risk | **-** | - |
| | Loans to Others- Credit impaired | **-** | - |
| | Unsecured, Considered Good | | |
| | | **2,290.21** | 3,751.47 |

Note:

1 There are no outstanding loans from directors or other officers of the Group either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member.

| | | | |
|---|---|---|---|
| 15 | **Other Financial Assets (at Amortised Cost)** | | |
| | Security Deposits | **998.47** | 63.36 |
| | *Unsecured, Considered Good* | | |
| | Other Receivables (Disputed) | **70.79** | - |
| | Loans/ Advances to Others | **1,428.13** | 1,403.13 |
| | Other Receivables (including Insurance Claim) | **-** | 6,429.53 |
| | Duty scripts | **639.09** | 20.94 |
| | | **3,136.48** | 7,916.96 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

| | | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| 16 | **Current Tax Asset** | | |
| | Duties & Taxes | **3,216.40** | 741.63 |
| | GST | **33,367.91** | 29,054.56 |
| | TCS Receivable | **18.60** | 14.14 |
| | TDS Receivable | **242.47** | 256.88 |
| | | **36,845.38** | 30,067.21 |

Note: Balances with government authorities primarily include amounts realisable from goods and servicestax,state excise authorities and transitional credit carried forward under the goods and services tax regime. These are expected to be realised within a period of one-year, by off-setting the same against the output goods and services tax liability on goods supplied by the Company. Accordingly these balances have been classified as current assets.

| | | | |
|---|---|---|---|
| **17** | **Other Current Assets** | | |
| | Advances to Suppliers | **36,065.86** | 41,686.70 |
| | Advances against Wages | **341.17** | 340.03 |
| | Prepaid Insurance/ Expenses | **1,626.16** | 1178.79 |
| | | **38,033.19** | 43,205.52 |
| **18** | **Authorized Share Capital:** | | |
| | 2,16,00,000 Equity Shares of ₹ 10 each. | **2,16,000.00** | 2,16,000.00 |
| | **Issued, Subscribed and Paid-up:** | | |
| | 1,46,97,130 Equity Shares of ₹ 10 each fully paid-up | **1,46,971.30** | 1,46,971.30 |

**A. Reconciliation of Shares outstanding at the beginning and at the end of year are given below:**

| Particulars | 2021-22 | | 2020-21 | |
|---|---|---|---|---|
| | Numbers | (₹ Thousands) | Numbers | (₹ Thousands) |
| Equity Shares outstanding at the beginning of the year | **14,697,130** | **146,971.30** | 14,697,130 | 146,971.30 |
| Add: Equity Shares Issued during the year | - | - | - | - |
| Less: Equity Shares bought back/ redeemed during the year | - | - | - | - |
| Equity Shares outstanding at the end of the year | **14,697,130** | **146,971.30** | 14,697,130 | 146,971.30 |

**B. Terms/Rights attached to Equity Shares**:

The Holding company has only one class of equity shares having a par value of ₹10 per share.Each share holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**C. Details of shareholders holding more than 5 percent shares of the Company as on reporting date are given below:**

| Particulars | As at 31/03/2022 | | As at 31/03/2021 | |
|---|---|---|---|---|
| | Numbers of Shares | Percentage of | Numbers of Shares Held | Percentage of Holding |
| Jay Singh Bardia | 1,560,226 | 10.62% | 1,560,226 | 10.62% |
| Panna Lal Bardia | 1,609,944 | 10.95% | 1,609,944 | 10.95% |

Note: Shareholding of Panna Lal Bardia includes holding of Hulashchand Tarachand Bardia (HUF) in which Panna Lal Bardia is Karta

D. Details of Promoters' shareholding in the Holding Company

| | Name of Promoter and Promoter Group | As at 31st March 2022 % change during the year | No of Shares | % of Total Shares | As at 31st March 2021 No of Shares | % of Total Shares |
|---|---|---|---|---|---|---|
| 1 | Jay Singh Bardia | 0 | 1560226 | 10.6159 | 1560226 | 10.6159 |
| 2 | Pannalal Bardia | 0 | 1122869 | 7.6401 | 1122869 | 7.6401 |
| 3 | Panna Lal Bardia | 0 | 487075 | 3.3141 | 487075 | 3.3141 |
| 4 | Vimala Devi Bardia | 0 | 282000 | 1.9187 | 282000 | 1.9187 |
| 5 | Tilok Chand Bachhawat | 0 | 126082 | 0.8579 | 126082 | 0.8579 |
| 6 | Bachhawat Tilok Chand | 0 | 103575 | 0.7047 | 103575 | 0.7047 |
| 7 | Binod Kumar Sipani | 0 | 79085 | 0.5381 | 79085 | 0.5381 |
| 8 | Suchi Bothra | 0 | 45158 | 0.3073 | 45158 | 0.3073 |
| 9 | Alka Bardia | 0 | 45000 | 0.3062 | 45000 | 0.3062 |
| 10 | Tansukh Gulgulia | (0.0068) | 25700 | 0.1749 | 26700 | 0.1817 |
| 11 | Tansukh Gulgulia | (0.0089) | 20987 | 0.1428 | 22300 | 0.1517 |
| 12 | Piyush Baid | (0.0306) | 59 | 0.0004 | 4559 | 0.031 |
| 13 | Ruchi Rampuria | 0 | 50796 | 0.3456 | 50796 | 0.3456 |
| | **Total** | **(0.0463)** | **3948612** | **26.8667** | **3955425** | **26.9130** |

E. No additional shares were alloted as a fully paid up by way of Bonus Shres or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought bck by the Holding Company during last five years.

**19 Other Equity**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| General Reserve | **5,707.51** | 5,707.51 |
| Securities Premium Account | **36,553.40** | 36,553.40 |
| Retained Earnings | **1,10,520.95** | 1,03,499.98 |
| Foreign currency translation reserve (FCTR) | **125.78** | (252.55) |
| Other Comprehensive Income | **(1,020.07)** | (1,007.84) |
| | **1,51,887.57** | 1,44,500.49 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**Nature and purpose of reserves:**

**General Reserve**

General Reserve has been created out of profits earned by the Group in the previous years. General reserves are free reserves and can be utilised in accordance with the requirements of the Companies Act, 2013.

**Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of Section 52 of the Companies Act, 2013

**Retained Earnings**

Retained Earnings are the profits that the Group has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

**Foreign currency translation reserve (FCTR)**

Exchange differences on translating the financial statements of foreign operations

**Other Comprehensive Income (OCI)**

OCI reserve includes the net gain/loss on fair value of Investments and remeasurements of defined benefits plans.

**20 Non- controlling Interest**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Balance as at the commencement of the reporting year | **1,920.83** | 118.16 |
| Add: Share of profit attributable to non-controlling interest | **(167.02)** | 1,597.87 |
| Add: Consideration paid by non-controlling interest | **-** | - |
| Add: others | **6.25** | 204.80 |
| Balance as at the end of the reporting year | **1,760.06** | 1,920.83 |

**21 Borrowings (At Amortised Cost)**

| | **Non Current Maturities** | | **Current Maturities** | |
|---|---|---|---|---|
| | **3/31/2022 (₹ Thousands)** | 3/31/2021 (₹ Thousands) | **3/31/2022 (₹ Thousands)** | 3/31/2021 (₹ Thousands) |
| Term Loans: | | | | |
| From Banks & NBFC's (Secured) | **43,001.90** | 51,139.93 | **9,448.64** | 18,661.21 |
| From Related Parties (Unsecured) (Refer Note No. 48) | **-** | - | **4,000.00** | 4,000.00 |
| From Other Parties (Unsecured) | **2,193.53** | 4,235.04 | **268.72** | 2,953.99 |
| Car Loan (Secured) | **1,860.81** | 266.14 | **809.91** | 663.34 |
| | **47,056.24** | 55,641.11 | **14,527.27** | 26,278.54 |
| The above amount includes | | | | |
| Securred Borrowings | **44,862.71** | 51,406.07 | **10,258.55** | 19,324.55 |
| Unsecured Borrowings | **2,193.53** | 4,235.04 | **4,268.72** | 6,953.99 |
| Amount disclosed under the head Short term borrowings "(Note 26)" | - | - | **(14,527.27)** | (26,278.54) |
| Net Amount | **47,056.24** | 55,641.11 | **-** | - |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

A. Car Loan from Bank of Baroda was taken during the FY 2021-22 & the loan is repayable in 60 monthly installment of ₹ 35430 inclusive of interest from the date of loan.The car loan is secured by hypothection of Kia Saltos.

B. The Car Loan from HDFC BANK was taken during the Financial Period 2021-22. The loan is repayable in 36 EMIs of ₹ 30396/-. This loan is secured by hypothecation of the Car Hyundai Venue.

C. The Car Loan from HDFC Bank was taken during the Financial Period 2020-21 and the loan is repayable in 36 EMIs of ₹ 15819/- inclusive of interest from the date of loan. This loan is secured by hypothecation of the Bolero Car.

D. The Term Loan from Kotak Mahindra Bank LTD was sanctioned during the Financial Year 2021-22 and carries floating interest rate of applicable REPO rate @4.00% plus 3.3% spread p.a. i.e 7.30% (as per Sanction Letter dated 12.01.2022) with a sanctioned Loan Amount of ₹ 392 Lakhs. The loan is repayable in 120 equatable monthly installments of amounting ₹ 461230/- starting from 10.03.2022. The term loan is secured by the Exclusive Equitable Mortgage over the entire industrial Property at Mouza - Sankua, P.S. - Ramnagar, 24 Parganas (South), Khorda, Falta P.Z. Road, J.L. No. 59 & 41, Dag No. 439, 440 & 441, including Land and Civil Structure constructed thereon, and hypothecation of Machineries procured or to be procured out of the Term Loan. Further, the loans are secured by the personal guarantee of Mr. J.S Bardia, the Managing Director of the company.

E. The Demand Loan to meet working capital requirement due to Covid19 from Bank of Baroda was sanctioned during the Financial Year 2020-21 and carries interest @ BRLLR i.e 6.85% with monthly rests (as per latest Sanction Letter dated 06.03.2021) with a Limit of ₹ 75 Lakhs. The loan is repayable in 18 installments, monthly from December, 2020 bearing Principal Amount of ₹ 4.17 Lakhs along with interest. This loan is secured by Hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days These loans are further secured by Equitable Mortgage of Leasehold Land at Falta and structure standing thereon in the name of the company together with Plant and Machinery thereon, lien on FDR, assignment of Keymen LIP. The loan is further secured by the personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated March 2021).

F. The Demand Loan to meet working capital requirement due to Covid19 from Bank of Baroda was sanctioned during the Financial Year 2020-21 and carries interest @ BRLLR plus 1% i.e 7.85% with monthly rests (as per latest Sanction Letter dated 06.03.2021) with a Limit of ₹ 175 Lakhs. The loan is repayable in 36 installments, after completion of 12 months of moratorium bearing Principal Amount of ₹ 4.86 Lakhs along with interest. This loan is secured by Hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days These loans are further secured by Equitable Mortgage of Leasehold Land at Falta and structure standing thereon in the name of the company together with Plant and Machinery thereon, lien on FDR, assignment of Keymen LIP. The loan is further secured by the personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated March 2021).

G. An unsecured Business Loan was taken from Bajaj Finserv Limited of ₹ 17.41 lakhs during FY 2017-18 for a period of 96 months and carries fixed interest @ 18% (as per sanction letter dated 28.03.2017) on payment of equitable monthly interest of ₹ 26115/- and principal due on 02.04.2025.

H. The SME Demand Loan to meet working capital requirement due to Covid-19 was taken from Magma Fincorp Limited of ₹ 9.28 lakhs during FY 2020-21 and carries interest @ 14% with monthly rest (as per sanction letter dated 03/07/2022) repayable in 48 equal monthly installments of ₹ 31717/- after completion of 12 months of moratorium from the sanction date.

I. There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

### 22 Non Current Lease Liability

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Non Current Lease Liability | **1,959.27** | 3,724.41 |
| | **1,959.27** | 3,724.41 |

### 23 Long Term Provisions

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Provision for Gratuity | **6,585.74** | 6,120.61 |
| | **6,585.74** | 6,120.61 |

### 24 Deferred Tax Liabilities

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Deferred Tax Liabilities | **14,573.63** | 12,981.78 |
| Less: Deferred Tax Assets | **5,188.98** | 8,459.62 |
| Add: Other Adjustments | **-** | - |
| **Deferred Tax Liabilities (Net)** | **9,384.65** | 4,522.16 |

| Movement in Deferred tax liabilities /(Assets) Balances | April 1, 2021 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive Income | March 31 2022 |
|---|---|---|---|---|
| **Defered Tax Liabilities** | | | | |
| Arising out of temporary difference in depreciable assets | 12,528.09 | 1,823.89 | - | 14,351.98 |
| On Remeasurements of defined benefit plans | - | - | - | - |
| On arising out of Fair Value Measurements | 341.07 | (8.64) | - | 332.43 |
| On lease liabilities (net of right of use assets) | 20.76 | (6.12) | - | 14.64 |
| Others (including Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year) | 81.39 | (217.28) | - | (135.89) |
| | **12,971.31** | **1,591.85** | **-** | **14,563.16** |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

| | | | | |
|---|---|---|---|---|
| **Deferred tax (assets):** | | | | |
| Arising out of temporary difference in depreciable assets | - | - | - | - |
| On arising out of Fair Value Measurements | 242.99 | 33.47 | - | 276.46 |
| On Remeasurements of defined benefit plans | (181.12) | (525.29) | 4.30 | (702.11) |
| On lease liabilities (net of right of use assets) | 70.19 | (19.16) | - | 51.03 |
| On account of unutilized Tax Credit | 5,094.88 | 229.52 | - | 5,324.40 |
| On account of unutilized Tax Losses | 3,195.89 | (3,000.67) | - | 195.22 |
| Others (including Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year) | 36.79 | 7.19 | - | 43.98 |
| | **8,459.62** | **(3,274.94)** | **4.30** | **5,188.98** |
| | **4,511.69** | **4,866.79** | **(4.30)** | **9,374.18** |
| Add: Other Adjustments | **10.47** | **-** | **-** | **10.47** |
| | **4,522.16** | **4,866.79** | **(4.30)** | **9,384.65** |

**Movement in Deferred tax liabilities /(Assets) Balances**

| | **April 1, 2020** | **Movement through Statement of Profit and Loss** | **Movement through Other Comprehensive Income** | **March 31, 2021** |
|---|---|---|---|---|
| **Defered Tax Liabilities** | | | | |
| Arising out of temporary difference in depreciable assets | 13594.16 | (1066.07) | - | 12,528.09 |
| On Remeasurements of defined benefit plans | - | - | - | - |
| On arising out of Fair Value Measurements | 116.84 | 224.23 | - | 341.07 |
| On lease liabilities (net of right of use assets) | - | 20.76 | - | 20.76 |
| Others (Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year ) | - | 81.39 | - | 81.39 |
| | **13711.00** | **(739.69)** | **-** | **12971.31** |
| **Deferred tax (assets):** | | | | |
| Arising out of temporary difference in depreciable assets | - | - | - | - |
| On arising out of Fair Value Measurements | - | 242.99 | - | 242.99 |
| On Remeasurements of defined benefit plans | 526.06 | (682.36) | (24.82) | (181.12) |
| On lease liabilities (net of right of use assets) | 54.49 | 15.70 | - | 70.19 |
| On account of unutilized Tax Credit | 5094.88 | - | - | 5,094.88 |
| On account of unutilized Tax Losses | 3,298.94 | (103.05) | - | 3,195.89 |
| Others (Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year ) | (489.83) | 526.62 | - | 36.79 |
| | **8484.54** | **(0.10)** | **(24.82)** | **8459.62** |
| | **5226.46** | **(739.79)** | **(24.82)** | **4511.69** |
| Add: Other Adjustments | **-** | **-** | **-** | **10.47** |
| | **5,226.46** | **(739.79)** | **(24.82)** | **4,522.16** |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**25 Non-Current Tax Liabilities (Net)**

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Duties & taxes | **-** | **219.95** |
| | - | **219.95** |

**26 Current Liabilities : Borrowings (At Amortised Cost)**

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Cash Credit (Secured) | **25,879.29** | 61,498.93 |
| Packing Credit (Secured) | **24,090.92** | 13,141.95 |
| Current Maturities of Long Term Borrowings (Refer Note 21) | **14,527.27** | 26,278.54 |
| | **64,497.48** | 1,00,919.42 |

A. The Packing Credit from Bank of Baroda has been renewed during the financial year 2020-21 and carries floating interest @ 1 Year BRLLR @6.85%+Strategic Premium (0.25%)+0.75 % p.a. i.e. 7.85% with monthly rests subject to Limit of ` 300 Lacs. The loan is secured by hypothecation of both present and future stock of Raw material, Work in progress, Finished goods, Stores and spares, Lodgement of Letter of Credit/Company Order, WTPCG of ECGC, Equitable Mortgage of Land and Building/Factory Shed. Further, the loans are secured by personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated March 2021).

B. The Cash credit from Bank of Baroda was renewed during the financial year 2020-21 with a limit ' 690.00 Lakhs and carries interest rate of 1 Year BRLLR @6.85%+Strategic Premium (0.25%)+2.85 % p.a. i.e. 9.95%at a floating rate with monthly rests. The loan is repayable as per term each along with interest, from the date of loan. This loan is secured by Hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days These loans are further secured by Equitable Mortgage of Leasehold Land at Falta and structure standing thereon in the name of the company together with Plant and Machinery thereon, lien on FDR, assignment of Keymen LIP. The loan is further secured by the personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated March 2021)

C. The Term Loan from Kotak Mahindra Bank LTD was sanctioned during the Financial Year 2021-22 and carries floating interest rate of applicable REPO rate @4.00% plus 3.3% spread p.a. i.e 7.30% (as per Sanction Letter dated 12.01.2022) with a sanctioned Loan Amount of ? 392 Lakhs. The loan is repayable in 120 equatable monthly installments of amounting ? 461230/- starting from 10.03.2022. The term loan is secured by the Exclusive Equitable Mortgage over the entire industrial Property at Mouza - Sankua, P.S. - Ramnagar, 24 Parganas (South), Khorda, Falta P.Z. Road, J.L. No. 59 & 41, Dag No. 439, 440 & 441, including Land and Civil Structure constructed thereon, and hypothecation of Machineries procured or to be procured out of the Term Loan. Further, the loans are secured by the personal guarantee of Mr. J.S Bardia, the Managing Director of the company.

D. There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**E. Details of differences between quarterly returns of current assets filed with banks in comparison with the books of accounts**

(₹ in Lakhs)

| Quarter | | Name of Bank | Particulars of Securities Provided | Amount as per Books of Accounts | Amount as reported in the quarterly reports/statement | Amount of Difference |
|---|---|---|---|---|---|---|
| i. | June 2020 | Bank of Baroda | Book debt plus Stock less Creditors | 1,470.71 | 1,439.56 | 31.15 |
| ii. | September 2020 | Bank of Baroda | Book debt plus Stock less Creditors | 1,459.85 | 1,456.92 | 2.93 |
| iii. | December 2020 | Bank of Baroda | Book debt plus Stock less Creditors | 1,344.61 | 1,336.65 | 7.96 |
| iv. | March 2021 | Bank of Baroda | Book debt plus Stock less Creditors | 1,411.58 | 1,410.95 | 0.63 |
| v. | June 2021 | Bank of Baroda | Book debt plus Stock less Creditors | 1,269.72 | 1,279.33 | (9.61) |
| vi. | September 2021 | Bank of Baroda | Book debt plus Stock less Creditors | 1,207.93 | 1,217.90 | (9.97) |
| vii. | December 2021 | Bank of Baroda | Book debt plus Stock less Creditors | 1,369.93 | 1,327.49 | 42.44 |
| viii. | March 2022 | Bank of Baroda | Book debt plus Stock less Creditors | 1,337.54 | 1,344.05 | (6.51) |

* Also above debtors doesnot include Books Debts , Stock & creditors of Sadhurhat unit as its Not pledged with Bank Of Baroda.

** Discrepancies are mainly due to provisions / accruals and reclassifications / adjustments, not considered while submitting details to the banks.

*** There is no material Difference considering size of our books of accounts. Above details Includes Debtors which due and not crossed 90 days from due date.

**27 Trade Payables (At Amortised Cost)**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Total Outstanding dues of Micro & Small Enterprise | **5,560.32** | 3,899.82 |
| Total Outstanding dues of other than Micro & Small Enterprise | **42,145.71** | 51,081.38 |
| | **47,706.03** | 54,981.20 |

Note:

a. **Ageing schedule of trade payables:**

| As at 31 March 2022 | Outstanding for following periods from transaction date | | | | |
|---|---|---|---|---|---|
| | Less than 1 years | 1-2 years | 1-3 years | More than 3 years | Total |
| i Undisputed Dues-MSME | 5548.93 | 1.88 | 9.51 | - | 5,560.32 |
| ii. Undisputed Dues- Others | 41,550.74 | 264.22 | 330.75 | - | 42,145.71 |
| iii. Disputed Dues-MSME | - | - | - | - | - |
| iv. Disputed Dues- Others | - | - | - | - | - |
| | | | | | **47,706.03** |
| Unbilled Trade Payables | | | | | **-** |
| **Total** | | | | | **47,706.03** |

| As at 31 March 2021 | Outstanding for following periods from transaction date | | | | |
|---|---|---|---|---|---|
| | Less than 1 years | 1-2 years | 1-3 years | More than 3 years | Total |
| i Undisputed Dues-MSME | 3,404.81 | 292.71 | 117.74 | 84.56 | 3,899.82 |
| ii. Undisputed Dues- Others | 50,945.23 | 10.22 | 125.93 | - | 51,081.38 |
| iii. Disputed Dues-MSME | - | - | - | - | - |
| iv. Disputed Dues- Others | - | - | - | - | - |
| | | | | | **54,981.20** |
| Unbilled Trade Payables | | | | | - |
| **Total** | | | | | **54,981.20** |

**28 Other Financial Liabilities**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Interest accured and Due | **1,979.18** | 1,459.10 |
| Interest accured but not Due | **214.62** | 298.62 |
| Security Deposit | - | - |
| Payables | | |
| For Wages & salaries | **4,716.38** | 3,680.64 |
| For Capital Advances | **139.36** | |
| For Other Expenses | **12,745.39** | 11,669.63 |
| Provision for Audit Fees | **270.00** | 277.50 |
| | **20,064.92** | 17,385.49 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**29 Current Lease Liability**

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Current Lease Liability | 1,765.12 | 2,065.89 |
| | 1,765.12 | 2,065.89 |

**30 Other Current Liabilities**

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Customers' credit balances | 4497.14 | 4995.21 |
| Statutory dues Payables | | |
| ESIC & PF Payable | 388.19 | 568.73 |
| Professional Tax Payable | 15.70 | 12.10 |
| | 4,901.03 | 5,576.04 |

**31 Current Tax Liabilities (Net)**

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| TDS | 382.86 | 300.94 |
| Duties & taxes | 7.90 | 3,472.49 |
| Provision for Taxation | 229.52 | - |
| | 620.28 | 3,773.43 |

**32 Current Provisions**

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Provision for Gratuity | 853.29 | 1,037.45 |
| Provision for Discount | 3,718.79 | 1,513.57 |
| Other Provision | - | 786.59 |
| | 4,572.08 | 3,337.61 |

| **Detailed summary of the Provisions :** | **Provision for Discount** |
|---|---|
| i. Opening balances as on 01.04.2021 | 1,513.57 |
| Add: Addition during the year | 3,718.79 |
| Less: Adjusted amount during the year | 1,513.57 |
| **Closing balance as on 31.03.2022** | **3,718.79** |
| ii. Opening balances as on 01.04.2020 | - |
| Add: Addition during the year | 1,513.57 |
| Less: Adjusted amount during the year | - |
| **Closing balance as on 31.03.2021** | **1,513.57** |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

### 33 Revenue from Operations:

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| **Sale of Products** | | |
| M.C.P. Tyres & Wheelchair parts - Outside India | **1,07,154.11** | 1,82,546.37 |
| M.C.P. Tyres & Wheelchair parts - Domestic | **1,08,467.48** | 1,26,268.49 |
| Bedding & furnishing | **-** | 602.46 |
| P.U. Shoe Sole - Domestic | **771.89** | 4,516.63 |
| P.U. Sandles - Domestic | **-** | |
| Hospital Equipments - Domestic | **692.23** | 538.63 |
| Wheel Chair & Commode Chair - Domestic | **1,99,314.61** | 85,103.66 |
| Crutch and Walking Aids - Domestic | **2,115.56** | 2,999.30 |
| Spares - Domestic | **9,326.32** | 3,646.97 |
| Spares - outside india | - | - |
| Sale of Trading Goods/Raw Materials | **4,084.86** | 17,891.27 |
| **Sale of Services** | | |
| Sale of Services - outside India | **3,791.98** | 678.64 |
| Job Work charges | - | - |
| **Other Operating Revenues** | | |
| Other Operating Income | **325.12** | 913.00 |
| Other Operating Income- Tooling Cost- Outside India | **-** | 17.96 |
| **Gross Revenue from Operations** | **4,36,044.16** | 4,25,723.38 |

**Note:**

(i) Sales are net of price adjustments settled during the year by the Company and discounts, trade incentives, VAT, Sales Tax, GST etc.

### 34 Other Income:

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Discount Received | - | 8.02 |
| Interest Income on Bank Deposits | **210.09** | 345.88 |
| Interest Income on Loan & Others | **1,307.99** | 1,005.87 |
| Gain/Loss on Sale of Duty Scripts | **-** | (52.52) |
| Gain/Loss on Sale of Assets | **500.62** | 29.65 |
| Fair Valuation of Gold through P/L | **152.50** | 22.86 |
| MEIS Scheme | **639.09** | 1,151.50 |
| Insurance Claim Received | **37,380.04** | 21,617.06 |
| | **40,190.33** | 24,128.32 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**35 Cost of Materials Consumed:**

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| **Raw Material** | | |
| Opening Stock | **59,244.00** | 45,504.04 |
| Add: Purchased | **1,83,800.49** | 1,44,291.86 |
| | **2,43,044.49** | 1,89,795.90 |
| Less: Stock Lost due to fire | **10,687.45** | - |
| Less: Closing stock | **51,053.71** | 59,244.00 |
| | **1,81,303.33** | 1,30,551.90 |

**36 Changes in Inventories:**

| | | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|---|
| **Opening Inventories** | | | |
| Finished Goods | | **80,906.46** | 93,510.93 |
| Stock-in-Trade | | **12,437.13** | 448.30 |
| Work -in- progress | | **13,193.16** | 20,118.95 |
| Upper (Produced Raw Materials) | | **6,428.08** | 13,009.44 |
| | (A) | **1,12,964.83** | 1,27,087.62 |
| **Less: Stock Lost due to fire** | | | |
| Finished Goods | | | |
| | (B) | **25,031.17** | - |
| **Less: Closing Inventories** | | | |
| Finished Goods | | **54,264.24** | 80,906.46 |
| Stock-in-Trade | | **7,748.51** | 12,437.13 |
| Work -in- progress | | **11,809.95** | 13,193.16 |
| Upper (Produced Raw Materials) | | **6,401.52** | 6,428.08 |
| | (C) | **80,224.22** | 1,12,964.83 |
| **Changes in Inventories (A-B-C)** | | **7,709.44** | 14,122.79 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**37 Employee Benefits Expenses:**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Salaries and Wages | **55022.11** | 57,821.75 |
| Contribution to Provident and other Funds | **2812.60** | 2,919.63 |
| Employee Welfare | **852.63** | 1,952.93 |
| Gratuity | **677.70** | 865.24 |
| | **59,365.04** | 63,559.55 |

**38 Power and Fuel:**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Power and Fuel | **8,580.27** | 8,037.37 |
| | **8,580.27** | 8,037.37 |

**39 Finance Costs:**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Interest Expenses | **14,434.97** | 16,015.89 |
| Other Borrowing Cost | **1,079.85** | 1,044.55 |
| Interest on ROU Assets | **636.93** | 841.65 |
| | **16,151.75** | 17,902.09 |

**40 Depreciation and Amortization Expenses:**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Depreciation and Amortization Expenses | **13,348.45** | 13,955.14 |
| Depreciation on ROU Assets | **2,059.87** | 2,059.85 |
| Impairement Adjustments | **5,036.43** | - |
| | **20,444.75** | 16,014.99 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

41 **Other Expenses:**

| | As at 31/03/2022 (₹ in Thousands) | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| **Other Expenses:** | | |
| Advertisement | **113.18** | 113.22 |
| AMC Charges | **93.02** | 83.42 |
| Consumption of Stores and Spares | **51362.45** | 26,752.86 |
| Job Work | **6440.81** | 1,437.32 |
| Repairs to Buildings | **91.05** | 136.86 |
| Repairs to Machinery | **106.96** | 33.31 |
| Other Repairs & Maintenance | **1145.83** | 985.73 |
| Rates and Taxes | **1091.86** | 1,999.86 |
| Rent | **1645.61** | 315.81 |
| Insurance | **1094.85** | 1,187.69 |
| Auditors' Remuneration - (a) | **300.00** | 300.00 |
| Delivery Charges | **-** | - |
| Freight and Forwarding Expenses (Net) | **21051.26** | 17,184.25 |
| (Gain)/ Loss on foreign currency transactions and translation (Note 45) | **1858.04** | 713.66 |
| Travelling and Conveyance Expenses | **2909.49** | 2,995.65 |
| Bank Charges | **3397.24** | 1,266.20 |
| Managerial Remuneration & Director sitting fees | **3012.00** | 3,010.00 |
| Staff /Guest Welfare | **56.16** | 7.32 |
| Interest on late payment of CST/Tax/custom duty | **63.72** | 980.46 |
| Printing and Stationery | **118.76** | 315.95 |
| Security Charges | **1304.90** | 1,342.84 |
| Telephone, Telegram and Postage | **204.75** | 385.89 |
| Petrol | **1170.36** | 425.64 |
| Vehicle Running and Maintenance Expenses | **275.24** | 505.25 |
| Sales Promotion Expenses | **2750.78** | 196.84 |
| Commission and Brokerage | **745.62** | 2,439.43 |
| Professional Fees | **3489.57** | 4,010.36 |
| Sundry Balance Written off | **2292.54** | (952.79) |
| Miscellaneous Expenses | **2339.71** | 1,395.16 |
| Discount Allowed (Net) | **1323.79** | 4,329.82 |
| GST written off | **8.03** | (1.26) |
| Postage & Telegram | **530.02** | 873.75 |
| Donation & Subscription | **199.80** | 89.39 |
| Assets written off | **-** | 6,621.08 |
| AGM Expenses | **63.19** | 14.91 |
| Allowances for Bad Debts | **1907.71** | 853.50 |
| Listing Fees | **400.00** | 418.09 |
| Provision for warranty | **311.03** | 781.12 |
| | **1,15,269.32** | 83,548.60 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**(a). Details of Auditors' Remuneration are as follows:**

| | | |
|---|---|---|
| Statutory Auditors: | | |
| Audit Fees | **250.00** | 250.00 |
| Taxation matters | **50.00** | 50.00 |
| Other Services | | |
| | **300.00** | 300.00 |

42 **Tax Expenses**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| **Current Tax** | | |
| Current Tax for the year | **-** | 3,435.60 |
| Tax adjustments for earlier years | **-** | - |
| | **-** | 3,435.60 |
| **Deferred Tax** | | |
| Deferred Tax for the year | **4,866.79** | (739.59) |
| | **4,866.79** | (739.59) |
| Deferred Tax on OCI | **(4.30)** | 24.82 |

43 **Earning per Equity Share (EPS)**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Profit for the year attributable to owners of the Company | **7020.98** | 17,190.54 |
| Weighted average number of Equity shares (Numbers) | **1,46,97,130.00** | 1,46,97,130.00 |
| Basic & diluted earnings per Share (in Rs.) | **0.48** | 1.17 |

44 **Contingent Liabilities and Commitments:**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| **Contingent Liabilities** | | |
| (a) Bank Guarantees given for WBSEB and superintending Engineering | **2213.56** | 3372.34 |
| (b) Income Tax Demands | **1990.79** | 1990.79 |
| (c) Other money for which the Company is contingently liable: | | |
| i. Letter of credit/ SBLC | **19,001.86** | 16,305.44 |

Note: The above Tax matters are lying at various appellate forums and the management is confident of succeeding in all these matters based on legal precedences and expert opinions.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

45 **Gain or Loss on Foreign Currency transaction and tranlation.**

| | **As at 31/03/2022 (₹ in Thousands)** | A at 31/03/2021 (₹ in Thousands) |
|---|---|---|
| Loss on foreign currency transactions and translation | **2706.47** | 1221.11 |
| Gain on foreign currency transactions and translation | **848.43** | 507.45 |
| **(Gain)/ Loss on foreign currency transactions and translation (Net)** | **1,858.04** | 713.66 |

46 **Segment Reporting**

**A. Primary Segment Reporting (by Business Segment):**

(a). The Company has three reportable segments viz. Tyre,Rim and Wheels, Footwear and Hospital Equipments which have been identified in line with IND AS-108 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:

(b). Inter-segment transfers are based on market rates.

(c). The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are as follows:

| | Year ended 31/03/2022 | | | | Year ended 31/03/2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Tyre, Rim & Wheel (₹ Thousands) | Footwear (₹ Thousands) | Hospital Equipments (₹ Thousands) | Total (₹Thousands) | Tyre, Rim & Wheel (₹Thousands) | Footwear (₹Thousands) | Hospital Equipments (₹Thousands) | Total (` Thousands) |
| **REVENUE** | | | | | | | | |
| Total | **5,36,876.96** | **10,089.42** | **1,64,740.28** | **7,11,706.66** | 4,88,849.95 | 8,191.97 | 85,548.61 | 5,82,590.53 |
| Inter Segment | | | | **(2,75,662.50)** | | | | (1,56,867.15) |
| Excise Duty | | | | | | | | |
| External | | | | **4,36,044.16** | | | | 4,25,723.38 |
| **RESULTS** | | | | | | | | |
| Segment Results | **52,394.75** | **(19,765.25)** | **(4,530.89)** | **28,098.61** | 56,971.63 | (12,273.72) | (5,277.99) | 39,419.92 |
| Unallocated Corporate Income | | | | **-** | | | | - |
| Unallocated corporate Expenses | | | | **-** | | | | - |
| Finance Costs | | | | **(16,151.75)** | | | | (17,902.09) |
| Tax Expenses | | | | **(5,096.31)** | | | | (2,696.01) |
| Profit for the year | | | | **6,850.55** | | | | 18,821.82 |
| **OTHER INFORMATION** | | | | | | | | |
| Assets: | | | | | | | | |
| Segment Assets | **2,99,606.22** | **1,29,149.94** | **80,975.62** | **5,09,731.78** | 3,24,547.18 | 1,54,622.59 | 72,490.17 | 5,51,659.94 |
| Unallocated Corporate Assets | | | | **-** | | | | - |
| **Total Assets** | | | | **5,09,731.78** | | | | 5,51,659.94 |
| **Liabilities:** | | | | | | | | |
| Segment Liabilities | **1,10,832.07** | **20,612.06** | **12,682.82** | **1,44,126.95** | 1,10,344.03 | 51,972.05 | 26,556.23 | 1,88,872.31 |
| Unallocated Corporate Liabilities | | | | **9,384.65** | | | | 4,522.16 |
| **Total Liabilities** | | | | **1,53,511.60** | | | | 1,93,394.47 |
| Capital Expenditure | **8,814.37** | **3,533.20** | **3,122.88** | **15,470.45** | 7,643.77 | 8,138.91 | 296.27 | 16,078.95 |
| Depreciation and Amortization | **6,509.53** | **4,401.62** | **2,437.30** | **13,348.45** | 7,553.37 | 4,009.54 | 2,392.23 | 13,955.14 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**B. Secondary Segment Reporting (by Geographical demarcation):**

(a) The secondary segment is based on geographical demarcation i.e. India and Overseas.
(b) The Company's revenue from external customers and by geographical location are follows:

| | Year ended 31/03/2022 | | | | Year ended 31/03/2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | India (₹ Thousands) | Outside India (₹ Thousands) | Export (Sez) (₹ Thousands) | Total (₹ Thousands) | India (₹Thousands) | Outside India (₹ Thousands) | Export (Sez) (₹Thousands) | Total (₹ Thousands) |
| Revenue | 3,25,098.07 | 1,10,946.08 | - | 4,36,044.16 | 2,42,480.41 | 1,83,242.97 | - | 4,25,723.38 |

**47 DISCLOSURES PURSUANT TO IND AS - 115**

(i) Revenue Disaagregation on the basis of primary geographical markets, major product lines and timing of revenue rocognition etc. is as under:-

(₹ in Thousands)

| Particulars | | For the year ended 31st March, 2022 | For the year ended 31st March 2021 |
|---|---|---|---|
| A. | **Primary geographical markets** | | |
| | Within India | **3,25,098.07** | 2,42,480.41 |
| | Outside India | **1,10,946.08** | 1,83,242.97 |
| | Total | **4,36,044.16** | 4,25,723.38 |
| B. | **Major products** | | |
| | Tyre, Rim & Wheel | **2,15,621.59** | 3,08,832.82 |
| | Footwear | **771.89** | 5,119.09 |
| | Hospital Equipments | **2,11,448.72** | 92,288.56 |
| | Sale of Trading Goods/Raw Materials | **4,084.86** | 17,891.27 |
| | Total | **4,31,927.06** | 4,24,131.74 |

C. The Company recognises revenue at a point in time. The contracts with customers are of short term duration and all sales are direct to customers.

**(ii) Contract Balances:** The following table provides information about receivables, contract assets and contract liabilities from contract with customers

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Receivables, which are included in 'Trade receivables' (Refer Note - 11) | **78,751.76** | 67,632.04 |
| Contract assets | **-** | - |
| Contract liabilities | **-** | - |
| Total (Assets - Liabilities) | **78,751.76** | 67,632.04 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

48 **Related Party Disclosures:**

**A. List of Related Parties:**

**(i). Key Managerial Personnel:**

| | | |
|---|---|---|
| a) | Managing Director | Sri Jay Singh Bardia* |
| b) | Non Executive Directors | i) Sri T.C.Bachhawat |
| | | ii) Sri Pradeep Kumar Singh |
| | | iII) Sri Ravi Prakash Pincha |
| | | Iv) Smt Vimala Devi Bardia ** |
| c) | Chief Executive Officer | Sri P.L. Bardia *** |
| d) | Chief Financial Officer | CA Vinay Sipani |
| e) | Company Secretary | CS Arti Baid |

* Sri Jay Singh Bardia is related to Smt Vimala Devi Bardia, Non-Executive Director and Sri P.L. Bardia, Chief Executive Officer of the Company.

** Smt Vimala Devi Bardia is related to Sri Jay Singh Bardia, the Managing Director of the Company and Sri P.L.Bardia, the Chief Executive Officer of the Company

*** Sri P.L.Bardia is related to Sri Jay Singh Bardia, the Managing Director of the Company and Smt Vimala Devi Bardia, Non-Executive Director of the Company.

**(ii). Related to Key Managerial Personnel:**

| | | |
|---|---|---|
| a) | Others | i) Sri K.L. Bardia |
| | | ii) Hulashchand Tarachand Bardia HUF |
| | | iii) Tarachand Estates Pvt Ltd. |

B. Disclosure of transactions between the Company and Related Parties during the year in the ordinary course of business and status of outstanding balances at year end:

| | **i. KEY MANAGERIAL PERSONNEL** | **For the year ended 31.03.2022 (₹Thousand)** | **For the year ended 31.03.2021 (₹Thousand)** |
|---|---|---|---|
| (a). | Remuneration to Key Managerial Personnel: | | |
| | Managing Director | **3,000.00** | 3,000.00 |
| | Non Executive Directors | **12.00** | 10.00 |
| | Chief Executive Officer | **2,400.00** | 2,400.00 |
| | Chief Financial Officer | **1,415.20** | 1,415.20 |
| | Company Secretary | **675.00** | 568.87 |
| | | **7,502.20** | 7,394.07 |
| (b). | Remuneration to Related Parties: | | |
| | i Digvijay Singh Bardia, Relative of Mr.Jay Singh Bardia, MD & Mr. Pannalal Bardia, CEO | **600.00** | 600.00 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**ii. OTHERS**

| | Year ended 31st March, 2022 | | | Year ended 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | Sri K. L. Bardia | Hulashchand Tarachand Bardia HUF | Tarachand Estate Pvt Ltd. | Sri K.L. Bardia | Hulashchand Tarachand Bardia HUF | Tarachand Estate Pvt Ltd. |
| | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) | (₹Thousands) |
| **Transactions held:** | | | | | | |
| Interest and Dividend taken | **-** | **463.39** | **285.00** | - | 526.58 | 246.05 |
| Rent given - | **420.00** | **-** | **-** | 240.00 | - | |
| Security given | **-** | **-** | **-** | - | - | - |
| Loans, Advances and Deposits given | **-** | **-** | **-** | 1,468.30 | 83.46 | - |
| Loans, Advances and Deposits received | **-** | **-** | **-** | - | - | 150.00 |
| **Outstanding Balances :** | | | | | | |
| Loans, Advances and Deposits given | **-** | **6,255.77** | **4,380.94** | - | 5,792.38 | 4,124.43 |
| Loans, Advances and Deposits taken (inclusive of interest) | **4,000.00** | **-** | **-** | 5,000.00 | - | - |

Note: Terms & Conditions of Transcations with related parties: Purchase and Sales from/to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transaction with other vendors.

49. **Disclosure pursuant to IND AS-116- Lease**

a) In accordance with IND AS-116 Right of use assets (ROU Assets) stand at ₹ 3259.55 and a corresponding lease liabilty of ₹ 3724.39 has been recognised in the Balance Sheet. The changes in the carrying value of right of use assets for the year ended 31st March, 2022 are disclosed in Note 3.

b) "In the statement of profit and loss for the current year, rent expenses which was earlier recognised under other expenses is now recognised as depreciation of right of use assets and interest on lease liabilities“under finance cost. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The total cash outflows for the year ended 31st March, 2022 is ₹ 3280.00 (₹000)."

**Expenses recognised in Statement of Profit & Loss Account:**

| **Particulars** | **31/03/2022** | **31/03/2021** |
|---|---|---|
| **Finance Cost** | | |
| Interest Expenses on Lease Liability | 636.93 | 841.65 |
| **Depreciation** | | |
| Depreciation on ROU Assets | 2,059.87 | 2,059.85 |

c) The weighted average incremental borrowing rate of 11% has been applied to lease liabilities recognised in the balance sheet.

d) As per the requirement of Ind AS-107, maturity analysis of lease liabilities have been shown under maturity analysis for financial liabilities under liquidity risk (Refer Note 52).

e) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are suffi cient to meet the obligation related to lease liabilities as and when they fall due.

50 **Disclosure in accordance with Ind AS-19 on employee benefits expense**
**Gratuity and other Post-employment benefits plan:**

The Holding Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The Holding Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/ separation. This is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Post - retirement benefit plans .

| | | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | | Gratuity | Gratuity |
| I. | **Expenses recognised in the Statement of Profit & Loss** | | |
| | 1 Current sevice Cost | **677.70** | 865.24 |
| | 2 Past Service Cost * | **-** | - |
| | 3 Interest Cost | **486.75** | 461.24 |
| | 4 Expected Return on Plan Assets | - | - |
| | 5 Total | **1,164.45** | 1,326.48 |
| | **Expenses recognised in OCI** | | |
| | 6 Actuarial (Gain) / Losses | **16.53** | (95.74) |
| | 7 Total Expenses | **1,180.98** | 1,230.74 |
| | Note: * Past Service Cost aries due to Increase in Gratuity Ceiling from Rs. 10,00,000/- to Rs. 20,00,000/-. | | |
| II. | **Net Assets /Liability recognised in the Balance Sheet** | | |
| | 1 Present Value of defined Benefit Obligations | **10,324.26** | 12,530.09 |
| | 2 Fair Value of Plan Assets | **2,885.22** | 5,372.04 |
| | 3 Net Assets/ Liabilities | **(7,439.04)** | (7,158.05) |
| III | **Changes in Obligations during the year** | | |
| | 1 Present Value of Defined Benefit Obligation at the beginning of the year | **12,530.09** | 12,738.81 |
| | 2 Current Service Cost / Plan amendments | **677.70** | 865.24 |
| | 3 Interest Cost | **852.05** | 840.76 |
| | 4 Benefits Paid | **(3570.21)** | (1638.58) |
| | 5 Actuarial (Gains) / Losses | | |
| | Arising from changes in experience | **196.80** | (41.96) |
| | Arising from changes in demographic assumptions | **-** | - |
| | Arising from changes in financial assumptions | **(362.17)** | (234.18) |
| | 6 Total | **(2,205.83)** | (208.72) |
| | 7 Present Value of Defined Benefit Obligation at the end of the year | **10,324.26** | 12,530.09 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

| | | | |
|---|---|---|---|
| IV. | **Change in the Fair Value of Plan Assets during the year** | | |
| | 1 Plan assets at the beginning of the year | **5,372.04** | 5,750.26 |
| | 2 Expected return on plan assets / Investment Income | **183.39** | 198.86 |
| | 3 Contribution by employer | **900.00** | 1,061.50 |
| | 4 Actual Benefits Paid | **(3,570.21)** | (1,638.58) |
| | 5 Actuarial Gains / (Losses) | **-** | - |
| | 6 Plan assets at the end of the year | **2,885.22** | 5,372.04 |
| | 7 Actual return on Plan Assets | **-** | - |
| V | **The major categories of plan assets as a percentage of the fair value of total plan assets** | | |
| | Investments with Insurer | **100%** | 100% |
| VI | **Actuarial Assumptions** | | |
| | **Financial Assumptions** | **31.03.2022** | 31.03.2021 |
| | Discount Rate | **7.20%** | 6.80% |
| | Expected rate of return on plan assets | **0** | 0 |
| | **Demographic Assumptions** | | |
| | Mortality Rate (% of IALM 06-08) | **100%** | 100% |
| | Normal Retirement Age | **58 years** | 58 years |
| | Attrition Rates, based on age (% p.a. for all age) | **2.00** | 2.00 |
| VII | The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market | **5% p.a** | 5% p.a |
| VIII | **Contribution to Provident and Other Funds includes** Rs. 28.13 lacs (2020-21 - Rs. 29.20 lacs ) paid towards Defined Contribution Plans | | |
| IX | **Maturity profile of the defined benefit obligation** | | |
| | Weighted average duration of the defined benefit obligation | **9 years** | 10 years |
| | Expected benefit payments for the year ending | | |
| | Not later than 1 year | **853.29** | 1037.45 |
| | Later than 1 year and not later than 5 years | **3994.16** | 4317.86 |
| | Later than 5 year and not later than 10 years | **4419.20** | 4829.56 |
| | More than 10 years | **13134.47** | 17009.3 |
| X | **Amounts for the current and previous two periods are as follows :** | | |
| | Gratuity | **31.03.2022** | 31.03.2021 |
| | Defined Benefit Obligation | **10,324.26** | 12,530.09 |
| | Plan Assets | **2,885.22** | 5,372.04 |
| | Surplus / (deficit) | **(7,439.04)** | (7,158.05) |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

XI The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

| | 31-Mar-22 | | 31-Mar-21 | |
|---|---|---|---|---|
| Assumptions | Discount rate (a) | | Discount rate (a) | |
| Sensitivity level | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| Impact on Gratuity liability | (817.95) | 947.91 | (1,070.08) | 1,247.27 |
| Assumptions | Future salary increases (b) | | Future salary increases (b) | |
| Sensitivity level | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| Impact on Gratuity liability | 957.72 | (862.66) | 1,268.49 | (1,122.43) |

### 51 Disclosure on Financial Instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

**a. Financial Asset and Liabilities (Non current and current)**

| Particulars | As at 31st March 2022 | | | As at 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | Fair value through statement of profit and loss | Fair value through other comprehensive income | Amortised cost | Fair value through statement of profit and loss | Fair value through other comprehensive income | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| Equity instruments | **94.00** | - | - | 94.00 | - | - |
| Gold | **692.26** | - | - | 596.57 | - | - |
| Soverign Gold Bond | **416.56** | - | - | 359.75 | - | - |
| Loans - | - | **21920.60** | - | - | 15766.57 | - |
| Trade receivabl | - | **76818.21** | - | - | 66608.85 | - |
| Cash and cash equivalents | - | - | **9692.56** | - | - | 21426.07 |
| Other bank balances | - | - | **5552.48** | - | - | 6201.96 |
| Other financial assets | | | | | | |
| Other deposits, advances & receivables | - | - | **6698.68** | - | - | 11882.02 |
| **Total financial assets** | **1202.82** | - | **120682.53** | 1050.32 | - | 121885.47 |
| **Financial liabilities** | | | | | | |
| Borrowings (including current maturities) | - | - | **1,11,553.72** | - | - | 1,56,560.53 |
| Lease liabilities | - | - | **3,724.39** | - | - | 5,790.30 |
| Trade payables | - | - | **47706.03** | - | - | 54981.20 |
| Other financial liabilities | | | | | | |
| Interest accrued but not due on borrowings | - | - | **214.62** | - | - | 298.62 |
| Interest accrued but due on borrowings | - | - | **1,979.18** | - | - | 1,459.10 |
| Employee related liabilities | - | - | **4716.38** | - | - | 3680.64 |
| Security deposits and others | - | - | **13,154.75** | - | - | 11,947.13 |
| **Total financial liabilities** | - | - | **183049.07** | - | - | 234717.52 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

Note i) These investments in Gold are not held for trading. Upon application of IndAS - 109 - Financial Instruments, the Group has chosen to measure the investments in Gold at FVTPL as the management believes that presenting fair value gains and losses relating to these investments in the standalone statement of profit and loss is a proper disclosure by the Company.

ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, advance to manufacturing units, trade payables and other financial liabilities approximate the carrying amount largely due to short term maturity of these instruments.In relation to Trade Receivables, however, impairement loss based on historically obseved default rates has been provided for and carrying of Trade Receivables has been reduced by this amount. For long-term borrowings at fixed/floating rates, management evaluatesthat their fair value will not be significantly different from the carrying amount.

**b. Fair Value hiearchy**

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

- Level 1: quoted prices (unadjusted) in active markets for financial instruments -

  Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For assets and liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

Financial Asset and Liabilities (Non current and current)

| Particulars | As at 31st March 2022 | | | As at 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | LEVEL I | LEVEL II | LEVEL III | LEVEL I | LEVEL II | LEVEL III |
| **Financial assets** | | | | | | |
| **i. Measurement at amortised cost** | | | | | | |
| Loans | - | - | **21,920.60** | - | - | 15,766.57 |
| Trade receivables | - | - | **76,818.21** | - | - | 66,608.85 |
| Cash and cash equivalents | - | - | **9,692.56** | - | - | 21,426.07 |
| Other bank balances | - | - | **5,552.48** | - | - | 6,201.96 |
| Other financial assets | | | - | | | |
| Other deposits, advances & receivables | - | - | **6,698.68** | - | - | 11,882.02 |
| **Sub total** | - | - | **1,20,682.53** | - | - | 1,21,885.47 |
| **ii. Measured at fair value through profit or loss** | | | | | | |
| Investments | | | | | | |
| Equity instruments | - | **94.00** | - | - | 94.00 | - |
| Gold | **692.26** | - | - | 596.57 | - | - |
| Soverign Gold Bond | **416.56** | - | - | 359.75 | - | - |
| **Sub total** | **1108.82** | **94.00** | - | 956.32 | 94.00 | - |
| **Total financial assets** | **1108.82** | **94.00** | **1,20,682.53** | 956.32 | 94.00 | 1,21,885.47 |
| **Financial liabilities** | | | | | | |
| **i. Measurement at amortised cost** | | | | | | |
| Borrowings (including current maturities) | - | - | **1,11,553.72** | - | - | 1,56,560.53 |
| Lease liabilities | - | - | **3,724.39** | - | - | 5,790.30 |
| Trade payables | - | - | **47,706.03** | - | - | 54,981.20 |
| Other financial liabilities | | | - | | | - |
| Interest accrued but not due on borrowings | - | - | **214.62** | - | - | 298.62 |
| Interest accrued but due on borrowings | - | - | **1,979.18** | - | - | 1,459.10 |
| Employee related liabilities | - | - | **4,716.38** | - | - | 3,680.64 |
| Security deposits and others | - | - | **13,154.75** | - | - | 11,947.13 |
| **Total financial liabilities** | - | - | **1,83,049.07** | - | - | 2,34,717.52 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**52 Financial Risk Management Objectives and policies**

The Group's financial liabilities comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents, investments and deposits. The Group's also holds investments in Gold and Sovereign Gold Bond..

The Group's has a Risk Management Committee that ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company. The Board of Directors also review these risks and related risk management policy.

The market risks, credit risks and Liquidity risks are further explained below:

**1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTOCI investments, trade payables, trade receivables, etc.

**a. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities. Such foreign currency exposures are not hedged by the Group. The Group has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Group.

| **Foreign Currency Risk:** | **Year Ended 31/03/2022** | | Year Ended 31/03/2021 | |
|---|---|---|---|---|
| | **( USD '000)** | **(₹ Thousands)** | ( USD '000) | (₹ Thousands) |
| In USD | | | | |
| Trade Receivables & Advances | 101.3162 | 7,680.49 | 86.1152 | 6,329.87 |
| Trade Payables & Advances | 473.474 | 35,892.69 | 593.995 | 43,661.42 |

**b. Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in USD/Euro exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group exposure to foreign currency changes for all other currencies is not material.

| **Particulars** | **31.03.2022 Gain /(Loss)** | **31.03.2021** Gain /(Loss) |
|---|---|---|
| INR appreciates by 5% | **(1,410.63)** | (1,866.56) |
| INR Depreciates by 5% | **1,410.63** | 1,866.56 |

**c. Commodity Price Sensivity**

The Group's Investment in Gold is suspectible to market price risk arising from uncertainity about future prices of Gold. The following table shows the effect on price changes in Gold Investments.

| Particulars | **31.03.2022 Gain /(Loss)** | 31.03.2021 Gain /(Loss) |
|---|---|---|
| Gold Rate appreciates by 5% | 34.61 | 29.82 |
| Gold Depreciates by 5% | (34.61) | (29.82) |

**2 Liquidity Risk**

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they become due. The Group monitors its risk by determining its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs. The Group manages its liquidity risk in a manner so as to meet its normal fi nancial obligations without any signifi cant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversifi ed funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fi xed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be used as and when required; such credit facilities are reviewed at regular basis.

a. **Maturity analysis for financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date -

(Rs. in thousands)

| Particulars | **On demand** | **0 to 6 Months** | **More than 6 months to 1 year** | More than 1 year | **Total** |
|---|---|---|---|---|---|
| **As at 31st March, 2022** | | | | | |
| **Non-derivative** | | | | | |
| Borrowings (including current maturities) (Refer Note - 21 & 26) | 25,879.29 | 29,354.56 | 9,263.64 | 47,056.24 | **1,11,553.72** |
| Lease liabilities (Refer Note - 22 & 29) | - | 882.56 | 882.56 | 1,959.27 | **3,724.39** |
| Trade payables (Refer Note - 27) | - | 47,706.03 | - | - | **47,706.03** |
| Other financial liabilities (Refer Note -28) | - | 20,064.92 | - | - | **20,064.92** |
| | **25,879.29** | **98,008.07** | **10,146.20** | **49,015.51** | **1,83,049.07** |
| As at 31st March, 2021 | | | | | |
| Non-derivative | | | | | |
| Borrowings (including current maturities) (Refer Note - 21 & 26) | 61,498.93 | 22,804.23 | 16,616.27 | 55,641.11 | 1,56,560.53 |
| Lease liabilities (Refer Note - 22 & 29) | - | 1,032.95 | 1,032.95 | 3,724.41 | 5,790.30 |
| Trade payables (Refer Note - 27) | - | 54,981.20 | - | - | 54,981.20 |
| Other financial liabilities (Refer Note -28) | - | 17,385.49 | - | - | 17,385.49 |
| | 61,498.93 | 96,203.86 | 17,649.21 | 59,365.52 | 2,34,717.52 |

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

**3 Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's is exposed to credit risk from its operating activities (primarily trade receivables).

**a. Trade receivables**

A significant part of the Group's sales are under the 'cash and carry' model which entails no credit risk. For others, an impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The Group has evaluated the concentration of risk with respect to trade receivables as low, as its customers are from several industries.

**ECL Movement Sheet**

| **Particulars** | Amount (₹000) |
|---|---|
| Opening Balance of ECL as on April 01, 2021 | 1023.19 |
| Add: Created During the Year | 1907.71 |
| Less: Adjusted during the year | 997.35 |
| **Closing balances of ECL as on March 31, 2022** | **1933.55** |

**53 Capital Management**

The Group's objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.

**54 MSME DISCLOSURE in MSME FORMAT**

Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22 to the extend that Group has received intimation from suppliers regarding their status under the Act.

| **Detail Of Dues to Micro and Small Enterprises as Defined under MSMED Act, 2006:** | **2021-22** | **2020-21** |
|---|---|---|
| a) Principal and interest amount remaining unpaid | | |
| Principal | 5560.32 | 3899.82 |
| Interest | - | - |
| b) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year. | - | - |
| c) The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year. | - | - |
| d) The amount of interest due and payable for the | | |

| | | | |
|---|---|---|---|
| | 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. | | |
| e) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | | |
| f) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006. | - | - |

"The Group is continously taking necessary steps for receiving intimations from suppliers regarding the status under the Micro, Small & Medium Enterprises Development Act, 2006 and disclosures relating to amounts unpaid as at the year end along with interest paid or payable, if any, as required under the said Act have been given on the basis of such intimation received till year end.

**55 OTHER REGULATORY INFORMATION**

i. The Group has not been declared wilful defaulter by any bank or financial institution or lender in the financial year 2020-21 and financial year 2021-22.

ii. The Group does not have any Benami Property. Further, No proceedings has been initiated or pending against the Group in the financial year 2020-21 and financial year 2021-22 for holding any benami property under the "Benami Transactions (Prohibition)Act, 1988 (45 of 1988) and rules made thereunder.

iii. "The Group has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms "or period of repayment to promoters, directors, KMPs and the related parties."

iv. The Group does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

v. The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

vi. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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

vii "The Group has 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's 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"

viii. The Group does not have any transaction which 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.

ix. The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

x. The Group has not filed any Scheme of Arrangements in terms of Sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.

xi. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**56 Significant Accounting Judgements, Estimates & Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Group's based its assumptions and estimates on parameters available when the financial statements were prepared and are reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures. Information about critical judgements in applyingaccounting policies, as well as estimates and assumptions that have the most significant effect on the financial statements is as follows:

**a) Employee benefit plans**

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details refer Note 50.

**b) Fair value measurement**

When the fair values of financials assets and financial liabilities recorded in the standalone balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**c) Classification of leases:**

Refer note 1.III (l) for details.

**d) Recognition of deferred tax assets:**
Refer note 1.III (n) for details.

**e) Provision for litigations and tax disputes**

The likelihood of outcome of litigations and tax disputes are estimated by the management based on past experiences, legal advice, other public information etc. For further details, refer Note 44.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2022

57 The Group is periodically monitoring the situation arising due to COVID-19 pandemic considering both internal and external information available upto the date of the approval of these financial statements and has assessed the recoverability of the carrying value of its assets as at 31st March, 2022. Based on the assessment, the Company does not anticipate any material impact on these financial statements.

58 Fire had occurred in our Tyre Div/Unit of the Holding Company situated at Falta Special Economic Zone (FSEZ), Plot no, 31 & 32, Sector-1, 24 Parganas (South), West Bengal-743504 on 11th April, 2021 around 2.00 PM leading to extensive damage to the factory.The holding Company have received the final insurance claim of Rs. 373.80 Lakhs against loss due to fire incident occurred in our Tyre Div/Unit situated at Falta Special Economic Zone (FSEZ), Plot no. 31 & 32, Sector-1, 24 Parganas (South), West Bengal-743504 on 11th April, 2021.

59 The Group has reclassified/rearranged/regrouped previous year figures to conform to this year's classification, where necessary.

Note : Signatories to all Notes from 1 to 59

**JAY SINGH BARDIA**
Managing Director
(DIN : 00467932)

**VINAY SIPANI**
Chief Financial Officer

**PRADEEP KUMAR SINGH**
Director
(DIN : 00386800)

**ARTI BAID**
Company Secretary

In terms of our attached report of even date
For **P. K. LUHARUKA & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Registration No.322020E**

**PRADEEP KUMAR LUHARUKA**
**PARTNER**
Membership No.055782

Place: Kolkata
Dated: The 30th Day of May, 2022