



## **KRANTI INDUSTRIES LIMITED**

Date: August 17, 2024

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

Scrip Code: 542459  
Scrip Symbol: KRANTI

**Subject: Submission of 29<sup>th</sup> Annual Report of the Company for the Financial Year 2023-24.**

Dear Sir/Madam,

We wish to inform that pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time, we are hereby submitting the 29<sup>th</sup> Annual Report of the Company for the financial year 2023-24.

This is for your information and records.

Thank You.

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

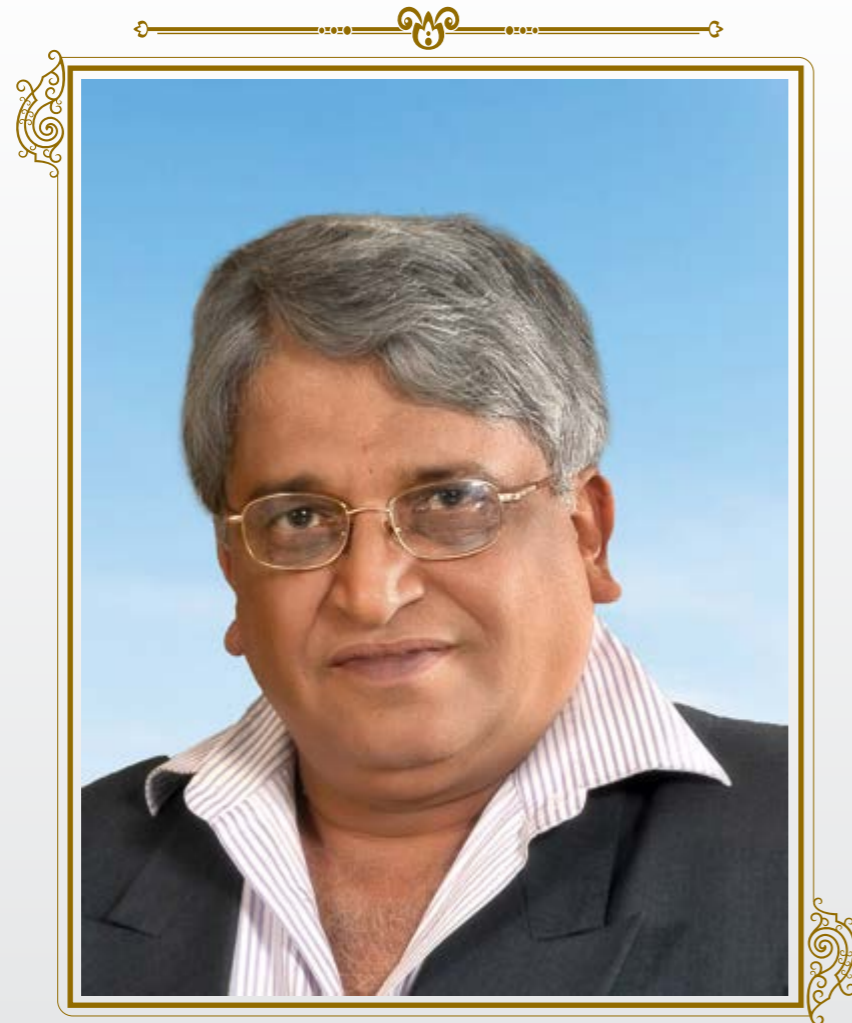
**SHRADDHA NANDKUMAR PHULE**  
(Company Secretary & Compliance Officer)  
Membership No: A67126



# Building a Sustainable Platform



## Founder



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

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

## Contents

### 01-43 Corporate Overview

|       |   |
|-------|---|
| 2-3   | Building a Sustainable Platform           |
| 4-5   | About Us                                  |
| 6-7   | From the Chairman's Desk                  |
| 8-10  | From the Desk of Director - Operations    |
| 11    | Corporate Information                     |
| 12-13 | Board of Directors Profile                |
| 14-15 | Established and Competent Leadership Team |
| 16-17 | Vision, Mission and Strategic Pillars     |
| 18-19 | Key Product Offerings                     |
| 20-21 | Our Journey of Building and Balancing     |
| 22-23 | Awards                                    |
| 24-25 | Value Creation Model                      |
| 26-43 | A sneak-peak into our 6 Capitals          |

### 43-101 Statutory Reports

|         |   |
|---------|---|
| 44-55   | Management Discussion and Analysis Report |
| 56-71   | Board Report                              |
| 72-101  | Annexure to the Board Report              |
| 72-75   | Secretarial Audit Report                  |
| 76      | Compliance Certificate                    |
| 77      | Declaration by Managing Director          |
| 78-97   | Corporate Governance Report               |
| 98-99   | Disclosure under Section 197              |
| 100-101 | Form No. AOC 1                            |

### 102-219 Financial Sections

|         |  |
|---------|--|
| 102-111 | Standalone Independent Auditor's Report        |
| 112     | Standalone Balance Sheet                       |
| 113     | Standalone Statement of Profit and Loss        |
| 114-115 | Standalone Statement of Cash Flow              |
| 116-117 | Standalone Statement of Changes in Equity      |
| 118-159 | Notes to the Standalone Financial Statements   |
| 160-165 | Consolidated Independent Auditor's Report      |
| 166     | Consolidated Balance Sheet                     |
| 167     | Consolidated Statement of Profit and Loss      |
| 168-169 | Consolidated Statement of Cash Flow            |
| 170-171 | Consolidated Statement of Changes in Equity    |
| 172-219 | Notes to the Consolidated Financial Statements |
| 220-247 | Notice, Attendance Slip and Proxy Form         |

## About the Report



### Reporting Approach

As a foundational document, this Report comprehensively outlines business sectors and methodologies, offering insights into economic, social, and environmental dimensions. It is aligned with our business strategy, describing material issues that shape our capability to foster sustainable value creation.



### Reporting Scope and Boundary

This Report adopts a comprehensive approach, providing data for the fiscal year ending March 31, 2024. It succinctly summarizes information across all business segments in which we operate, highlighting their contributions to value creation over the short, medium, and long terms.



### Reporting Frameworks

In preparing this Report, we adhered to the principles of Integrated Reporting Framework, which are designed to meet the requirements of our diverse stakeholders. The statutory reports, including the Directors' Report, Management Discussion and Analysis (MD&A) section, and the Corporate Governance Report, comply with the Companies Act, 2013, and the prescribed Secretarial Standards.



### Leadership Accountability

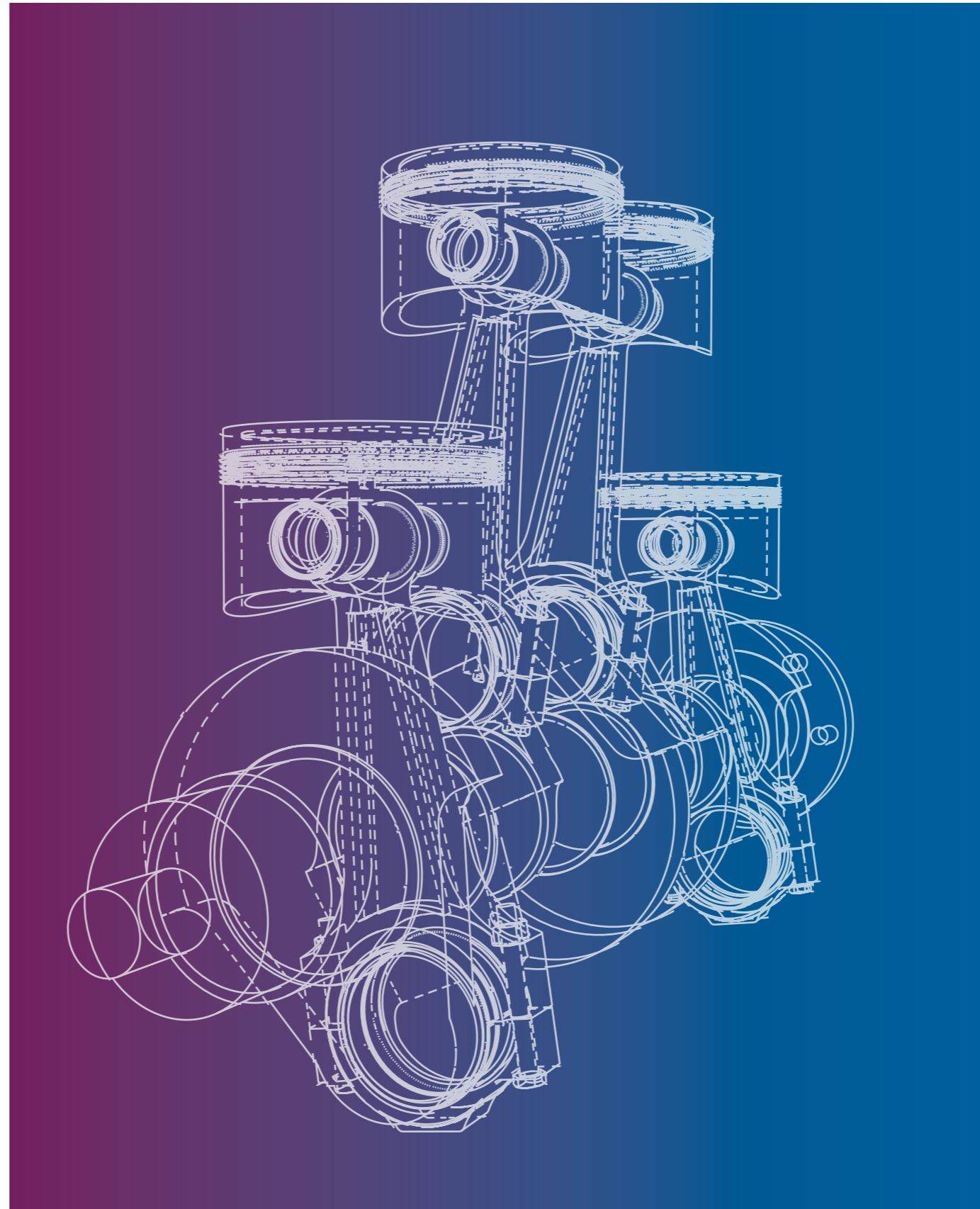
The content of this Report has been reviewed by the senior management of our Company, under the supervision of the Managing Director. The Board members have provided essential governance oversight throughout the process.



## Building a Sustainable Platform

Kranti Industries' enduring success is underpinned by a robust strategic framework that drives our operations and corporate culture. For over four decades, Kranti Industries has been a driving force in India's manufacturing landscape. Our legacy, built on a foundation of quality and customer satisfaction, is now being propelled forward by a new generation, infusing innovation into our core principles. This dynamic blend of experience and proactive thinking is at the heart of our journey towards **building a sustainable platform.**

Our core values of benchmarking quality standards and customer satisfaction backed by our strong in-house manufacturing and Engineering capabilities is



more than just a statement; it is the cornerstone of our operations. As we continue to invest in our people, processes, and technology, we are not only strengthening our competitive edge but also creating a lasting impact on the industry and the environment. Our state-of-the-art Smart Factory enables us to deliver precision-engineered components that power the automotive sector, while our resilient spirit drives us to overcome challenges and seize opportunities. With unwavering commitment to sustainability, safety, and innovation we are already witnessing promising signs of growth and **Building a Sustainable Platform.**

# About Us

## Enduring Sustainability

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

*We shall endure and grow our business sustainably.*

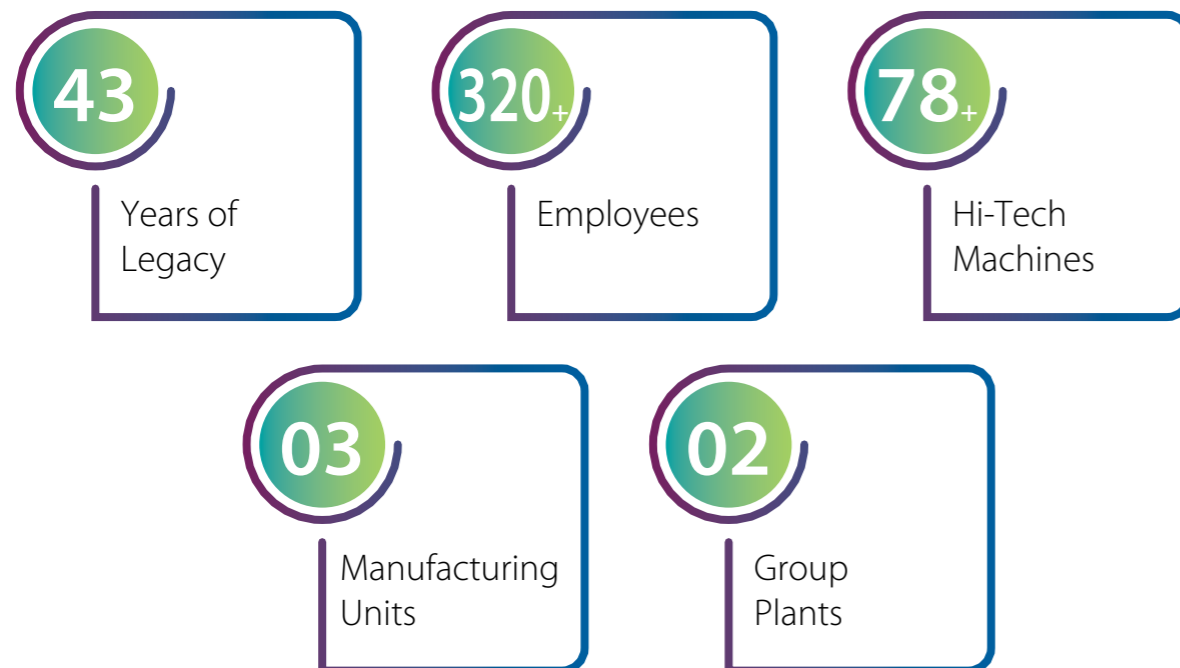
At KRANTI, we have proved worthy of our name yet again in a year that presented many challenges for the world, and for India. We faced these challenges, and used them to fire up our innovation, finding new ways to create value. Our strategy, execution, and agility speak for themselves — we finished the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

We have achieved this success by working extremely hard to sharpen our competitive edge on all fronts: operational efficiency; optimal use of assets; wider product range; manufacturing excellence; customer base diversification; quality upgrade and improved customer service. Our internal resilience, designed to withstand external shocks, is based on

cutting-edge technology; world-class facilities; and a proven reputation for reliability that has made us a preferred end-to-end solution provider for top original equipment manufacturers.

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

### Kranti Industries Limited at a Glance



Kranti Industries (referred to as ‘Kranti’, or ‘the Company’ or ‘We’ after this) is a leading provider of precision engineering solutions, specializing in the manufacture of high-quality components for diverse industries. Established with a commitment to excellence and innovation, we have built a reputation for delivering reliable products that meet stringent quality standards. At Kranti Industries, our state-of-the-art facilities and skilled workforce enable us to cater to the needs of various sectors including automotive, construction, electric vehicles, and industrial applications. We pride ourselves on our ability to offer comprehensive engineering capabilities from design to production, ensuring customer satisfaction and operational efficiency. Driven by a culture of continuous improvement and technological advancement, we strive to exceed expectations in every project we undertake. With a focus on sustainability and ethical business practices, Kranti Industries is dedicated to contributing positively to the industries we serve and the communities in which we operate. Driven by legacy of the visionary leadership of our Founder [Late Shri Subhash K. Vora](#), we strategically focus on increasing our capacity, maximizing efficiency, and incorporating sustainability into our day-to-day processes. At KRANTI, we uphold the firm belief that businesses have the ability to thrive, even during troubled times if we leverage our innovation capabilities, technological leadership, providing sustainable business solutions and focus on creating long-term value for our stakeholders. As a result, we are taking initiatives to achieve our goal and vision, and in the process, we have attempted to make a positive difference in every life we have reached.

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





From the

# Chairman's Desk

Former President Dr. APJ Abdul Kalam, affectionately referred to as the Missile Man of India, left an enduring legacy on the world with his profound wisdom. His memorable quote, "If you want to shine like a sun, first burn like a sun," encapsulates the essence of perseverance. Just as the sun persists through clouded skies, India has stood resilient amidst tumult, global conflicts, and economic adversities. Mirroring the sun's resilience, India has achieved an impressive growth rate of over 8% in the past fiscal year.

I take pleasure in sharing my thoughts after yet another eventful year. As a team, we are proud to have continued our progress through a year that was relentless with continuing inflationary pressures, ongoing wars and new supply chain disruptions. We are globally connected to our customers, building capacity for scale and efficiency, and passionately engaged with our people and society.

### Navigating in VUCA World

The global landscape has been marked by significant challenges this past year. Geopolitical tensions have persisted, disrupting supply chains and inflicting hardship on countless individuals and communities. Moreover, the broader macroeconomic environment has been turbulent, characterized by soaring inflation, shifting consumer behaviors, and aggressive monetary tightening. These factors collectively exerted considerable pressure on the global economy. However, as we conclude the year, there are signs of stabilization, with global growth projected to hover around 3% over the next two years. The concerted efforts of central banks to curb inflation appear to be yielding positive results.



*I hope this letter finds you in good health and high spirits. As we reflect upon the recent developments in the global economy and the Indian automobile industry, I wanted to take a moment to express my deepest gratitude to you for your invaluable support and contribution as a stakeholder of Kranti Industries Limited.*

India stands at an inflection point, poised to ascend from a land of immense promise to a global powerhouse. Guided by visionary leadership, our nation is on a trajectory of unprecedented growth and development. The surge in technology-driven innovation and the rapid digitization of our economy are further propelling this momentum. Despite the challenges of a complex global environment, India has demonstrated remarkable resilience and solidified its position as the world's fastest-growing major economy.

India's economic trajectory continues to be exceptionally promising. The nation's GDP achieved a robust growth rate of 7.6% in the fiscal year 2023-24 (according to second advance estimate of national accounts by the Ministry of Statistics and Programme Implementation), further solidifying its position as a global economic powerhouse. Anticipations are high as India is poised to ascend to the fourth-largest economy globally by 2025, with projections indicating a further climb to the third spot by 2027. The momentum is expected to sustain, with GDP growth forecast at 6.5% for the upcoming fiscal year 2024-25. This positive outlook is further reinforced by the automotive industry's anticipated robust expansion, as highlighted in the 2023-24 Economic Survey.

### Encouraging Industry Landscape

The industry is poised for significant capital expenditure of ₹ 20,000-25,000 Crore in FY2025, driven by capacity expansion and technological advancements. This investment is expected to continue at 8-10% of operating income over the medium term, supported by government initiatives like the PLI scheme.

While challenges persist in the short term, the long-term outlook remains positive due to factors such as the growing electric vehicle market, premiumization of vehicles, increased localization, and evolving regulatory norms.

At present, only 30-40% of the EV supply chain is localised. Chassis components that require minimal technology upgradation are manufactured locally. The EV policy 2024 for electric four wheelers would also help generate incremental demand for component makers, because of the domestic value addition mandated. For parts that are already used in internal combustion engine (ICE) vehicles, there could be technological advancements in certain cases, resulting in higher content per vehicle. There could also be opportunities for ancillaries in manufacturing components from other alternate fuel vehicles, as their penetration increases. (Source: ICRA Press Release July 2024)

Overall, the industry is navigating a period of transition but is well-positioned for sustained growth in the medium to long term.

### A Year of Resilience and Building Sustained Platform

After continuous growth in FY22 and FY23 post-COVID-19, we are now experiencing some consolidation and moderation in growth due to reduced inventories as the supply chain has improved. The ongoing wars in Eurasia, the new conflict in the Middle East region and the Red Sea crisis have created new challenges. The continuing economic conflict between the USA and China has opened up new doors of opportunities. We have utilised this moderation phase to prepare for future growth and diversification.

The Company majorly manufactures transmission and axles components for use in tractors, commercial vehicles, construction machineries and electric vehicles.

The Company currently operates 3 (Three) manufacturing facilities located at Pirangut including the State-of-the-Art Smart Factory (Plant -3) which was inaugurated on May 15, 2023.

In the FY 2023-24, ~ 90% of revenues came from these EV, tractor, automotive and construction equipment verticals. The product development capability enhances our competitive

differentiation, provides early visibility into end customer preferences, customer product roadmaps and creates downstream development deals.

During the FY 2023-24, the Company's standalone revenues stood at ~ ₹ 81 crores, decreasing 10% from last year. However in this consolidation phase we have been able to manage our EBITDA margins by improving it to 12.48% from 10.11%. Your Company reported Profit After Tax (PAT) of ₹ 0.75 crores for the financial year majorly due increase in Depreciation on Capex done on New plant.

### Future Focused

I am delighted to share with you that while your Company has been maintaining industry leading EBITDA margins during the last few years, it has also been consistently investing to ensure its future growth in the coming years.

Our smart factory uses IoT, AI, and automation to optimize production. Real-time data drives better decisions, predicts equipment issues, and ensures quality. Flexible operations and remote management boost efficiency and sustainability, keeping us competitive. Your organisation is at the forefront of integrating this advanced technology to enhance workflows and processes. This strategic application of IoT positions its customers to achieve success and gain

a competitive edge in their respective markets.

### Looking Ahead

We embark on the new financial year confident in our ability to drive growth and profitability through our research and design-led engineering expertise. While acknowledging the current economic challenges, we remain steadfast in our commitment to partnering with clients to capture opportunities within their optimization and transformation initiatives. I extend our sincere gratitude for your unwavering support and confidence in our company.

### Our Key Takeaway

KRANTI is firmly poised to accelerate its growth by

- Synergising our operations from the acquisition
- Engaging deeper with our customers
- Augmenting capacities that are aligned to foreseeable opportunities
- Investing in capabilities that open new growth avenues (Backward integration into specialised shell castings)

My concluding message is that our measured steps perfectly position us to capitalise effectively and efficiently on emerging opportunities and unleash value for all our stakeholders.

Our every action reflects our commitment to quality, agility and sustainability. This will ensure that KRANTI remains the strongest player in our business space, thereby maximising shareholder value and the communities we serve.

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

I thank you, on behalf of the Board of Directors and the management team, for your continued confidence, and support.

Warm regard

### Sachin Vora

Chairman & Managing Director

From the

# Director's Desk

*Dear Shareowners*

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

As I reflect on the past year and set our sights on the future, I would like to provide you with a comprehensive overview of Kranti's journey in FY24 and our vision for the future.

In FY24, we witnessed a dynamic macroeconomic landscape, characterised by both challenges and opportunities. Despite global uncertainties, Kranti remained steadfast and adapted to the evolving market conditions. Our performance highlights our commitment to excellence and customer-centricity across the sectors of our presence.

FY24 was a tale of two halves for the Indian Commercial Vehicle (CV) industry while it transitioned to BS VI Phase II emission norms on April 1, 2023. H1 began on a promising note with sales volumes increasing across most segments. However, the combined effects of a high base, state elections and the upcoming general elections moderated growth in H2.

Similarly, FY24 was a landmark year for the passenger vehicles (PV) industry in India with vehicle sales crossing the coveted 4 million milestone for the first time. With highest-ever sales of 4.2 million vehicles, the PV industry recorded a growth of 8.6% over FY23. This growth can be attributed almost entirely to the rising demand for greener powertrains as sales of CNG vehicles and EVs grew 55%



*Kranti is firmly poised to accelerate its growth. I am quite optimistic that as our business drivers take deeper root within, the quality of our business will evolve, translating into even better financial outcomes and stakeholder value.*



and 70% over FY23, respectively. The introduction of several new nameplates during FY24 also contributed to the industry growth.

Domestic tractor sales in for FY 2023-24 stood at 8,74,504 units compared to the 9,40,985 units previous financial year.

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

KRANTI, has emerged as a leading manufacturer of advanced auto components, dedicated to innovation and cutting-edge technology. Your trust in our capabilities and your continued support have been the driving force behind our success. We

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

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

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

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

### INDIA – AS A GLOBAL MANUFACTURING HUB

India's contribution to global manufacturing is on the rise, a trend that should be sustained over the medium term. India's productivity grew by 5.6% on average annually, second only to China. India has attracted significant interest as a manufacturing hub, particularly for key sectors like automotive, engineering, chemicals, pharmaceuticals and consumer durables. This is happening owing to two important factors:

- 1) growing geopolitical stresses have mandated global players to diversify their sourcing bases,
- 2) the increasing costs in developed markets will dent their competitive advantage over time.

India, on the other hand, continues to allure with a promising talent pool, strong domestic economy, improving infrastructure and the spirit of Make in India to achieve the global dream of being a preferred manufacturing destination.

While many have already established their manufacturing footprint in India, new global players are looking to set up operations or initiate sourcing from India.

KRANTI is poised to gain from this change. This will open up incredible opportunities for manufacturing companies like ours.

### Our Employees – Our Strength

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

Currently, we have a dedicated workforce of over 300 employees working directly and indirectly for our company.

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

The safety and well-being of our employees are of paramount importance to us. We prioritize occupational safety in all areas of work, including our manufacturing zones. By fostering a culture of continuous learning, we actively promote personal and professional growth among our employees. We emphasize the significance of de-stressing techniques and maintaining a growth mindset, firmly believing that content and fulfilled individuals perform exceptionally well.

### Capabilities

The company's production facilities house more than 78 cutting edge machines, exemplifying their unwavering commitment to leveraging advanced technology. These machines are complemented by exceptional inspection facilities, ensuring consistent adherence to the highest quality standards throughout the manufacturing process. Moreover, Kranti Industries places great emphasis on real-time data monitoring to optimize operational efficiency and effectiveness.



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

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

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

The impressive range of machinery at Kranti Industries includes 5-axis turn mill machining centres, CNC turning centers, CNC turning with autoloader, vertical machining centres, vertical

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

**Product Performance**

We are also delighted to share the revenue breakup and market segment distribution, indicating our strong presence in the industry. Tractors continue to hold the highest market segment share at 63.43%, followed by significant contributions from electric vehicles (13.35%) and construction equipment (11.53%).

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

In FY 2023-24 we have developed more than 20 new components across

the customer segment to fulfil the growing demand of our customers. Also another 25 components are in the pipeline for FY 2024-25 for which we have received the development orders from our domestic as well as global customers. We are dedicated to delivering high-quality products at affordable prices, ensuring accessibility, and creating value for our customers.

I expect FY 2024-25 to be another exciting year for the Auto industry, supported the Government’s continued thrust on infrastructure development. We are in an acceleration mode to fulfil our aspirations even as we keep a close watch on the possible headwinds from geopolitical developments, interest rates, and fuel price inflation. We remain optimistic about the overall demand and reiterate our commitment to delivering value to our customers, shareholders, and other ecosystem stakeholders. I thank you for your continuing interest, commitment and support to Kranti.

Best regards,

**Sumit Subhash Vora**  
Director – Operations

# CORPORATE INFORMATION

**BOARD OF DIRECTORS & KMP**

**Sachin Subhash Vora**  
Chairman & Managing Director

**Sumit Subhash Vora**  
Whole-Time Director

**Indubala Subhash Vora**  
Non-Executive Director

**Prakash Vasant Kamat**  
Non Executive & Independent Director

**CA Satchidanand Arun Ranade**  
Non Executive & Independent Director

**Pramod Vinayak Apshankar**  
Non Executive & Independent Director

**Sheela Kailash Dhawale**  
Chief Financial Officer

**Shraddha Nandkumar Phule**  
Compliance Officer & Company Secretary

**REGISTERED OFFICE & WORKS**

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

**SUBSIDIARY & ASSOCIATE COMPANIES**

**WONDER PRECISION PRIVATE LIMITED**  
(WHOLLY OWNED SUBSIDIARY)  
CTS 39/4 Santosh Heights, Shankar Seth Road  
Market Yard, Pune 411037  
**CIN : U27109PN1986PTC039913**

**PRECISO METALL PRIVATE LIMITED**  
(SUBSIDIARY COMPANY)  
**KOLHAPUR**  
**CIN : U74999PN2017PTC170422**

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

**ASSOCIATES**

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

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

**Mr. DILIP DESHPANDE**  
**INTERNAL AUDITOR**

**CA SIDDHARTH BOGAWAT**  
**FINANCIAL CONSULTANT**

**REGISTRAR AND TRANSFER AGENT**

**M/S LINKINTIME INDIA PRIVATE LIMITED**  
Mumbai

**BANKERS & FINANCIERS**

**HDFC BANK LIMITED**  
**HSBC BANK**  
**YES BANK LTD.**  
**TATA CAPITAL FINANCIAL SERVICES LTD**

*The safety and well-being of our employees are of paramount importance to us.*





## Our Board of Directors



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

Mr. Sachin Subhash Vora is the Promoter and Chairman & Managing Director of our Company. He is having 20+ years of experience in the automobile components industry. He has completed his B.E. (Industrial Electronics) from University of Pune in the year 2002. He is responsible for the development and execute the Company's business strategies in order to attain the goals of the board and shareholders. Lead and implement comprehensive business plans to facilitate achievement by planning cost-effective operations and market development activities. His leadership abilities have been instrumental in growth and development of our Company.



**Mr. Sumit Subhash Vora**  
Whole-Time Director

Mr. Sumit Subhash Vora is the Promoter and Whole Time Director of our Company with 20+ years of experience in automobile components industry. He has completed his Diploma in Mechanical Engineering from Maharashtra State Board of Technical Education in the year 2002. He is awarded by NIIT for Web Centric Computing in the year 2002. He is specialized in leading team for continues improvement in each function/department for increasing the profitability of the business. He is also prudently involved in planning, budgets, reviewing inventory, human resources. He is also researching and implementing new directives for business growth and prosperity.



**Mr. Pramod Vinayak Apshankar**  
Non Executive & Independent Director

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



**Mr. Prakash Vasant Rao Kamat**  
Non Executive & Independent Director

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



**Smt. Indubala Subhash Vora**  
Non-Executive Director

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



**Mr. Satchidanand Arun Ranade**  
Non Executive & Independent Director

Mr. Satchidanand Arun Ranade is a qualified Chartered Accountant by profession and commerce graduate from Pune University. CA Ranade sir having diversified experience more than 28 years in the field of finance, accounting, taxation etc. He has also obtained various other certifications like Arbitration, Concurrent Audit of Banks CSR & Anti-Money Laundering Laws. He was holding the position of Independent Director for the term of 3 years with Pune Stock Exchange Limited. Presently, he is serving as Panel Arbitrator on NSE Pune Bench. He is also on Board of reputed listed Company.

# Established and Competent Leadership



**SACHIN SUBHASH VORA**  
Chairman and Managing Director



**SUMIT SUBHASH VORA**  
Whole-Time Director Operations

Kranti Industries Limited is poised for the next phase of expansion and to reinforce its position in a dynamic market. The company's leadership, spearheaded by Mr. Sachin Subhash Vora, Chairman & Managing Director, and Mr. Sumit Subhash Vora, Whole-Time Director, provides a robust foundation for strategic growth. Their extensive expertise in the machining industry of more than 20 years is pivotal in shaping the company's operations and strategic direction.

Kranti's leadership is proactive in spearheading industry growth and driving progress from the forefront. The management prioritizes stakeholder engagement, valuing and respecting their contributions, and strives to make a meaningful impact by consistently delivering value throughout their journey.

The management team is dedicated to fostering an environment where employees are empowered to tackle challenges and adapt to change. By prioritizing people, we ensure that our workforce is well-prepared for future opportunities and capable of managing evolving situations. The combination of advanced technology, efficient operations, and a focus on continuous skill development keeps us at the forefront of the industry.

Our leadership's commitment to instilling core values throughout the organization guarantees a uniform standard of excellence. These values, championed from the top management level, permeate every aspect of the company, driving our success in maintaining high-quality standards in both products and services.

The leadership team is devoted to upholding our founding principles with unwavering dedication, and are committed to maintaining the highest standards of business conduct while setting a benchmark for exceptional corporate culture. The vision for a sustainable future is fueled by our drive for innovation, disciplined approach to continuous improvement, and commitment to achieving top-tier customer satisfaction. Supported by a team of seasoned professionals across operations, finance, compliance, innovation, HR, procurement, and quality, the leadership at Kranti Industries Limited ensures that the company remains competitive and agile. This diverse and skilled management team, along with our dedicated workforce, enables us to navigate challenges effectively and seize new opportunities.

# Leadership Team :



**Sheela Dhawale**  
Chief Financial Officer



**Shraddha Phule**  
Company Secretary and Compliance Officer



**Ramdas Gunjal**  
Operations



**Prasad Kulkarni**  
Quality



**Manoj Pawar**  
New Product Development



**Mahesh Sarnaik**  
Human Resource and Administration



**Aman Jain**  
Procurement and Logistics

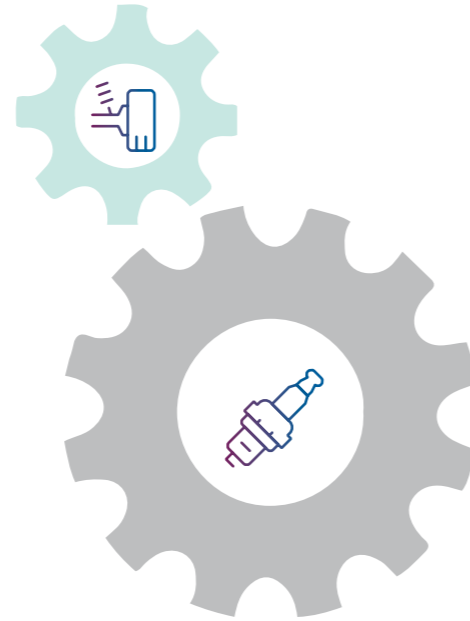


**Shivaji Khandagale**  
Maintenance



### Our Strategic Pillars

Kranti Industries' enduring success is underpinned by a robust strategic framework that drives our operations and corporate culture. Our strategic pillars are meticulously designed to deliver excellence across all facets of our business. From operational efficiency ensuring high precision and unwavering quality to a deep-rooted customer-centric approach, each pillar reflects our commitment to setting and exceeding industry benchmarks. This strategic foundation empowers us to not only achieve operational excellence but also to reckon our position as a trusted and respected leader as an original equipment manufacturer (OEM) supplier, that specialises in providing solutions for critical machined components to leading Automobile giants.



**Operational Excellence**

- Operational efficiencies
- Cost competitiveness
- Continuous Improvement
- Market Advantage
- Long-Term Sustainability

**Optimum Resource utilisation**

- Efficient Financial management
- Resource optimization
- Cost control
- Strategic planning

**Quality Assurance**

- Customer Satisfaction
- Competitive Advantage
- Operational excellence
- Compliance with Regulations
- Continuous Improvement

**Brand Building**

- Association with Quality customers
- Customer Satisfaction
- Brand Building

**Customer Centricity**

- Relationship Building
- Customer Base expansion
- Market Reach
- Competitive Advantage

**Continuous Improvement**

- Increase Production Capacity
- Diversify Product Portfolio

**Our Vision**

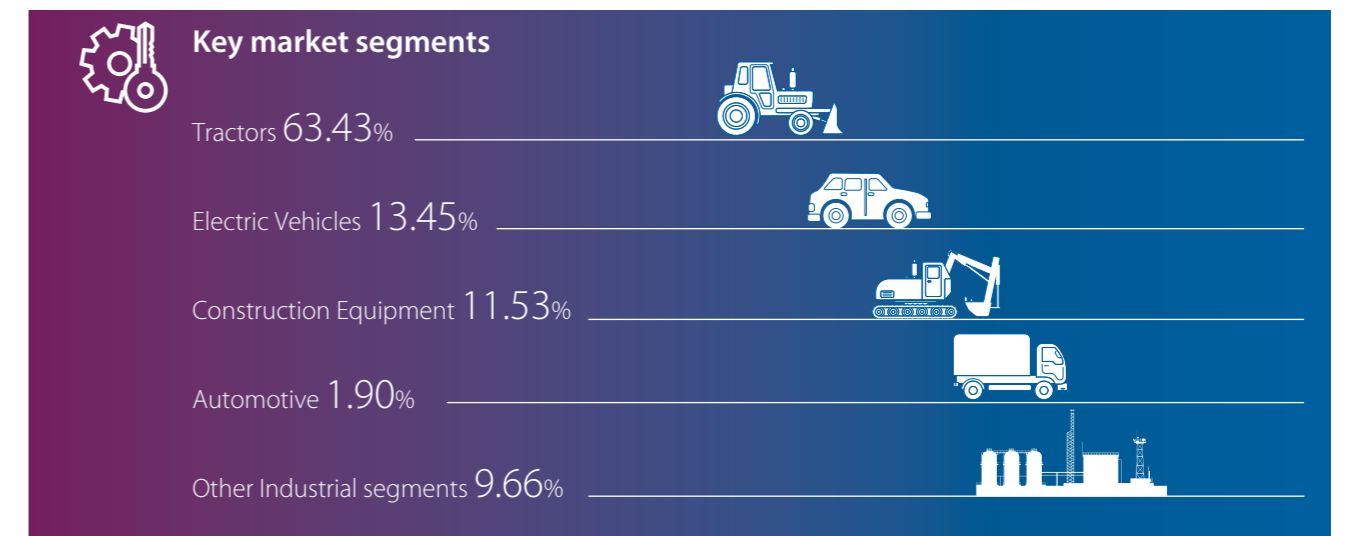
- To be a preferred solution provider for our customers
- To create values and excellence in operations
- To be socially responsible towards people and environment
- To continuously improve process & technology

**Our Mission**

- To become industry benchmark in supply chain for our Quality, Technology and Service
- To engage people in creativity and innovation through continuous improvement
- To encourage to do things first time right and every time
- To build relationships on trust and integrity with our employees, customers, suppliers, shareholders and community

**Core Values**

- Integrity:** Be honest & honour all interactions
- Teamwork:** Embrace unity & collaboration while working
- Innovation:** Creative thinking with the latest technology
- Quality:** Build robust process & system to exceed customer expectations
- Building Relations:** Human & Professional respect while dealing with all stakeholders



# Key Product Offerings

Axle Components

33.78%



Differential Housing Components

29.67%



Transmission Components

21.35%



New Product Development

1.95%



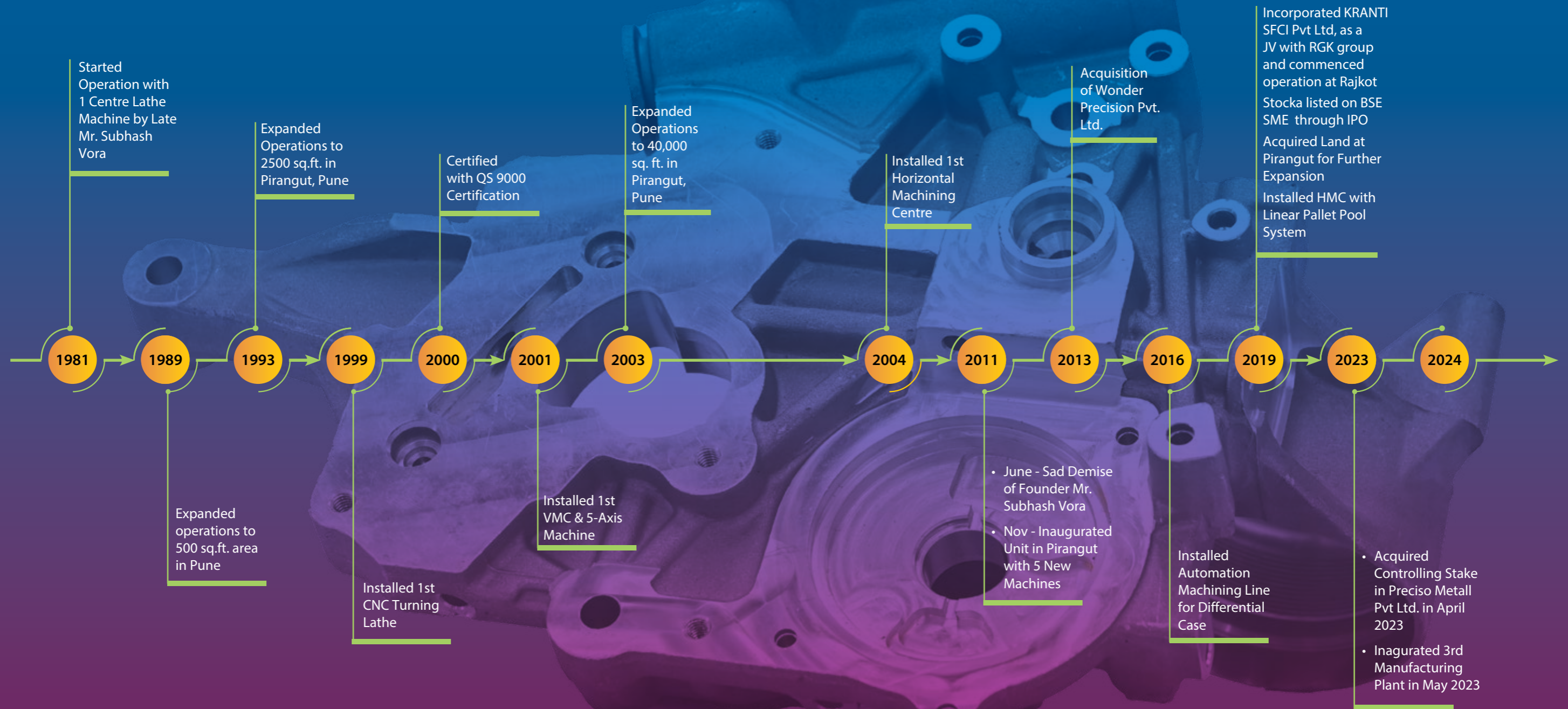
Other Components

13.25%





# Our Journey of Building and Balancing





# Awards

2019 Listed On BSE - by BSE Ltd.

2021 Excellence In Quality by The Machinist Super Shopfloor Awards

Valid Certificate - IATF 16949:2016

2018 Best Company Of The Year - by Begin up Excellence award

2019 The Most Admirable Business by Insights Success

2022 Manufacturing Excellence Award by Global Edition of Asia Business Leadership Awards

2023 Auto-Component Business Leader of the Year Asian Leadership Awards- Dubai

2018 Leading SME's India

2020 The Most Renowned Brands by Leaders Globe-2020

2022 Best In Class Quality & Delivery Performance by John Deere

2023 Smart Factory Award Asian Leadership Awards- Dubai

2018 Performance Appreciation Award by Oerlikon

2021 Best Employer by World HRD Congress

2022 Excellence In Digital Manufacturing by The Machinist Super Shopfloor Awards

2023 Best In Class Operational Excellence Asian Leadership Awards- Dubai



Value Creation Model

| Capital                                       | Input  | Output  |
|---|--|---|
| <p><b>Financial Capital</b></p>               | <p>Total capital employed:<br/><b>INR 5721.23 Lakhs</b><br/>Debt to Equity Ratio :<b>1.05x</b><br/>Capex <b>996.23 Lakhs</b></p>                                 | <p>Total Income INR <b>82 Crores</b> in FY24<br/>EBITDA <b>INR 1,002 Lakhs</b><br/>PAT <b>INR 72 Lakhs</b><br/>RoCE <b>7.2%</b></p>   |
| <p><b>Manufacturing Capital</b></p>           | <p>No. of Manufacturing plants <b>03</b><br/><b>78</b> Hi-tech machines<br/><b>100mm-1200mm</b> product range<br/>Capacity Utilization for FY 2023-24 is 65%</p> | <p><b>5,600</b> Tons machine castings delivered<br/><b>0 Defect</b> commitment<br/>Automotive segment* revenue <b>78.82%</b><br/>Industry segment revenue <b>21.18%</b></p> |
| <p><b>Intellectual Capital</b></p>            | <p>New Product Development spending <b>approx. 300 Lakh</b><br/>NPD Team strength <b>05</b></p>  | <p><b>20</b> New products in pipeline<br/><b>15</b> No. of new products offering</p>  |
| <p><b>Human Capital</b></p>                   | <p>No. of employees <b>320+</b><br/>Employee Benefit Expense <b>14.72%</b><br/>No. of Trainings/Training Hours <b>150+ hours</b></p>                             | <p>Employee productivity (revenue per employee) INR <b>25.35 lakhs</b><br/><b>Zero</b> safety incident in FY 23-24</p>  |
| <p><b>Social and Relationship Capital</b></p> | <p><b>2-decade</b> long relationship<br/>Marque clients <b>13+</b></p>   | <p>Revenue increase from our <b>Top 5</b> clients<br/>Increase in customer base</p>   |
| <p><b>Natural Capital</b></p>                 | <p><b>78.84Kwp</b> newly installed solar rooftop plant<br/><b>225.7 Kwp</b> total solar capacity<br/><b>~30,000 litres</b> tank to store rainwater</p>           | <p><b>7.5%</b> renewable energy consumption<br/><b>300MWh</b> solar energy generated<br/><b>90%</b> Waste water reused and recycled</p>                                     |

**Value Creation Enablers**

- Manufacturing Excellence
- Innovation
- Product Quality standards
- Building relations
- Embracing sustainability

\*Includes EV, Tractors and other Automotive components

Financial Capital

# Transformational Progress Supported by Robust Financial Performance

The Company's financial performance underscores its resilience and strategic acumen. Notably, the Company achieved a quarter-on-quarter increase of 5.4% in Total Income, coupled with a substantial 32.2% rise in EBITDA. This improvement in financial metrics, including enhanced EBITDA margins both sequentially and annually, reflects effective operational adjustments and rigorous cost-management initiatives.

Financial Capital management

**82 cr**  
Revenue in FY24

**11.4%**  
CAGR

**1.05X**  
Debt to Equity Ratio

FY23-24 results indicate robust operational performance and effective cost management, contributing to strengthened profitability and margins across the board. The increase in gross profit and EBITDA, coupled with improved margins, underscores the company's efficiency in generating revenue and managing expenses, reflecting positive growth trends in key financial indicators.

To sustain this upward momentum, the company is prioritizing revenue growth to counteract the annual decline, maintaining stringent cost management practices, optimizing operational efficiency to enhance profitability, and consistently monitoring financial performance to ensure continued expansion.

Investment in synergies

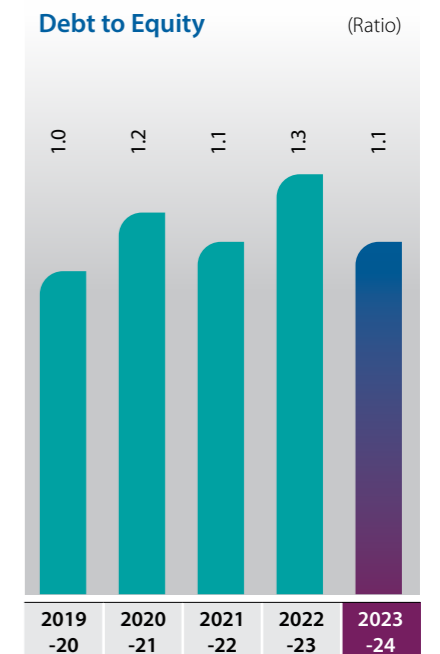
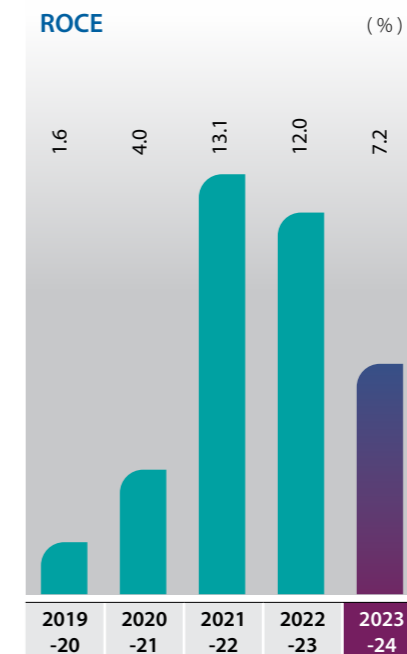
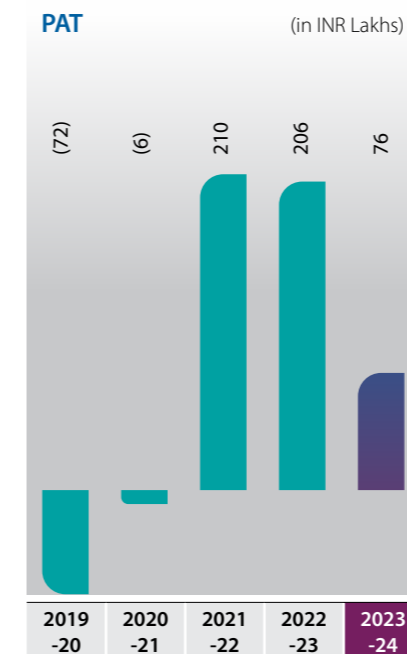
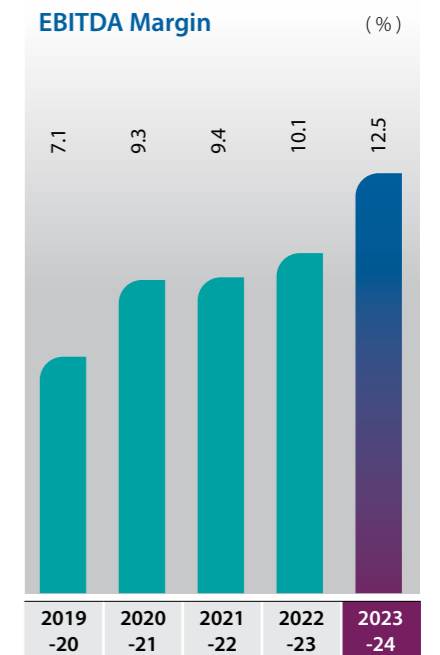
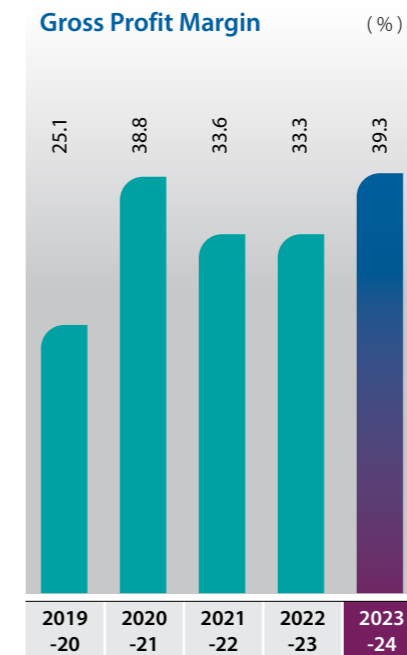
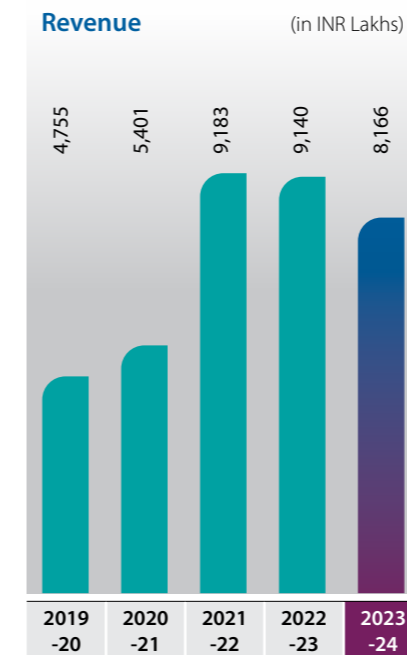
The automotive component industry is anticipated to make substantial investments totaling between USD

6.5 billion and USD 7.0 billion over the upcoming five years. Kranti Industries' strategic decision to acquire a controlling stake in Preciso Metall Pvt Ltd is poised to significantly enhance its operational capacities and broaden its customer reach within the sector. This acquisition strategically positions Kranti Industries to capitalize on new opportunities in the foundry business, leveraging synergies to strengthen its market position and drive further expansion. By integrating Preciso Metall's expertise and resources, Kranti Industries reinforces its commitment to sustainable revenue growth and underscores its proactive approach in meeting evolving market demands and enhancing shareholder value.

Operational performance and Cash flow management

Despite decline in revenue, EBITDA grew by 10.4% year-over-year to ₹1,022 Lakhs. In FY24, the EBITDA margin increased to 12.5%, marking a 239 basis points improvement year-over-year. It suggests that the company managed its expenses effectively relative to its revenue, resulting in a higher proportion of earnings before non-operating costs. These numbers indicate that the company has strengthened its operational performance and profitability metrics, demonstrating effective cost management and operational efficiency improvements over the year. As a result of these factors, the PAT turned positive this quarter, amounting to ₹76 Lakhs for FY24.

Key Performance Indicators





Manufacturing Capital

# Precision excellence delivered through Manufacturing capabilities

Kranti Industries strengthens its manufacturing process across 03 plants by investing in cutting-edge equipment and advanced machinery. Emphasizing technological innovation, the company prioritizes enhancing operational efficiency and productivity. By integrating high-tech solutions, Kranti aims to streamline manufacturing processes, meet growing market demands, and uphold its commitment to delivering superior quality products to customers worldwide.

**65%** Total capacity

**500k** Machine parts delivered

**5,600 Tons** Machine castings delivered

**100mm-1200mm** product range

**78+** Hi-Tech machines





## Manufacturing excellence

### IATF 16949:2016 certified

KRANTI is globally acclaimed for its superior precision machining capabilities. As an OEM supplier, we specialize in delivering critical machined components to top automobile giants. Our commitment to excellence is evident through investments in cutting-edge equipment for precision manufacturing. These advancements have not only expanded our customer base but also enhanced our product standards, ensuring the satisfaction of our esteemed clients while attracting new partnerships. In addition to investing in advanced equipment, the company undergoes external audits and certifications such as IATF and ISO to bolster our credibility and

### ISO 9001:2015 certified

maintain our commitment to delivering manufacturing excellence. These rigorous assessments ensure that our processes meet global standards, enhancing customer trust and satisfaction while reinforcing our reputation as a reliable partner in precision manufacturing. Kranti Industries boasts a robust manufacturing capability with a sprawling production facility spanning approximately 7,000 square meters across three units in Pune, a pivotal hub for engineering and IT in India. This strategic location ensures access to skilled manpower and technical resources, crucial to our operational success. Our impressive array of machinery includes 5-axis turn



mill machining centers, CNC turning centers with auto-loader, vertical and horizontal machining centers, co-ordinate measuring machines, and more. These advanced machines empower us to fulfil diverse manufacturing needs with precision, consistently delivering high-quality components.

### Zero-Defect

The company maintains a steadfast commitment to achieving zero defects in its manufacturing processes. This dedication entails continuous process improvement, strict adherence to the highest quality standards, enhancements in monitoring systems, ongoing upskilling of our workforce, and sustained operational efficiency across all aspects of our operations. These efforts collectively ensure that we consistently deliver products of impeccable quality to our customers.

### Smart Factory

The company's smart factories exemplify Industry 4.0 ideals, integrating IoT, AI, and automation to transform manufacturing processes. Real-time data analysis empowers informed decision-making, predicts maintenance requirements, and ensures top-notch quality while reducing errors and downtime. Seamless communication among our machines enables swift adjustments in production to meet evolving customer demands effectively. Remote monitoring further enhances operational efficiency, leading to cost savings and environmental sustainability. By embracing these advanced technologies, our smart factory not only enhances production capabilities but also strengthens our competitive edge in a rapidly evolving industry landscape. Smart Factories underscores our commitment to efficiency, innovation, and meeting the dynamic needs of our customers while minimizing our environmental footprint.

## Continual Improvement

The company conducts regular Value Analysis and Value Engineering (VA-VE) and Kaizen projects to meticulously identify gaps and opportunities for enhancing the manufacturing process. By analyzing every aspect of production, these initiatives aim to streamline operations, improve product quality, and achieve significant cost reductions. The insights gained from VA-VE projects enable the company to implement innovative solutions, optimize resources, and enhance overall efficiency. This proactive approach not only strengthens our competitive edge but also reinforces our commitment to delivering exceptional value to our customers through continuous improvement and innovation in manufacturing practices.



### Improvement area examples:

| Area       | Improvement   |
|------------|---|
| Production | PLC output improvement from 80nos to 90nos per day  |
| Quality    | The CMM inspection cycle time (CT) has been reduced by 50% through the implementation of ITL (Integrated Test Lab). |

### Impressive machinery range powering new offerings:

Our comprehensive range of machinery includes 5-axis turn mill machining centers, CNC turning centers with autoloader, vertical and horizontal machining centers, co-ordinate measuring machines, and more, ensuring we meet diverse manufacturing needs with precision and reliability.



Intellectual Capital

# Advancing manufacturing through Innovation and New Product Development

In response to a dynamic and evolving environment, Kranti Industries prioritizes continuous investment in research and New Product development to remain at the forefront of auto component manufacturing. This commitment includes regular upgrades to machinery and equipment, adoption of cutting-edge technologies, and ongoing employee training to strengthen technical expertise and minimize technological risks. These efforts ensure that Kranti Industries consistently delivers innovative solutions and maintains its competitive edge in the industry.



### State-of-the-Art facilities: Industry 4.0

KRANTI's proactive investments in cutting-edge technology propel innovation, paving the way for new opportunities and achieving excellence in overcoming challenges. The expansion of Plant 3 in 2023, has been structured around digital manufacturing principles utilizing IoT & Industry 4.0, reducing reliance on traditional paperwork. The majority of operational and administrative functions have been digitalized using custom-developed software. With cutting-edge technology, modern infrastructure, and a talented team, the company is well-positioned to meet the evolving needs of customers and deliver exceptional value to all stakeholders.

KRANTI has introduced a real-time data monitoring system, underscoring its commitment to data-driven decision-making and efficient oversight of production processes. This state-of-the-art facility exemplifies the company's commitment to sustainability, safety, and innovation.

### New product offerings

In FY 2023, KRANTI successfully developed 15 new products and remains dedicated to ongoing investments in research and product development. These efforts are aimed at expanding our user base and catering to a diverse range of customers with innovative solutions.

By continually enhancing our product offerings, we aim to meet evolving market demands and strengthen our competitive position in the industry. This strategic focus on innovation underscores our commitment to delivering value and driving sustainable growth in the marketplace.

We operate as a build-to-print company, manufacturing components according to customer drawings and specifications. Our expertise extends to designing and developing the manufacturing processes, work holdings, and tools necessary for production. In the fiscal year 2023-24, we successfully developed 15 new components, with another 20 parts currently in the pipeline for further development. This reflects our commitment to innovation and expanding our product offerings to meet the evolving needs of our customers.

### Strategic presence – IT hub

KRANTI strategically locates its manufacturing plants in Pune, an esteemed engineering hub in India, to capitalize on numerous advantages. Pune boasts strong industrial infrastructure, a skilled labor force, and a concentration of engineering and automotive firms. This strategic positioning allows KRANTI to tap into a talented pool of engineers and technicians. Moreover, being located in an engineering hub facilitates proximity to suppliers, vendors, and industry partners, optimizing supply chain efficiency, reducing transportation costs, and enabling quicker response times. Pune's reputable status enhances KRANTI's credibility and visibility in the industry, fostering networking, collaboration, and staying abreast of technological advancements and market trends.

### Quality & Competitive advantage through Technology

Quality policy

|   |  |   |  |
|---|--|---|--|
|  <p>We are committed to systematic functioning of all business processes to achieve highest Quality of our products.</p> |  <p>We firmly believe that our growth is in achieving the Best Quality standards in our industry.</p> |  <p>Customers satisfaction is our main goal and we work ceaselessly to achieve this objective.</p> |  <p>We will work for continuous improvement and development of our people, process and technology to meet the competition and achieve growth.</p> |
|---|--|---|--|

We are committed to continuous improvement and development across our people, processes, and technology to thrive in a competitive landscape and foster growth. The Company's production facilities house over 78 cutting-edge machines, showcasing our steadfast dedication to leveraging advanced technology. These machines are complemented by rigorous inspection facilities, ensuring steadfast adherence to the highest quality standards throughout our manufacturing processes.

Kranti's journey towards operational excellence is guided by a strong focus on digitalization and enhancing organizational capabilities. We have made significant investments in future-ready technologies, transforming our operational model from reactive to proactive and forging stronger partnerships.

### Key technological adoption in the process:

- Bways – ERP System – Using since 2010**
- SfHawk – Real time production planning and monitoring system integrated with machines for online data monitoring using since 2023.**
- Real time interactive Dashboard developed for monitoring KRA's and MIS data**

Human Capital

# Empowering People and Diversity: Cultivating a culture of Excellence and Innovation

At Kranti Industries Ltd, we recognize the invaluable contributions of our People. Each employee brings unique talents that drive our success. The Company's culture promotes collaboration, growth, and innovation, empowering every individual to excel. We welcome all to be a part of our journey to create a fulfilling and rewarding journey at Kranti Industries Ltd.



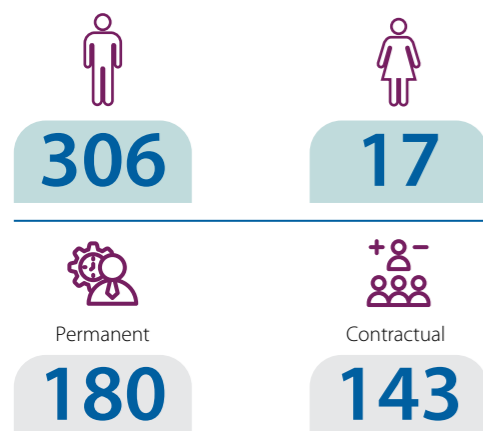
### Core Values

- Global work culture
- Helping you grow
- Making a difference
- Collaborating and co-creating
- Infusing passion into purpose
- Empowering work environment

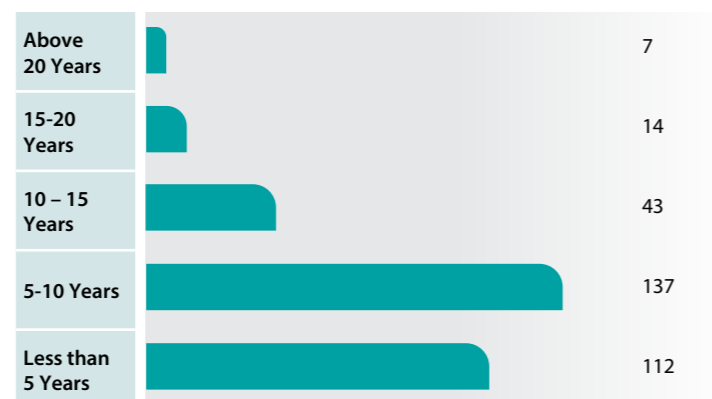
**320+** Employee strength

Employee Benefit Expense **14.72%**

### Employee diversity



### Period of Working in Kranti



## Elevating Performance: Talent Acquisition and Management Strategies



At KRANTI, we've refined our talent acquisition and performance management processes to foster an inclusive and diverse workplace culture. We're dedicated to attracting, engaging, developing, and retaining talented individuals who are pivotal to our future success. Our approach to talent attraction assesses candidates based on their potential to thrive and grow within our organization.

### Building Capability: Training and development

**150+** hours of training

We prioritize empowering our workforce with tools, technology, and skills to maximize their potential and team performance. The HR conducts regular training programs to sharpen skills and expand knowledge, while our leaders undergo external technical training for project readiness. Emphasizing innovation, our culture fosters high performance through continuous skill building, employee engagement, and strategic talent development. We aim to cultivate future leaders with strong capabilities, ensuring our industry-leading retention rates. This includes developing expertise in interpersonal dynamics and functional domains through cross-functional projects and senior leadership coaching, enriching our employees' learning and growth experiences.

**6.2%** Attrition rate

We continually monitor and evaluate employee performance at all levels, offering incentives, rewards, and recognition for exceptional contributions. Our goals include achieving a single-digit attrition rate, enhancing female representation, and expanding employment opportunities for all. These efforts underscore our commitment to nurturing a motivated and high-performing workforce.



Range of trainings:



Employee safety and well-being

**Zero** safety incidents in FY24

Ensuring the safety and well-being of our employees is our top priority. We prioritize occupational safety across all our work areas, especially in our manufacturing zones. Through a culture of ongoing learning, we encourage personal and professional development among our team. We emphasize the importance of stress management techniques and cultivating a growth mindset, believing that fulfilled individuals achieve exceptional performance. The company is able to achieve this with our ongoing efforts and initiatives to drive safety awareness and equip people with relevant skills.

Following events reflect our efforts to drive safe environment:



Safety week Start



Safety Reels competition



Mock Drill



First Aid Training programme



Employee Appreciation Award Ceremony



Electrical and Machine safety training



Celebrating People to Drive success

**INR 25.35 lakhs**

Revenue per employee

At Kranti, we celebrate festivals and organize activities, including employee recognition ceremonies, to unite people, foster relationships, and cultivate a culture of success and excellence. Management views employees as the cornerstone of our company's success, committing continuously to invest in and nurture our team. We recognize their efforts through engaging activities and provide opportunities to meet industry demands.

Here are a few examples:



CPR training



Republic Day Celebration



Festival of Manufacturing



Festival of Manufacturing



Social and Relationship Capital

# Relationship Building: Honouring Human and Professional Values Across All Stakeholders

KRANTI strives to uphold its brand image by cultivating partnerships with esteemed customers, demonstrating a steadfast dedication to delivering superior products and services. Emphasizing strong customer relationships, KRANTI aims to enhance loyalty and satisfaction, committing to consistently provide excellence and nurture enduring partnerships.



Customer base – Marquee clients

**13+** Marquee clients

20+ Years of relationship with key clients



The company serves prominent and well-known customers, demonstrating its strong reputation and trustworthiness in the industry. It maintains long-term associations with major automotive OEMs to ensure seamless and efficient business operations. Exceptional products and services are the foundation of KRANTI's strong customer relationships, providing the company with a competitive advantage. The Company positions itself as the preferred choice for both existing and potential customers.

relationships that bolster production and supply chain efficiency. The company is dedicated to upholding its brand image by forging partnerships with esteemed customers, showing its commitment to delivering high-quality products and services.

### Customer satisfaction and relationship building

Customer satisfaction remains a top priority and a cornerstone of the company's steady growth and sustained success. KRANTI's commitment to meeting expectations and cultivating strong relationships underscores its customer-centric approach. The company values these relationships to enhance loyalty and satisfaction, consistently delivering excellent products and services to foster long-term partnerships.

Embracing continuous improvement is integral to KRANTI's strategy to stay ahead, adapt to customer needs, and maintain competitiveness. With enduring relationships across domestic and global OEMs and tier-1 suppliers, KRANTI has successfully increased wallet share with key customers over time. By adhering to rigorous global quality standards, the company aims to build trust and credibility, attracting customers worldwide.






### Relationships with our client:

| Customer Group              | Relationship Since |
|-----------------------------|--------------------|
| John Deere India            | 1999 Onwards       |
| Carraro India               | 2004 Onwards       |
| CNH Group                   | 2008 Onwards       |
| DANA Group                  | 2015 Onwards       |
| Jayahind Industries Limited | 2013 Onwards       |
| Escorts Kubota Limited      | 2020 Onwards       |
| International Tractors Ltd  | 2022 Onwards       |

### Strategic Partnerships fostering growth

KRANTI forges strategic partnerships with top automotive OEMs, aiming to optimize operations and cultivate strong

### Relationship fostered through Quality and Services

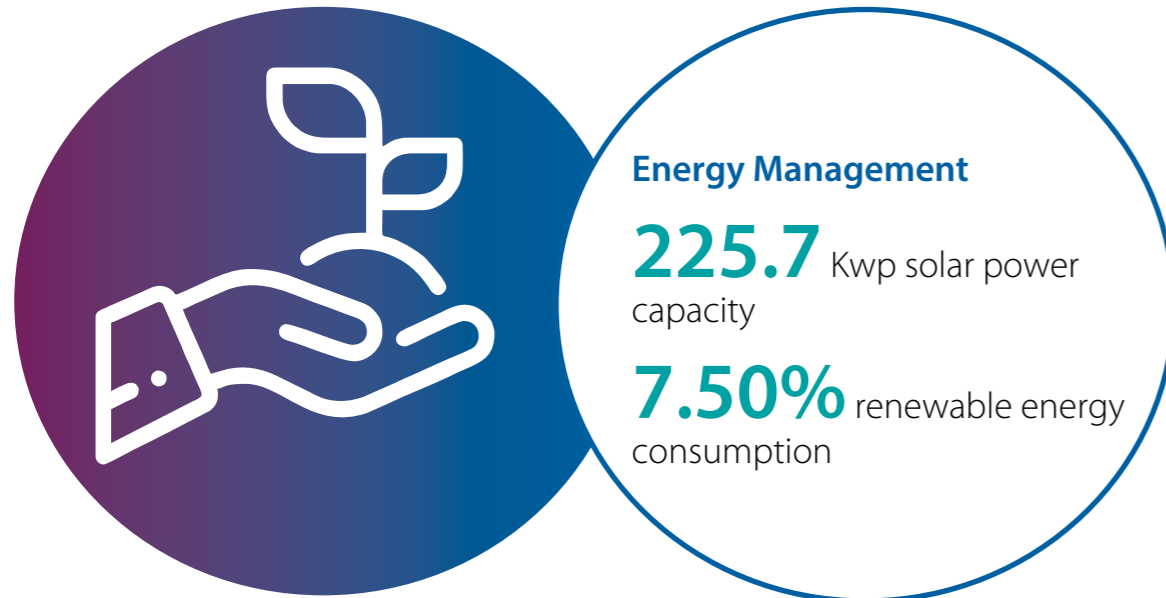
|   |   |   |  |   |
|---|---|---|--|---|
|    |    |    |   |    |
| <p><b>Quality Assurance:</b> Implementing rigorous processes and standards to consistently deliver products and services of high quality.</p> | <p><b>Quality Certifications:</b> Obtaining and maintaining certifications such as ISO 9001:2015 certification and IATF 16949:2016 to validate adherence to global quality standards.</p> | <p><b>Continuous Improvement:</b> Cultivating a culture of ongoing enhancement in processes, products, and services to meet evolving customer expectations.</p> | <p><b>Global Standard Products:</b> Ensuring that all offerings meet or exceed international benchmarks for reliability, safety and performance.</p> | <p><b>Customer service:</b> The company empowers its staff and collaborates closely with customers to embed a culture of customer success, ensuring their needs are understood and desired outcomes are achieved.</p> |



Natural Capital

# Advancing Sustainability in Manufacturing

Kranti Industries acknowledges its environmental impact and is dedicated to addressing these concerns. We have invested in natural capital to promote sustainable resource usage and contribute to a green economy. The company is committed to responsible production practices and aims to drive positive change in the years ahead.



Kranti Industries is committed to energy conservation and sustainability, utilizing secondary sources like gensets and optimizing natural resources such as sunlight and air circulation to minimize daily electricity consumption. The company closely monitors electricity use for machining to prevent waste. It has installed rooftop solar power plants across all facilities, generating 300 MWh from a 225.7 Kwp solar capacity. This initiative not only reduces carbon emissions but also supports cost-effectiveness and aligns with government efforts to promote renewable energy. The company has made significant capital investments in energy conservation equipment to enhance efficiency and reduce energy consumption. Kranti Industries' proactive adoption of green energy solutions shows efforts towards environmental

responsibility and operational efficiency, contributing positively to sustainability goals while achieving significant energy savings. **Water management** 90% of water recycled and re-used The company is committed to rainwater conservation through a dedicated system that collects rain from its roof. This collected rainwater is stored in an underground tank with a capacity of approximately 30,000 liters. This initiative underscores the company's proactive approach to sustainable water management practices. By harnessing natural resources effectively, the company aims to reduce reliance on external water sources and minimize its environmental footprint. This systematic approach reflects the company's ongoing commitment to environmental stewardship and resource efficiency.

## Waste management

The company has prioritized waste management through efficient reuse, recycling, and responsible disposal methods. Additionally, its implementation of a Smart Factory integrates IoT and Industry 4.0 technologies, digitizing production documents to minimize paper usage and streamline operations. This transformation aligns with the company's commitment to environmental sustainability and operational efficiency. By adopting advanced technologies and sustainable practices, the company enhances resource utilization and reduces its ecological footprint, ensuring it remains competitive and environmentally responsible in its operations.

**Value initiative:**

Plant 3 reduced paper usage by eliminating CMM report printing, achieving cost savings and promoting sustainability.

## Driving positive impact through actions

### Clean Bharat Campaign 2023

The company actively participated in the Clean Bharat Campaign 2023, mobilizing employees to engage in various cleanliness drives and initiatives aimed at improving environmental conditions. Their collective efforts resulted in significant positive impacts on the environment, including cleaner surroundings, reduced littering, and heightened awareness about environmental responsibility within the community. Through active participation and commitment to sustainability, both the company and its employees demonstrated their dedication to fostering a cleaner and healthier environment for all.



### Other initiatives:

- Adoption of energy-efficient LED lights for new installations and replacements across all units.
- Implementing measures to minimize compressed air losses, including fixing leaks.
- Installing high-efficiency compressed air dryers.
- Deployment of Capacitor Panel with Harmonic Filters to enhance power factor and reduce energy losses.

## Governance

Corporate governance at KRANTI is dedicated to creating sustainable value for all stakeholders through ethical business practices. Our strong leadership and adherence to governance principles are foundational, ensuring transparency and fairness in all company affairs. We prioritize shareholder rights and maintain timely and accurate financial disclosures. Aligned with our vision, Kranti Industries aims to be the preferred solution provider, committed to excellence, social responsibility, and continuous improvement. We comply with SEBI Listing Regulations and have adopted a Code of Conduct to further strengthen our governance framework.

### Code of Conduct

The Company upholds a strong tradition of fair and ethical governance, evident through the adoption of the Code of Conduct for its Board of Directors, Senior Management Personnel, and Independent Directors. These codes,

available on the company's website, ensure compliance with the Companies Act, 2013. Additionally, the Company adheres to the Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices as per SEBI regulations, with the Company Secretary & Compliance Officer serving as the Compliance Officer for these regulations.

### Size and composition of the Board

50% Independent Directors

6 No. of Board of Directors

100% Attendance of Board of Directors

### Board composition

| Director                 | Designation                        |
|--------------------------|------------------------------------|
| Sachin Subhash Vora      | Promoter – Executive Director      |
| Sumit Subhash Vora       | Promoter – Executive Director      |
| Indubala Subhash Vora    | Promoter – Non-Executive Director  |
| Prakash Vasant Kamat     | Non-Executive Independent Director |
| Pramod Vinayak Apshankar | Non-Executive Independent Director |
| Satchidanand Arun Ranade | Non-Executive Independent Director |

### Committees of the Board

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee

### Policies and Procedures

#### Risk Management policy

The Risk Management Policy at Kranti Industries Ltd, established in 2015, integrates risk management into its business framework to achieve strategic and financial objectives systematically. It involves the Managing Director and CFO overseeing risk management, with divisions responsible for specific risks and the Audit Committee monitoring effectiveness. Risks, categorized into external, internal, operational, and financial, are managed through systematic processes across projects.

The policy emphasizes compliance with laws, legal risk mitigation, and roles defined for management and employees in identifying and managing risks effectively. Regular reporting to the Board ensures transparency and accountability in risk management practices. Risk Management framework  
Risk management forms an integral component of our company's strategic planning and operations. While we have consistently demonstrated our capability to tackle challenges, our prudent and well-structured risk management framework allows us to exercise caution effectively in mitigating potential risks.



## Risk Matrix

| Risk Type  | Mitigation approach  |
|--|--|
| Raw Material availability & Volatility               | • Focus on optimizing raw material usage and effective management for settlements with suppliers through due diligence.  |
| Financial Cost & disciplined Capital cost Allocation | • Strategically deploying financial funds, meticulously allocating capital, and making future-ready investments.<br>• Efficiently managing capital to maximize output for each disbursed unit.   |
| Governance, compliance and Regulatory changes        | • A dedicated Compliance department reports directly to the Managing Director, implementing a robust compliance management framework to uphold the highest standards.<br>• Monitoring changes in the regulatory landscape and implementing systems and processes to ensure adherence to applicable laws and legal standards. |
| Ethical Business practices                           | • Ensure comprehensive Code of Conduct training for all employees and contractors, with effective reporting and investigation mechanisms for any breaches established.   |
| Cyber security                                       | • Regularly update systems with latest security standards; critical applications adhere to updated security policies, procedures, and undergo periodic compliance checks, firewall upgrades, and patch updates.  |
| New Product and Process enhancement                  | • Focus on developing innovative, customer-centric products that meet stakeholder expectations, while simultaneously building brands and expanding customer reach  |
| Digitization/ Automation                             | • Strategically leveraging technology to simplify processes for stakeholders and enhance operational efficiency, while adopting new-age technology for improved processes and enhanced customer engagement.  |
| Customer services                                    | • Empowering staff and customer-facing teams to prioritize customer success.   |

### Anti-Bribery and Anti-Corruption policy

KRANTI's Anti-Corruption and Bribery Policy enforces a zero-tolerance approach, aiming to establish comprehensive guidelines across all operations to prevent violations of anti-bribery laws. It prohibits any form of bribery, kickbacks, or illegal payments by employees, associates, and third parties acting on behalf of the company. The policy ensures that business decisions are free from corrupt influences, safeguarding KRANTI's integrity and compliance with legal standards.

### Whistle Blower and Vigil Mechanism policy

Kranti Industries Limited's Whistle Blower Policy and Vigil Mechanism ensures transparency and ethical conduct among its constituents. It encourages Directors and Employees to report any misconduct without fear of retaliation, safeguarding confidentiality and fair treatment. The policy defines roles, procedures for reporting protected disclosures, and emphasizes protection from unfair practices. It covers various malpractices including financial irregularities and provides a framework for investigation and disciplinary action.

### Environmental, Occupational Health and Safety policy

The Company's Environment, Occupational Health & Safety (EOHS) Policy underscores its dedication to

employee, visitor, and community well-being while minimizing environmental impact. The policy mandates compliance with regulations, proactive waste reduction ("First Time Right" and "Zero Leakages / Zero Waste"), and a "Zero Accidents" goal through PPE use and continual improvement. It emphasizes risk management via hazard identification, controls, and incident investigations. This commitment reflects the company's core values and is integral to its corporate culture, ensuring a safe, sustainable workplace.

### Other policies:

- Insider Trading Policy
- Nomination and Remuneration Policy
- Policy for Determining Material Subsidiary
- Policy on Determination of Materiality
- Policy on Orderly Succession
- Policy on Preservation of Documents
- Related Party Transaction Policy
- Conflict Minerals Policy
- Labour Standard Policy
- Quality Policy
- Code of Practice & Procedure for Fair Disclosure Of UPSI
- Code of Conduct

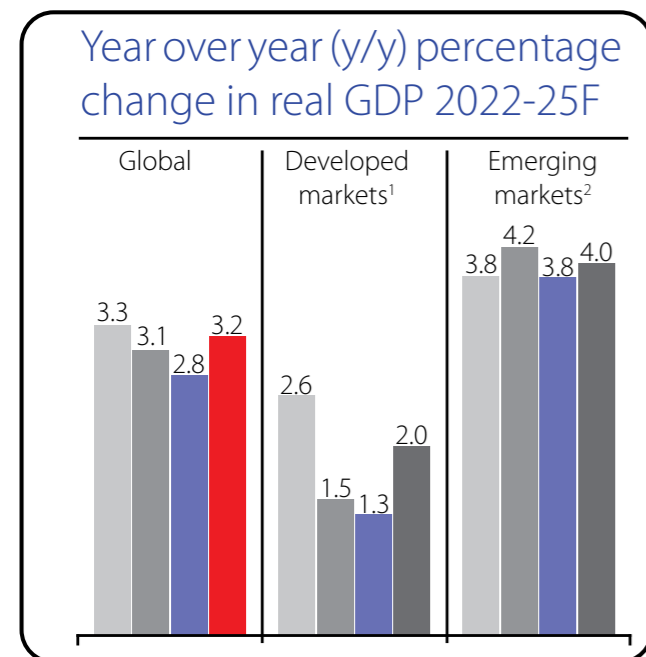


## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC SCENARIO

#### GLOBAL ECONOMIC OVERVIEW

The global economy proved to be more resilient than anticipated in 2023. At 3%, global GDP growth surpassed consensus expectations by 1 percentage point. This outperformance was even more remarkable in that it occurred despite the fastest monetary policy tightening cycle in four decades, severe banking sector stress, wars in Ukraine and Israel, and a brief but severe tightening of financial conditions in the fall.



The key drivers behind this solid global economic performance were stronger labour market growth supporting a rebound in inflation-adjusted income growth, a delayed rebalancing in the growth mix driven by services, a much less severe drag from tighter monetary policy thanks to healthy household and corporate balance sheets, and fiscal policy support in some economies. What was even more amazing was the fact that this economic outperformance was accompanied by a notable decline in global inflation. As we anticipated last year, easing supply constraints, reduced labour shortages, cooling energy prices and moderating demand growth have led to a notable easing of inflation pressures. Gone are the days of fearing a wage-inflation spiral and a high-inflation regime.

But, while there would appear to be much to celebrate, most measures of consumer and business morale point to a generally depressed environment. The main reason behind this disconnect can be explained by several factors including cost fatigue – whereby cost levels for goods, services, labour, and capital are much higher than before the pandemic.

### Outlook

The global economic outlook for 2024 looks to be one steeped in transition. Economic turbulence and volatility are unlikely to fade, but business leaders, investors, consumers and policymakers are likely to find better balance in a world where inflation, labour markets, fiscal and monetary policy, technology and financial markets still appear on edge. While the challenge for economies worldwide in 2023 was to ensure a soft landing, the question policymakers, businesses, and individuals must ask in 2024 is whether the runway is long enough to sustain that soft landing. The 2024 global economic outlook calls for cautious optimism. The year may well be a turning point, a period of transition to a new state of balance.

- In 2024, it is anticipated that global GDP would moderately grow around 2.8% – in line with its 2019 performance but below the expected 3.0% advance in 2023. It is also expected that the composition of this growth to be mixed, with modest growth of around 1.3% in advanced economies, and moderate momentum of about 3.8% across emerging markets. We foresee the US economy advancing a moderate 1.8% in 2024 with a deceleration in the first half of the year and a reacceleration in the second half. It is also anticipated that Europe would grow at a rate of 0.8% with Eastern European economies still benefiting from a catch-up effect while Western and Southern euro area economies grow at an unspectacular but positive pace. Most emerging economies are expected to grow below trend with China likely to fall short of the ambitious 5% GDP growth target despite supportive policy stimulus.
- The notable growth headwinds in 2024 will come from weaker employment growth, persistently elevated prices and wages, high interest rates, tighter credit conditions and fiscal consolidation across most major economies with the notable exception of China. With the value and cost of labour having increased significantly post-pandemic and the cost of capital likely to remain elevated, it is expected to be seen an increased strategic emphasis by business executives in driving stronger productivity growth. The urge to improve efficiency and invest in cutting-edge technologies such as generative AI (GenAI) could provide the global economy with both a cyclical and structural tailwind.
- The combination of easing supply constraints, moderating final demand, rebalancing labour markets and cooling rents should lead to further global disinflation in 2024. Advanced economies should see inflation approach central bank targets by mid- to late-year while inflation in large emerging markets in Latin America and Asia has largely converged back to pre-pandemic levels.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- Easing inflation and slowing economic momentum will push central banks to pivot away from their tightening stance. Still, given lingering fears of inflation resurgence, it is believed that in developed markets' central banks are likely to wait until there is undeniable evidence of inflation sustainably moving toward their targets before cutting policy rates. This means rate cuts are unlikely until the spring or early summer. Importantly, once the policy recalibration cycle is complete toward the end of 2025, it can be seen that rates would be higher than in the pre-pandemic decade.
- Fiscal sustainability is likely to feature prominently on policymakers' agendas in 2024. It is anticipated that fiscal consolidation can be observed in most advanced economies resulting from a renewed focus on budget deficits in a high interest rate environment and the expiry of energy crisis support measures in Europe. Fiscal tightening is also anticipated in most emerging markets, although the adjustments may be less pronounced than in advanced economies. Global trade flows are likely to remain constrained in this subdued economic growth environment with services likely outpacing merchandise trade. Rising geopolitical fragmentation represents a notable cyclical and structural risk to the outlook, especially in a year where voters in markets accounting for about 54% of the global population and nearly 60% of global GDP will go to the polls.

### INDIAN ECONOMIC REVIEW AND OUTLOOK

India's economic story is one of remarkable resilience and burgeoning promise. Despite facing headwinds on the global stage, the country is projected to witness robust growth with an estimated growth for the financial year 2024-25 (FY25) to 6.8%, up from the previous estimate of 6.5%. It is also expected that domestic economy during the ongoing financial year (FY24) would grow by 7.9% (Source: Morgan Stanley), solidifying its position as a major player in the global economic landscape. This momentum continued to be supported by robust growth in sectors such as mining, construction, and manufacturing. This growth is fuelled by several key factors, including:

- Robust Domestic Demand:** A large and growing middle class, coupled with rising disposable incomes, is driving domestic consumption, a vital pillar of the Indian economy. This growing consumer base presents a significant opportunity for businesses catering to a variety of needs.
- Favourable Demographics:** India boasts a young and rapidly growing population, a significant demographic dividend. Over half of India's population is under 25 years old, and over 65% is under 35 years old. This translates into a large and skilled workforce, ready to contribute

to the country's economic expansion. Effective skilling initiatives can further enhance the employability of this young population.

- Government Initiatives:** The Indian government's focus on infrastructure development, digitalization, and reforms like the Production Linked Incentive (PLI) scheme are expected to further stimulate economic activity. The PLI scheme incentivizes domestic manufacturing in specific sectors, fostering import substitution and export growth.

**While traditional sectors like agriculture and manufacturing will continue to play a crucial role, India's growth story in 2024 and beyond is expected to be shaped by the rise of exciting new sectors:**

- Electric Vehicles (EVs):** India is actively promoting the adoption of EVs to address environmental concerns and reduce dependence on fossil fuels. The government's FAME-II scheme offers subsidies and incentives to boost EV manufacturing and sales, creating significant investment opportunities in this sector. A report by McKinsey & Company estimates that the Indian EV market could reach a staggering \$300 billion by 2030, signifying the immense potential of this sector.
- Semiconductors:** The global chip shortage highlights the importance of self-sufficiency in semiconductor manufacturing. In response, India has initiated the "India Semiconductor Mission 2023," aiming to attract investment and build domestic capabilities. With semiconductor demand exceeding USD 10 billion and a vibrant chip design industry, India is positioning itself as a major player in the sector. The Centre of Excellence in Nanoelectronics at the Indian Institute of Science, Bangalore, and the Indian Institute of Technology, Bombay, reflect India's R&D prowess in VLSI and chip design.
- Renewable Energy:** India is aggressively pursuing renewable energy, focusing on solar and wind power. This growing market for clean energy is attracting significant investments, aiding the country's sustainable development goals and reducing its carbon footprint. India aims to cut the carbon intensity of its economy by 45% by 2030 and achieve net-zero emissions by 2070. The goal is to have 500 GW of renewable energy capacity by 2030, with a 50% cumulative electric power target from renewables. India also plans to produce 5 million tonnes of green hydrogen by 2030, supported by 125 GW of renewable energy capacity. The country has approved 50 solar parks totaling 37.49 GW, and has set a target of 30 GW for offshore wind energy by 2030, with identified potential sites.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- Electronics Manufacturing:** India's electronics manufacturing sector is projected to grow 15% in 2024, reaching USD 115 billion. This growth is driven by a greater focus on higher value-addition through component production and product development. Mobile phone manufacturing, a key segment, was expected to exceed USD 50 billion by March 2024, up from USD 42 billion in the previous financial year. According to government data, domestic electronics manufacturing has grown more than fourfold in the last decade, from Rs. 1,80,454 crore (USD 29.8 billion) in FY14 to Rs 8.22 lakh crore (USD 102 billion) today. This growth underscores the robust prospects for India's electronics industry in 2024.
- Defence:** The FY 2024-25 budget aligns with the Long-Term Integrated Perspective Plan (LTIPP), addressing critical gaps in the Armed Forces through modernization. The Rs. 1.72 lakh crore allocation marks a 20.33% increase over last year, targeting new technology like Fighter Aircraft and Drones. A Rs 1.5 lakh crore naval ship-building investment could generate Rs 2.73 lakh crore.
- Healthcare and Pharmaceuticals:** India's growing population and rising healthcare awareness are fueling demand for quality medical services and pharmaceuticals. The government's initiatives to improve healthcare infrastructure and access to affordable medications are creating a conducive environment for growth in this sector. This, coupled with India's strong presence in generic drug manufacturing, positions the country to become a global leader in the healthcare space. India's growing pharmaceutical industry can cater to both domestic and international markets.

**While the outlook for India's economy in 2024 is positive, there are challenges that need to be addressed**

**to ensure sustained growth. These include:**

- Inflation:** Rising global commodity prices pose a risk to inflation in India. The Reserve Bank of India (RBI) is expected to take measures to control inflation, potentially impacting economic growth in the short term. Effective monetary policy management will be crucial in tackling inflation while ensuring economic stability.
- Geopolitical Tensions:** The ongoing global conflicts can disrupt supply chains and lead to higher import costs for India. This necessitates diversifying trade partners and strengthening domestic production capabilities. Reducing dependence on any single supplier will be crucial in mitigating the impact of geopolitical tensions.

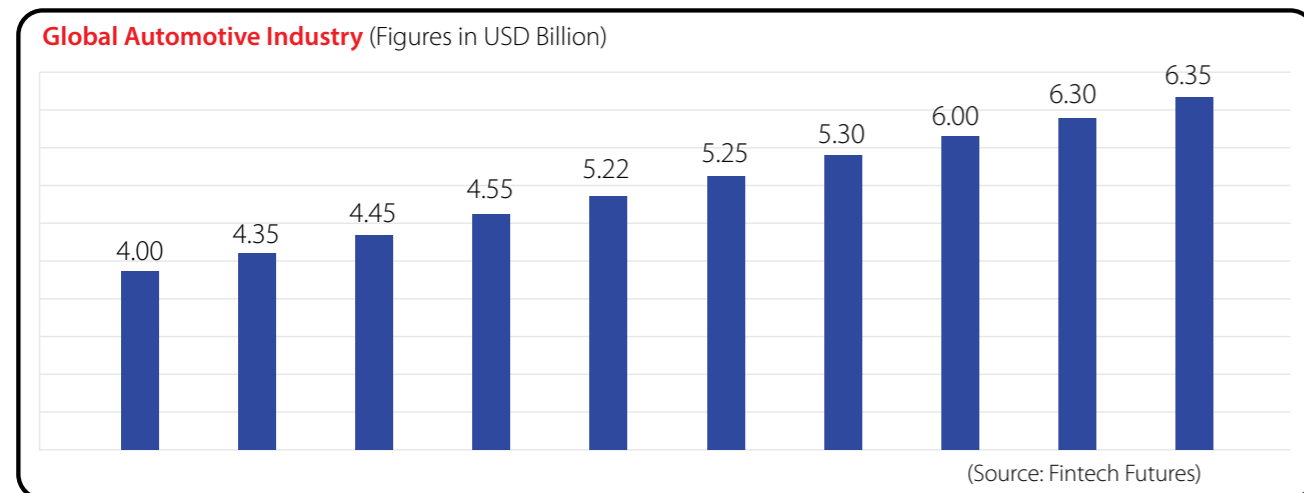
India's economic outlook for 2024 and beyond is bright. With a strong domestic foundation, a focus on emerging sectors, growth in existing sectors, and a commitment to addressing challenges, the country is poised for continued growth. As India takes center stage in the global economic landscape, its success story will be one to watch closely. By implementing the strategies outlined above, India can solidify its position as a major economic power and emerge as a leader in innovation and sustainability.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### GLOBAL AUTOMOTIVE INDUSTRY

##### OVERVIEW

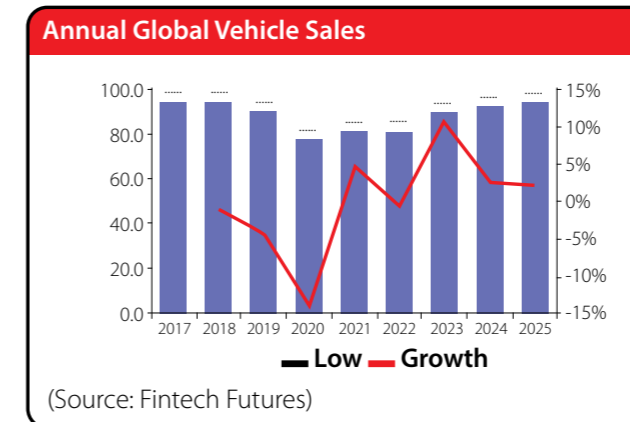
In today's rapidly evolving business landscape, marked by the proliferation of emerging markets, the rapid advancement of new technologies, stringent security regulations, and shifting customer preferences, the automotive industry finds itself at the nexus of transformative change. Digitalization and innovative business models are reshaping traditional paradigms, ushering in a new era of disruption in the automotive sector.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Four critical technological disruptions—mobility, autonomous driving, electric vehicles, and connected technologies—are poised to revolutionize the automotive landscape. While these disruptions are often viewed as independent phenomena, there's a growing consensus among business leaders and industry experts that they are intricately interconnected, complementing, and reinforcing each other. The industry, overall, is perceived as primed and ready for substantial transformation.

However, despite the widespread acknowledgment of impending change, there still needs to be a cohesive, overarching vision delineating how these disruptions will manifest in the automotive domain over the next 10 to 15 years. This lack of a unified vision presents challenges and opportunities, underscoring the need for stakeholders to shape and navigate the impending shifts proactively.



The global automotive industry size is calculated at USD 4,359.98 billion in 2024 and is expected to reach around USD 6,678.28 billion by 2032, growing at a CAGR of 5.66% from 2024 to 2032 (Source: Fintech Futures).

In 2023, global vehicle sales grew almost 11% on YoY basis. As supply chain issues eased, especially related to computer chips, auto production returned to normal levels globally and inventories were restocked across many regions. Global car sales increased to nearly 90 million units in 2023, up from 81 million in 2022 and the highest level seen since 2019. China, the largest market in the world, grew considerably at 12%. The U.S. rebounded after a poor 2022 with a 13% increase in sales. India remained the third largest single-country car market with 8% growth and 4.1 million units sold. Sales in Europe grew after four years of decline. Japan was close behind with nearly 16% growth and 4.0 million units sold. Volumes in Mexico continued to recover from the COVID-19 pandemic and supply chain issues as the country became the fastest growing large car market in the world, surpassing 1.3 million units sold and a 24% growth rate compared to 2022. Globally, vehicle sales are projected to increase between 2.5% and 3.0% in 2024, followed by

another year of projected modest growth of around 2.0% to 2.5% in 2025.

The automotive industry is undergoing a profound transformation, with eight key perspectives shaping its trajectory towards 2033. These perspectives provide insights into the current shifts and their implications for various stakeholders, including OEMs and suppliers, new entrants, management, customers, and the domestic auto industry.

- New Business Model Driven by Integration and Innovation:** The emergence of a new business model characterized by integration, service connectivity, and innovation is poised to revolutionize the automotive industry. This transformation could potentially boost auto revenue by nearly 30%, reaching a total of \$1.5 trillion. This shift highlights the growing importance of leveraging technology and connectivity to enhance customer experiences and create new revenue streams.
- Moderated Growth in Car Sales:** Despite the transition to integrated business models, car sales are expected to increase, albeit at a lower annual growth rate of approximately 2%. This reflects changing consumer preferences, evolving mobility needs, and the increasing emphasis on sustainability and alternative transportation solutions.
- Changing Mobility Habits and Shared Ownership:** The changing mobility habits of consumers are paving the way for shared ownership models. By 2030, it is projected that one in every 10 cars sold will be shared, leading to a significant expansion of the market for shared mobility systems. This trend underscores the shift towards more sustainable and efficient transportation solutions, driven by technological advancements and evolving consumer behaviours.

### SCOT ANALYSIS OF THE GLOBAL AUTOMOTIVE INDUSTRY

The global automobile industry is undergoing significant shifts, presenting both challenges and opportunities for growth.

#### Strengths

- Investment in Public Transport:** There is a growing demand for large vehicles, such as large cars and long-distance buses, driven by increased investment in public transport. Local governments are under pressure to revamp existing transportation systems to meet the evolving needs of users and alleviate road congestion caused by private vehicles.
- Demand in Emerging Markets:** Automotive companies are capitalizing on the rising demand for affordable private cars in developing countries like



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India, China, and Africa. With the middle-income group expanding in these regions, companies are introducing affordable new cars and motorcycles.

### Constraints

**Environmental Impact:** The automobile industry faces constraints related to environmental concerns associated with vehicle production and operation. Car manufacturing processes require significant resources, contributing to issues such as deforestation and ecosystem damage. Additionally, emissions from internal combustion engines and reliance on fossil fuels pose challenges to future growth.

### Opportunities

**Growing Electric Vehicle Market:** The increasing interest in electric vehicles (EVs) presents a significant growth opportunity for automotive industry players. Factors such as environmental awareness, rising fuel prices, and technological advancements have made electric cars more affordable and attractive.

### Threats

- **Rise in Raw Material Prices:** Global competition in the automotive industry is challenged by the increasing prices of essential raw materials such as steel, rubber, glass, and plastic. The fluctuating costs of these materials can impact production expenses and profitability for manufacturers.
- **Economic Uncertainty:** Economic instability and uncertainty can pose significant challenges for the automotive sector. Factors such as changes in consumer income, disposable income, and overall economic health can influence consumer spending patterns and purchasing decisions. Uncertainty in economic conditions can also affect investment decisions and long-term planning for automotive companies.
- **Competitive Market Dynamics:** The automotive industry operates in a highly competitive market environment, characterized by constant innovation and technological advancements. Today's cars are equipped with advanced features such as remote monitoring, driver assistance systems, and augmented reality displays. While these technologies enhance the driving experience and safety, they also contribute to increased production costs, putting pressure on manufacturers to balance cost-effectiveness with product innovation.

### OUTLOOK

In 2024, global vehicle sales are expected to grow modestly due to a recovering supply chain and pent-up demand. Those sales expectations are tempered by elevated vehicle pricing and tough lending conditions. Production in 2024 is expected to remain flat as many geographies have reached

inventory equilibrium following a tumultuous few years.

**United States:** Vehicle sales in the U.S. are expected to grow at a moderate pace to 15.9 million units in 2024, up from 15.5 million units in 2023. 15.9 million units would be the highest annual count since 2019. High interest rates and tight credit conditions, as well as higher sticker prices, are expected to negatively impact sales estimates. Production is expected to continue to grow, leading to higher inventories and the possibility for increased sales incentives. The number of battery electric vehicle (BEV) models available is expected to cross 100 in 2024, offering customers more choices across segments and price points.

**China:** The 2024 market is expected to see another year of strong growth, with light vehicle sales expected to grow 4.2%. Sales increases are expected to be supported by improving consumer confidence and the continued pent-up demand from pandemic lockdowns. Electrified vehicle (EV) sales are expected to further increase in 2024 as battery prices continue to fall and China's EV tax exemption is extended. EV market share is expected to reach 44% for the full year.

**Europe:** 2024 vehicle sales are forecasted at 15.1 million units, up 2.9% from 14.7 million units in 2023. While improving inventory levels are expected to boost sales, recession worries, credit conditions, ending of EV subsidies, and high car prices may moderate that growth. Vehicle production in Europe is estimated to fall 1.8% in 2024, as growing imports from China and already-higher inventory levels are expected to temper manufacturing levels.

**Electrified Vehicles:** Globally, electrified vehicle sales are expected to increase by nearly 40% to 13.3 million units in 2024. BEV market share is expected to rise to an estimated 16.2%, up from 2023 market share of 12.0%. China is once again expected to be the world leader in BEV sales, but geographies like Europe and India are expected to have more growth. As shown on the next page, the U.S. EV market is expected to grow significantly in 2024, albeit less than previously expected.

### INDIAN AUTOMOTIVE INDUSTRY

#### OVERVIEW

India's dominance in the automotive sector extends globally, making it the world's largest manufacturer of two-wheelers tractors. Additionally, it ranks as the third-largest heavy truck manufacturer and the fourth-largest car manufacturer worldwide. The Indian automobile industry's value stood at Rs. 10.22 lakh crore in the fiscal year 2023-24, surging by 19%. The Automobile industry produced a total 28.43 million vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in FY 23-24. India holds a strong position in the international

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

heavy vehicles arena as it is the largest tractor manufacturer, second-largest bus manufacturer, and third largest heavy trucks manufacturer in the world. Foreign direct investment (FDI) has played a significant role in the sector's growth, with a cumulative equity FDI inflow of approximately US\$ 35.40 billion between April 2000 and September 2023. The Indian automobile industry posted a satisfactory performance, with the domestic industry growing by 12.5% during the last financial year (FY24) to 2,38,53,463 units compared with 2,12,04,846 in the previous year (Source: The Sunday Guardian and The Hindu Businessline).

### Passenger Vehicles segment

In the passenger vehicle (PV) segment, the total wholesale (dispatches to dealers) grew by more than 8% to 42,18,746 units during the year as compared with 38,90,114 units in FY23. The sales were led by the utility vehicle (UV) segment, which grew by around 26% to 25,20,691 units during the last financial year, compared with 20,03,718 units in FY23.

### Two and three-wheeler segment

The total two-wheeler wholesales also grew by more than 13 %to 1,79,74,365 units in FY24 in the domestic market as compared with 1,58,62,771 units in FY 22-23. In the three-wheeler segment, total domestic sales grew by 41.5 %to 6,91,749 units, compared with 4,88,768 units in the previous year. However, the total commercial vehicle sales grew marginally (0.6 per cent) 9,67,878 units during the year as against 9,62,468 units in FY23.

The year also demonstrated the auto industry's sustainability commitments as it commenced producing vehicles materially compliant to 20% ethanol and witnessed growth of 90% in electric passenger vehicles and 30 %in electric two-wheelers.

Passenger Vehicle segment led the growth with overall sales touching almost five-million units including 4.2 million domestic (growth of 8.4%) and 0.7 million exports. Two-wheeler segment continued the recovery path with a handsome growth of over 13% in domestic sales to almost 18 million units, slightly lower than the earlier peak of 21 million units in FY19.

On commercial vehicles, the industry had a marginal growth to 9.7 million units and within that, some drop was experienced in light commercial vehicles (LCVs) and small commercial vehicles (SCVs) due to de-growth in CNG segment. The growth in CVs was also impacted due to migration to higher tonnage trucks, which created higher payload capacity that is not reflected in the number of units.

### Electric Vehicle segment

The electric vehicle (EV) market is estimated to reach US\$ 7.09 billion (Rs. 50,000 crore) in India by 2025. According to

NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach US\$ 50 billion (Rs. 3.7 lakh crore) by 2030. During FY 2023-24, there was a notable increase in EV registrations. The penetration of EVs rose from 3.7% in FY 2022-23 to 4.3% in FY 2023-24, with electric two-wheelers (e-2Ws) being a significant contributor.

In Q1 2024, the Government announced that it would temporarily lower the import duties on EVs for OEMs who invest at least USD 500 mn in local manufacturing with a localisation rate (share of EV components sourced locally) of 25% within three years, and reach a localisation rate of 50% by the fifth year. Qualifying OEMs will have a reduced import duty of 15% (compared to between 70%-100% currently) for up to 8,000 (import quotas) EVs valued at less than USD 35,000 annually. Beyond the 8,000 unit limit, imported EVs will face the standard rate of 70%-100%. This will accelerate growth in India's EV manufacturing over the medium to long term (Source: IBEF).

### OUTLOOK

India's automotive market is on track to hit a significant milestone, with projections estimating it will reach US\$ 300 billion by 2026. This growth is attributed to various factors, including rising income levels, urbanization, and an expanding middle class with greater purchasing power.

The automobile industry is dependent on various factors such as the availability of skilled labour at low cost, robust R&D centres, and low-cost steel production. The industry also provides great investment opportunities and direct and indirect employment to skilled and unskilled labour. The electric vehicles industry is likely to create five crore jobs by 2030.

Addressing the automotive industry's needs, MHI has extended the tenure of the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components by one year, offering incentives for determined sales over five consecutive financial years from 2023-24 to 2027-28, with disbursement occurring in the subsequent financial year. The scheme has proven successful, attracting proposed investments of US\$ 8.1 billion (Rs. 67,690 crore) against the target estimate of US\$ 5.1 billion (Rs. 42,500 crore) over five years, with US\$ 1.6 billion (Rs. 13,037 crore) already invested by December 31, 2023. In August 2022, the Indian government launched India's first double-decker electric bus in Mumbai. Looking long term, the government feels it is necessary to overhaul the country's transportation system. It is working to create an integrated electric vehicle (EV) mobility ecosystem with a low carbon footprint and high passenger density with an emphasis on urban transportation reform. The government's strategy and policies are intended to promote greater adoption of electric vehicles in response to growing customer demand for cleaner transportation options.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Government of India expects the automobile sector to attract US\$ 8-10 billion in local and foreign investments by 2023. India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles.

### GLOBAL AUTO COMPONENTS INDUSTRY

#### OVERVIEW

Automotive components are the various parts and mechanisms that comprise a vehicle. These components are required for a car to run and function correctly. The global demand for automobiles is pushing innovation, efficiency, and quality in the auto parts industry, which in turn is meeting the changing demands of the automotive market. In addition, a large increase in original equipment and auto component manufacturers was a result of the strong demand for automobiles. The global auto parts manufacturing market size reached US\$ 2,197.9 Billion in 2023. Looking forward, it is expected that the market would reach US\$ 2,719.4 Billion by 2032, exhibiting a growth rate (CAGR) of 2.39% during 2024-2032 (Source: IMARC). Asia Pacific is expected to grow the fastest during the forecast period. The increasing global demand for automobiles, the rising government's initiatives and incentives promoting the automotive industry's growth and sustainability, and the growing consumer demand for enhanced comfort, connectivity, and convenience features in vehicles are some of the factors propelling the market.

#### Auto Parts Manufacturing Market Trends/Drivers

**Rapid technological innovations in manufacturing processes:** Technological innovations in manufacturing processes, such as additive manufacturing and robotics, offer numerous market opportunities. These advancements have revolutionized the production of automotive components, offering numerous benefits to manufacturers. Additive manufacturing, also known as 3D printing, enables the production of complex and customized auto parts with greater speed, precision, and cost-efficiency. It eliminates the need for traditional manufacturing techniques, such as casting or machining, and reduces material waste. Additive manufacturing also optimizes design and produces lightweight, high-performance parts, contributing to fuel efficiency and vehicle performance. Furthermore, robotics technology has transformed assembly lines and manufacturing operations, enhancing productivity, precision, and efficiency. Robots can handle repetitive tasks accurately and quickly, resulting in improved production rates and reduced errors. They also offer flexibility in adapting to changing manufacturing requirements, enabling faster production line reconfigurations for different vehicle models. These technological innovations streamline the manufacturing process and promote innovation and design freedom. Manufacturers can explore new

materials, geometries, and functionalities, leading to the development of advanced auto parts that meet evolving industry and consumer demands. Moreover, the adoption of these technologies in auto parts manufacturing enhances overall operational efficiency, reduces costs, and allows manufacturers to stay competitive in a rapidly evolving market. As a result, the continued advancements in additive manufacturing and robotics are catalyzing the growth and transformation of the auto parts manufacturing sector.

**Significant growth in the automotive industry worldwide:** Significant growth in the automotive industry worldwide is a major driving force behind the market growth of auto parts manufacturing. This can be attributed to the increasing population, rapid urbanization, and inflating disposable incomes in emerging economies. As more individuals aspire to own cars, the need for auto parts to support manufacturing and maintenance grows. Furthermore, the technological advancements in the automotive sector, such as electric vehicles, autonomous driving, and connectivity features, have fueled the demand for specialized auto parts. This includes components related to battery systems, sensors, infotainment systems, and advanced safety features. Moreover, the stringent government regulations and environmental concerns have prompted automakers to develop more fuel-efficient vehicles with lower emissions. This shift necessitates the production of innovative auto parts that contribute to improved fuel economy and reduced environmental impact. Besides, the replacement market plays a significant role in driving the auto parts manufacturing sector. As vehicles age, there is an increasing need for replacement parts, including wear-and-tear components like brakes, filters, and suspension. The overall growth of the automotive industry, coupled with evolving consumer demands and technological advancements, creates a robust market for auto parts manufacturers. To meet the increasing demand, manufacturers must continuously innovate, improve efficiency, and develop cost-effective solutions, catalyzing the market.

**Growing adoption of electric vehicles (EVs):** The growing adoption of electric vehicles (EVs) is strengthening the market. Various factors, including environmental concerns, government regulations, and advancements in battery technology, drive the shift toward EVs. The rise in EV production has created a significant demand for specialized auto parts tailored to electric powertrains. This includes electric motors, battery packs, power electronics, charging, and thermal management systems. Auto parts manufacturers are investing in research and development to produce high-performance, efficient, and reliable parts for EVs. The growing EV market presents new opportunities for auto parts manufacturers to develop innovative solutions.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

They are focusing on lightweight materials, advanced cooling systems, and energy-efficient components to optimize the performance and range of electric vehicles. Additionally, the infrastructure required for EVs, such as charging stations and grid integration, drives the demand for related components and systems. This includes connectors, cables, power management systems, and communication technologies. As governments worldwide introduce incentives and regulations to promote EV adoption, the market for auto parts manufacturing continues to expand. Manufacturers are investing in capacity expansion, collaboration with automakers, and technological advancements to meet the increasing demand and capitalize on the growing market for EV-related auto parts.

Regionally, Asia-Pacific dominated the market, benefiting from rapid industrialization, urbanization, and a strong automotive sector. This region's manufacturing hub status, coupled with lower production costs and a skilled workforce, contributed significantly to the industry's expansion. North America also saw substantial growth, driven by technological advancements and a robust manufacturing infrastructure.

Overall, the global auto components industry in 2023-2024 continued to evolve, with opportunities for innovation and growth, despite challenges such as supply chain disruptions and fluctuating raw material prices. The market's future outlook remains positive, with a strong emphasis on digitalization, sustainability, and the development of components for electric and autonomous vehicles.

### INDIAN AUTO COMPONENTS INDUSTRY

#### OVERVIEW

India has become the fastest-growing economy in the world in recent years. This fast growth, coupled with rising incomes, a boost in infrastructure spending and increased manufacturing incentives, has accelerated the automobile industry. Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry.

India's auto component industry is an important sector driving macroeconomic growth and employment. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country. The auto components industry accounted for ~2.3% of India's GDP and provided direct employment to more than 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of

India's GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026 (Source: IBEF).

The Indian auto-component industry achieved an unprecedented turnover of Rs. 5.6 trillion (US\$ 69.7 billion) in FY24, marking a remarkable growth of 32.8% compared to the previous fiscal year. The industry's size amounted to Rs. 4.20 trillion in the preceding fiscal year. Experts attributed this remarkable performance to robust vehicle sales within the country, a thriving aftermarket, and consistent exports. Exports of auto components also experienced a positive trajectory, increasing by 5.2% to reach Rs. 1.61 trillion (US\$ 20.1 billion) in the last fiscal year. However, imports of auto components grew at a slightly higher rate, rising by 10.9% to US\$ 20.3 billion. The aftermarket segment, valued at Rs. 85,333 crore, witnessed steady growth of 15%. Sales of components to original equipment manufacturers (OEMs) in the domestic market exhibited a significant increase of 39.5%, reaching Rs. 4.76 lakh crore. Experts highlighted that the impressive performance of the component sector in FY23 can be attributed not only to increased vehicle sales but also to substantial value addition within the sector (Source: Indbiz and The Automotive Component Manufacturers Association of India - ACMA).

Despite the challenges brought on by the pandemic, sales of vehicles, particularly in the passenger and commercial sectors, have rebounded to pre-pandemic levels. Additionally, the two-wheeler industry has shown strong signs of recovery. With the mitigation of supply-side challenges such as semiconductor availability, raw material costs, and logistics, the experts expressed optimism that the vehicle industry will continue to perform well in the fiscal year 2024. This positive outlook bodes well for the auto components sector.

#### GOVERNMENT INITIATIVES

The Government has reaffirmed its commitment towards EVs and its mission for 30% electric mobility by 2030. Budget announced customs duty exemption on the import of capital goods and machinery required for the manufacture of lithium-ion batteries that typically power EVs. The Bharat New Car Assessment Program (BNCAP) will not only strengthen the value chain of the auto component sector, but it will also drive the manufacturing of cutting-edge components, encourage innovation, and foster global excellence. The FAME Scheme was extended for a further period of 2 years up to 31st March 2024.

The Government of India's Automotive Mission Plan (AMP) 2006-26 has been instrumental in ensuring growth for the sector. The Indian automobile industry is expected to achieve a turnover of US\$ 300 billion by 2026 by expanding at a CAGR of 15% from its current revenue of US\$ 74 billion.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OUTLOOK

The rapidly globalising world is creating newer opportunities for the transportation industry, especially while shifting towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto component manufacturers. The number of electric vehicles expected to be produced in India by 2024 is 5 lakh three-wheelers, 55,000 four-wheelers, and 7,000 buses. Alternatively, there will be four lakh charging stations by 2026, up from 1,800 in March 2021. By 2026, Indian exports of automotive components might exceed \$30 billion, according to the Automobile Component Manufacturers Association (ACMA). Estimates indicate that the automotive component market will reach a value of \$200 billion by the year 2026. In addition, analysts anticipate that India's automotive component market will surpass China's and become the world's third-largest.

To help the auto components manufacturers adjust to the shifting dynamics of the sector, the Indian government has offered various production incentives. India is also investing heavily in electric car infrastructure. Manufacturers in this industry are focusing on developing sustainable solutions, lightweight materials, and efficient production processes to meet the evolving needs of the automotive sector. Additionally, there is a growing emphasis on digitalization and data analytics to optimize operations and enhance product performance. As the automotive industry continues to evolve, the auto components sector will play a crucial role in shaping the future of mobility. Collaboration with automakers, investment in research and development, and adaptation to changing regulations will be key factors for success in this dynamic and competitive market.

### INDIAN TRACTOR INDUSTRY OVERVIEW

The Indian tractor industry is huge and has a great influence on the global agricultural domain. Both the domestic and international markets are empowered by multiple India-based tractor manufacturers. Tractor sales in FY 2023-24 were lower compared to FY 2022-23. Domestic sales decreased by 7%, while exports dropped by 22% from the previous year. The decline in domestic sales last year was attributed to a poor monsoon. However, a normal monsoon is expected this year, which is anticipated to boost tractor sales.

According to the Tractor and Mechanization Association (TMA), total domestic tractor sales in FY 2023-24 were 874,504 units, compared to 940,985 units in FY 2022-23. The primary reason for this decline is attributed to reduced Kharif crop production due to last year's weak monsoon. Weak agricultural activities, caused by the monsoon and unseasonal rains, significantly impacted the tractor industry, leading to lower sales. The poor monsoon in FY 2023-24

adversely affected Kharif crop production, which in turn negatively impacted tractor sales.

Industry analysts note that despite domestic sales ending on a slow note in FY 2023-24, there is a ray of hope in exports. The IMD has also forecast a good monsoon this year, which is expected to boost tractor sales. Domestic tractor volumes is expected improve, and the industry may register a modest growth of 3-5% in FY 2025. This optimism is driven by the expectation of a promising monsoon season, which is anticipated to lead to higher farm incomes and a lift in the rural economy.

### GROWTH DRIVERS

Government Support and Subsidies driving the market growth: Government support and subsidies have become pivotal factors propelling the growth of the Agricultural Machinery Market. Initiatives such as financial aid, tax incentives, and technology adoption programs incentivize farmers to invest in advanced equipment, enhancing productivity and sustainability. This support fosters a conducive environment for market expansion, driving demand for modern agricultural machinery as farmers seek to capitalize on these benefits to optimize their operations and meet the increasing global food demand. Some of the other factors indirectly but positively influencing the market are agriculture finance and agriculture insurance initiated by The World Bank to aid the financially fragile agriculture production sector participants. The World Bank Group is a leading financier of agriculture. In FY 2023, approved IBRD/IDA commitments for agriculture and related sectors reached USD 5.9 billion, with USD 3 billion dedicated to climate action within new agriculture and food projects, reinforcing sustainable development and resilience. Other prominent factors equipped with a tendency to support the agriculture machinery market for exponential growth are a rise in research and development by various economies sponsored by various organizations. Rise in disposable income of the urban population creating demand for higher quality and organic agricultural products, and reduction in global farmland, which require advanced agricultural machinery to meet copious loads of vigorous production.

Rising Agriculture Mechanization Rates in Developing Countries: The rising trend of agriculture mechanization in developing countries is significantly impacting the demand for agricultural machinery. Faced with challenges such as diminishing land availability, water scarcity, and a shrinking labour force, these nations are increasingly adopting mechanized solutions to enhance productivity and efficiency in agriculture. This shift is fuelling a robust demand for various agricultural machinery, including tractors, harvesters, irrigation systems, and precision agriculture tools. Farmers in developing countries are

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

recognizing the need for modern technology to overcome traditional constraints and optimize resource utilization. The demand for tractors is surging as they become essential for ploughing, planting, and cultivating large expanses of land swiftly. There is a growing interest in precision agriculture tools and irrigation systems, reflecting a desire for optimized resource management and sustainable farming practices. As these nations embrace mechanization, the agricultural machinery market is witnessing a substantial upswing, driven by the imperative to secure food production in the face of resource constraints.

### CHALLENGES

The high cost of agricultural machinery stands as a formidable impediment to the growth of the agriculture machinery market. This cost factor encompasses the initial purchase price, maintenance expenses, and the overall financial burden on farmers. Small and medium-sized farmers, in particular, find it challenging to invest in modern, technologically advanced equipment due to their limited financial resources. Additionally, the evolving nature of agricultural technology necessitates constant upgrades, exacerbating the economic strain on farmers. High capital requirements for machinery contribute to a digital divide, limiting access to innovative tools that could enhance productivity and sustainability. Addressing this challenge requires concerted efforts from policymakers, industry stakeholders, and financial institutions to develop cost-effective solutions, subsidies, or financing options that can alleviate the financial burden on farmers, promoting the widespread adoption of modern agricultural machinery.

### INDIAN TRACTOR MACHINERY INDUSTRY OVERVIEW

The India Agricultural Tractor Machinery Market size is estimated at USD 7.42 billion in 2024, and is expected to reach USD 10.28 billion by 2029, growing at a CAGR of 6.70% during the forecast period (2024-2029). This growth expectation is backed by:

- According to the Tractor and Mechanization Association (TMA), total domestic tractor sales in FY 2023-24 were 874,504 units, compared to 940,985 units in FY 2022-23. The primary reason for this decline is attributed to reduced Kharif crop production due to last year's weak monsoon. Weak agricultural activities, caused by the monsoon and unseasonal rains, significantly impacted the tractor industry, leading to lower sales. The poor monsoon in FY 2023-24 adversely affected Kharif crop production, which in turn negatively impacted tractor sales. Industry analysts note that despite domestic sales ending on a slow note in FY 2023-24, there is a ray of hope in exports. The IMD has also forecast a good monsoon this year, which is expected to boost tractor sales. Domestic tractor volumes is expected improve,

and the industry may register a modest growth of 3-5% in FY 2025. This optimism is driven by the expectation of a promising monsoon season, which is anticipated to lead to higher farm incomes and a lift in the rural economy.

- Government initiatives toward rural development, farm mechanization, and various factors, such as high rural wages and scarcity of farm labour, are likely to increase the tractor volume over the long term.
- Two-wheel-drive tractors are more popular than four-wheel-drive tractors in the Indian market. The agriculture tractor market is dominated by aboriginal Indian OEMs.
- India remains a highly lucrative tractor market because of the decreasing availability of farm labour and the rise of innovative business models, such as custom hiring solutions for tractors. In India, under the mechanization component of the macro-management scheme of agriculture by the Indian government, there is a subsidy for promoting agricultural mechanization, including 25% of the cost limited to Rs. 30,000 for buying tractors of up to 35 PTO HP. Thus, with the rising government support for enhancing farm mechanizations and expansion in crop production, the sale of agricultural tractors is anticipated to rise in the upcoming years.

### BUSINESS AND FINANCIAL OVERVIEW

Kranti Industries Ltd., established in 1981, is a precision machining Company known for manufacturing critical components for the automotive and engineering industries. Over the years, the Company has built a strong reputation for its commitment to quality, precision, and customer satisfaction. They specialize in producing components for transmissions, axles, chassis, engines, and more, serving sectors like tractor, construction equipment, and electric vehicles.

The Company has three manufacturing plants equipped with advanced machining centers and inspection facilities and two group companies manufacturing plants. Their state-of-the-art infrastructure includes multi-axis machining centers, CNC turning, vertical turret lathes, horizontal machining centers, and vertical machining centers. This extensive setup allows them to deliver high-precision components with reliability and accuracy.

The Company prides itself on its innovative solutions, continuous improvement, and dedication to meeting the diverse needs of its customers. The Company's clients include prominent OEMs in the automotive sector, and their focus on technology and adaptability ensures they remain at the forefront of the industry.

The financial statements of the company were compiled adhering to the Indian Accounting Standards (also known

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

as 'Ind AS'), as per the notification from the Ministry of Corporate Affairs following Section 133 of the Companies Act 2013 ('Act'), along with the Companies (Indian Accounting Standards) Rules 2015 as they have been updated, and other relevant clauses within the Act.

Its brief financial performance for 2022-23 is given below (Standalone): (Amount in Rs. Lakhs)

| Particulars                   | For Year ended<br>March 31, 2024 | For Year ended<br>March 31, 2023 |
|-------------------------------|----------------------------------|----------------------------------|
| Revenue from Operations       | 8,166.18                         | 9,139.73                         |
| EBITDA                        | 1,022.23                         | 925.59                           |
| Depreciation and Finance cost | 916.29                           | 618.42                           |
| Profit before tax             | 105.94                           | 307.17                           |
| Tax expenses                  | 29.80                            | 100.79                           |
| Net Profit                    | 75.35                            | 208.86                           |

### RISK MANAGEMENT

The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor business and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a robust internal control system to ensure operational efficiency, reliability of financial reporting, and compliance with laws and regulations. Here are the key aspects of their internal control systems and their adequacy:

- Internal Audit:** The Company employs an independent internal audit team that regularly reviews the company's operations and financial transactions. This team ensures that the company's internal controls are being followed and are effective. They provide periodic reports to the management and audit committee, highlighting areas of improvement.
- Standard Operating Procedures (SOPs):** The Company has well-documented SOPs for various business processes. These procedures are designed to ensure consistency, efficiency, and compliance with regulatory requirements. Regular updates to these SOPs are made to adapt to changing business environments and regulatory norms.
- Segregation of Duties:** To prevent fraud and errors, the Company ensures the segregation of key duties among employees. This involves dividing responsibilities such that no single individual has control over all aspects of any critical process.
- IT Controls:** The Company leverages advanced information technology systems to maintain accurate financial records and manage business operations. Access controls, data integrity checks, and regular backups are some of the IT controls in place to ensure the security and accuracy of information.
- Risk Management Framework:** Integrated with the internal control system is a comprehensive risk management framework that identifies, assesses, and mitigates risks across the organization. This framework ensures that all potential risks are managed proactively.
- Compliance and Governance:** The Company adheres to strict compliance and governance standards. Regular training and awareness programs are conducted to ensure that employees are aware of the regulatory requirements and the importance of compliance.
- Financial Controls:** The Company has stringent financial controls to ensure the accuracy and reliability of its financial statements. This includes regular reconciliation of accounts, budgetary controls, and periodic financial reviews.
- Audit Committee Oversight:** The audit committee, comprising independent directors, provides oversight of the internal control system. They review internal audit reports, statutory audit findings, and management responses to ensure any deficiencies are addressed promptly.
- Continuous Monitoring and Improvement:** The Company believes in continuous monitoring and improvement of its internal controls. Feedback from audits and day-to-day operations is used to enhance the control environment continuously.

The internal control systems at Kranti Industries Ltd. are adequate and effective in ensuring that the company's

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

operations are efficient, financial reporting is reliable, and compliance with laws and regulations is maintained.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company considers employees as the most valued asset, who are at the core of the business. Human capital is the most important business driver. A strong people culture is the soul of the organization and biggest competitive advantage for a sustainable growth.

As an organization, all colleagues, at every level, are part of the organization's growth strategy and are empowered enough to take business decisions. The Company takes care of them much beyond salary, pay and perks and ensures that they get best-in-class learning and career advancement opportunities. The key pillars of the core philosophy are talent care and development, empowerment and decision making at all levels, innovation, agility and digital transformation.

The Company understands that internal selection and succession is very critical for the long-term sustenance of the business as it ensures business continuity, preserves corporate culture, enhances knowledge capital and fuels

the ambitions of the company's talent leading to better retention. It is ensured that internal talent is groomed for the next level responsibilities.

The Company has employed 300+ employees directly and indirectly on its payroll as on 31st March, 2024.

### CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.



## BOARD REPORT

To the Member

The Directors are pleased to present the Twenty-Nine (29th) Annual Report of the Company together with the Audited Financial Statements (Consolidated and Standalone) for the year ended March 31, 2024.

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or amendments thereof, for time being in force) ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this report covers the financial results and other developments during the financial year ended March 31, 2024, in respect of

### 1. FINANCIAL HIGHLIGHTS:

The Audited Financial Statements of your Company as on March 31, 2024, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind As") and Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation") and other applicable provisions of the Companies Act, 2013 ("Act").

The financial performance of the Company for the financial year ended March 31, 2024 is summarized below:

(₹ in Lakh)

| PARTICULARS   | Standalone   |             | Consolidated |              |
|---|--------------|-------------|--------------|--------------|
|   | F.Y. 2023-24 | F.Y.2022-23 | F.Y. 2023-24 | F.Y. 2022-23 |
| Revenue from Operations   | 8,166.18     | 9,139.73    | 9,028.54     | 9,323.74     |
| Other Income  | 22.56        | 12.79       | 62.51        | 410.08       |
| Total Revenue   | 8,188.74     | 9,152.51    | 9,091.04     | 9,733.82     |
| Cost of Material Consumed   | 4,865.97     | 6130.23     | 5,409.72     | 6,150.90     |
| Changes in Inventories of Finished Goods and WIP                            | 90.52        | (32.33)     | 183.76       | (32.33)      |
| Employee Benefits Expenses  | 1,205.04     | 991.34      | 1,244.39     | 1,100.08     |
| Other Expenses  | 1,004.98     | 1,137.69    | 1,299.18     | 1,164.28     |
| Finance Cost  | 303.61       | 225.95      | 386.27       | 249.69       |
| Depreciation and Amortization Expenses                                      | 612.68       | 392.47      | 667.88       | 414.24       |
| Total Expenditure   | 8,082.80     | 8845.35     | 9,191.18     | 9,046.86     |
| Profit/(loss) before Exceptional Items, and Tax                             | -            | -           | (100.14)     | 686.95       |
| Profit/(Loss) Before Tax  | 105.94       | 307.17      | (100.14)     | 686.95       |
| Less: Provision for Taxes   |              |             |              |              |
| (a) Current Tax   | 22.05        | 56.41       | 19.94        | 108.57       |
| (b) Deferred Tax  | 29.80        | 30.99       | (105.65)     | 43.01        |
| (c) Current Tax Expenses relating to Prior years                            | (22.05)      | 13.39       | (22.05)      | 13.39        |
| Other Comprehensive Income / (Loss) for the year                            | (0.79)       | 2.48        | (0.79)       | 2.48         |
| Total Comprehensive Income / (Loss) for the period Before Minority Interest | 75.35        | 208.86      | 6.81         | 524.45       |
| Minority Interest and Share of Profits (Loss) of Associates                 | -            | -           | (46.54)      | -            |
| Total Comprehensive Income / (Loss) of the year                             | 75.35        | 208.86      | 6.02         | 524.45       |

## BOARD REPORT

### 2. PERFORMANCE REVIEW:

#### 2.1 Standalone Basis:

During the period under review, your Company has registered a total revenue of ₹ 8,188.74 Lakhs (approx.) as compared to total revenue of ₹ 9,152.51 Lakhs (approx.) for the previous financial year 2023-23; whereas EBITDA, for the financial year 2023-24 is ₹ 1022.24 Lakhs (approx.) as compared to EBITDA of ₹ 925.59 Lakhs (approx.) for the previous financial year 2022-23 and net Profit/(Loss) Before Tax (PBT) for the financial year 2023-24 is ₹ 105.94 Lakhs as compared to ₹ 307.17 Lakhs for the financial year 2022-23.

#### 2.2 Consolidated Basis:

During the period under review, your Company has registered a total revenue of ₹ 9,091.04 Lakhs (approx.) as compared to total revenue of ₹ 9,733.82 Lakhs (approx.) for the previous financial year 2023-23; whereas EBITDA, for the financial year 2023-24 is ₹ 953.99 Lakhs (approx.) as compared to EBITDA of ₹ 1350.89 Lakhs (approx.) for the previous financial year 2022-23 and net Profit/(Loss) Before Tax (PBT) for the financial year 2023-24 is ₹ (100.14) Lakhs as compared to ₹ 686.95 Lakhs for the financial year 2022-23.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 34(2)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

### 4. STATE OF COMPANY'S AFFAIRS:

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis (MDA). In which we have attempted to include discussion on all the specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's own competitive position.

### 5. DIVIDEND:

With a view to conserve capital the Board of Directors does not recommend any dividend for the current financial year ended on March 31, 2024.

### 6. SHARE CAPITAL OF THE COMPANY:

During the year under review, the Company has not altered/modified its authorized share capital. The Authorized Share Capital of the Company as on the March 31, 2024 was ₹ 15,00,00,000/- (Rupees Fifteen Crores Only).

The Company recommends the Members, to approve the increase in Authorised Share Capital of the Company at this ensuing AGM, from ₹ 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakh) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each.

Further, during the period under review, pursuant to the member's approval received in 28th Annual General Meeting dated September 08, 2023, the Board of Directors in its meeting dated September 29, 2023 increased the paid-up share capital of the Company from ₹ 10,56,24,000/- (Rupees Ten Crore Fifty-Six Lakhs Twenty-Four Thousand Only) divided into 1,05,62,400 (One Crore Five Lakhs Sixty-Two Thousand Four Hundred) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ 11,41,04,000/- (Rupees Eleven Crore Forty-One Lakhs Four Thousand Only) divided into 1,14,10,400 (One Crore Fourteen Lakhs Ten Thousand Four Hundred) equity shares of Rs 10/- (Rupees Ten Only) each through Preferential Issue of 8,48,000 (Eight Lakh Forty-Eight Thousand) Equity Shares of face value ₹ 10/- (Rupees Ten Only) each ("Equity Shares") for cash at a price of ₹ 101/- (Rupees Hundred and One Only) per equity shares (including a premium of Rs. 91/- (Rupees Ninety-One Only) per equity share), each ranking pari passu with the existing Equity Shares, for an aggregate amount up-to ₹ 8,56,48,000/- (Rupees Eight Crore Fifty-Six Lakhs Forty-Eight Thousand Only).

The paid-up share capital of the company as on the March 31, 2024 is ₹ 11,41,04,000/- (Rupees Eleven Crore Forty-One Lakhs Four Thousand Only) divided into 1,14,10,400 (One Crore Fourteen Lakhs Ten Thousand Four Hundred) equity shares of ₹ 10/- (Rupees Ten Only) each.

Further, the Company recommends the Members, to approve the proposal to issue and allot fully Convertible Warrants on preferential basis to other than Promoters and Promoter Groups of the Company at the ensuing Annual General Meeting (AGM). Details of this proposal are more particularly explained in the AGM Notice.

## BOARD REPORT

### 7. DEPOSITS:

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

There was an additional unsecured loan amount of ₹ 12 Lakhs borrowed from the Directors of the Company during the Financial Year ended on March 31, 2024.

On the other hand, during the year, the company repaid ₹ 25 Lakhs to its respective directors and post adjustment of interest amount, the closing balance of unsecured loan amount is stood to ₹ 454 Lakhs at the end of the year on March 31, 2024.

### 8. TRANSFER TO RESERVES:

The Board of Directors has decided to retain the entire amount of profits for Financial Year 2023-24 in the retained earnings.

### 9. LISTING:

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

### 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### 10.1 Board of Directors:

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

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

#### 10.2 Retirement of Director by rotation

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

#### 10.3 Key Managerial Personnel:

The following officials are the Key Managerial Personnels (KMP) of the Company are the in terms of Section 2(51) and 203 of the Companies Act 2013.

| Sr. No. | Name of the KMP  | Designation                              |
|---------|--|--|
| 1       | Mr. Sachin Subhash Vora  | Chairman & Managing Director             |
| 2       | Mr. Sumit Subhash Vora   | Whole-Time Director                      |
| 3       | Mrs. Sheela Kailas Dhawale                                     | Chief Financial Officer                  |
| 4       | Mr. Bhavesh Subhash Selarka<br>(Resigned as on April 30, 2024) | Company Secretary and Compliance Officer |
| 5       | Ms. Shraddha Nandkumar Phule<br>(Appointed on May 28, 2024)    | Company Secretary and Compliance Officer |

## BOARD REPORT

### 10.4 During the year under review

Mr. Bhavesh Subhash Selarka (ICSI Membership No. A42734) has tendered his resignation from the post of Company Secretary and Compliance Officer (KMP) of the Company with effect from April 30, 2024 due to personal reasons. The Board places on record its deepest gratitude and appreciation towards his valuable contribution during his tenure.

The Board on the recommendation of Nomination and Remuneration Committee, has appointed Ms. Shraddha Nandkumar Phule (ICSI Membership No. A67126) as a Company Secretary and Compliance Officer (KMP) of the Company with effect from May 28, 2024.

### 11. INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Prakash Vasant Kamat (DIN: 07350643), Mr. Pramod Vinayak Apshankar (DIN: 00019869) and Mr. Satchidanand Arun Ranade (DIN: 03525423) are the Independent Directors of the Company as on date of this report.

All the Independent Directors of the Company have given requisite declarations as prescribed under section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 along with relevant rules framed thereunder.

Pursuant to the Regulation 25(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Company has received confirmation from all the Independent Directors regarding their registration on the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

During the period under review, Independent Directors met on February 13, 2024 without the presence of Non-Independent Directors, and all the Independent Directors have attended the said meeting.

The Board is of the opinion that the Independent Directors of the Company are professionally qualified and well experienced in their respective domains and meet criteria regarding integrity, expertise, experience and proficiency. Their qualification and vast experience in varied field helps in strengthening the Company's system and processes to align the same with good industry practices and institutionalizing trends of Corporate Governance.

### 12. BOARD PERFORMANCE EVALUATION:

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

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

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



## BOARD REPORT

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

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

### 13. FAMILIARIZATION PROGRAM FOR THE BOARD MEMBERS:

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

### 14. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts of the Company on a going concern basis;
- they have laid down Internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

#### A. STATUTORY AUDITOR'S:

**M/s A D V & Associates, Chartered Accountants (FRN: 128045W)**, were appointed as the Statutory Auditors of the Company for a tenure of 05 (Five) years, to hold office from the conclusion of Twenty-Fourth (24th) AGM held on August 23, 2019 until the conclusion of the ensuing AGM of the Company. ADV's tenure of 05 (Five) years as Statutory Auditors concludes at this ensuing AGM.

**M/s A D V & Associates**, has audited the books of accounts of the Company for the financial year ended March 31, 2024 and has issued the Auditors' Report thereto. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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

The Board of Directors of the Company on the recommendation of the Audit Committee has appointed **M/s GMCS & Co., Chartered Accountants (FRN: 141236W)** as the Statutory Auditors of the Company pursuant to Section 139 of the Act for a term of 05 (Five) years to hold office from the conclusion of the ensuing AGM till the conclusion of Thirty-Fourth (34<sup>th</sup>) AGM of the Company to be held in the year 2029, subject to approval by the Members at the ensuing AGM.

The Company has received confirmation from **M/s GMCS & Co. (Chartered Accountants)** to the effect that their appointment, if made, will be in accordance with the limits specified under the Act and the firm satisfies the

## BOARD REPORT

criteria specified in Section 141 of the Act read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends to seek consent of its Members at the ensuing AGM on appointment of GMCS & Co. (Chartered Accountants) as Statutory Auditors for tenure of 5 (five) years, to examine and audit the accounts of the Company during the above-mentioned period.

### B. SECRETARIAL AUDITOR:

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. Harsheet Jayesh Patel, Sole Proprietor of M/s H. J. Patel and Co., a Company Secretary in Practice to conduct the Secretarial Audit of the Company for the Financial Year 2023-24. The Report of the Secretarial Audit is annexed herewith as **Annexure 'I'**.

However, the audit report contains few qualifications as mentioned below:

- The Company did not file board resolution with the Registrar of Companies in e-Form MGT-14 within the time limit as prescribed under the Act, related to the approval for the proposal of merger between the Company and its Wholly Owned Subsidiary (Wonder Precision Private Limited), which was approved by the Board of Directors of the Company at their meeting held on April 28, 2023.
- The Company did not file board resolution with the Registrar of Companies in e-Form MGT-14 within the time limit as prescribed under the Act, related to providing an authority to the Board of Directors for advancing / giving loan(s) including any loan represented by a book debt (including to provide any guarantee / security in connection with the loan), which was approved by the Board of Directors of the Company at their meeting held on August 14, 2023.
- The Company did not file e-Form MGT-6 with the Registrar of Companies within the time limit as prescribed under section 89 of the Act.
- On September 29, 2023; the Company allotted 8,48,000 Equity Shares on preferential basis for cash at a price of INR 101/- per Equity Share (including a premium of INR 91/- per Equity Share) to non-promoter(s) allottees, out of which 80,000 Equity Shares were allotted to a person resident outside India. And, as per respective RBI Notification, it is mandatory for the Company to report such transaction related to allotment of shares to a person resident outside India to RBI within 30 days from the date of allotment in prescribed Form FC-GPR (on FIRMS portal of RBI). In this regard, there was a delay from the Company side in submission of said Form FC-GPR within the time limit, and the same was submitted to RBI latest on December 05, 2023, which was approved by the respective authority vide their email dated December 06, 2023, and also levied a 'Late Submission Fees' ('LSF') of INR 7,900/- (Indian Rupees Seven Thousand Nine Hundred only) on the Company, which has been paid by the Company to the Mumbai Regional Office of RBI within the specified time limit.

#### Management reply on the above-mentioned qualifications:

The Board acknowledges the above observations. Due to some technical challenges the filing of forms could not be done in stipulated time. However, all the compliances have been done by paying appropriate late fees wherever applicable. The Board further assures to take additional precautions in future.

### C. COST AUDITOR:

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

### D. INTERNAL AUDITOR:

During the period under review, Mr. Dilip Deshpande, have carried out internal audits periodically during the Financial Year 2023-24 and submitted their reports to the Audit Committee. Their reports have been reviewed by the Statutory Auditors and the Audit Committee.

### 16. INTERNAL FINANCIAL CONTROL:

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

## BOARD REPORT

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

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

Key elements of the Internal Control Systems are as follows:

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

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

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

In order to record day-to-day financial transactions and ensure accuracy in reporting thereof, the Company uses an established Enterprise Resource Planning (ERP) system, which is equipped with 'maker and checker' mechanism and has an audit trail of all transactions. Adequate controls and checks are built in the ERP system to integrate the underlying books of account and prevent any kind of control failure. Periodical reports are regularly circulated for perusal of Board of Directors of the Company for the appropriate action as required.

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

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

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

### 17. CORPORATE GOVERNANCE

In compliance with the Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements. The report on Corporate Governance as stipulated under the Listing Regulations form part of the Annual Report as **Annexure IV**. Certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

### 18. MEETINGS OF THE BOARD & COMMITTEES:

During the Financial Year 2023-24, the Board of Directors of your Company met 7(Seven) times to review strategic, operational and financial performance of the company. All the directors actively participated in the meetings and

## BOARD REPORT

contributed valuable inputs on the matters brought before the Board of Directors from time to time. A gist of Board and Committee meetings held during the year along with attendance record of each Director forms part of the Corporate Governance report **Annexure "IV"**.

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

### 19. COMMITTEES OF THE BOARD:

As on March 31, 2024, the Company has formulated 03 (Three) Committees namely:

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

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

### 20. BOARD POLICIES:

The Listing Regulations mandate formulation of certain policies for listed companies. Accordingly, the Board of Directors has, from time to time, framed and approved policies as required under the Listing Regulations as well as under the Act.

Accordingly, the Board has also adopted below mentioned policies:

- a. Code of Conduct for Independent Directors
- b. Code of Conduct for Board of Directors and Senior Management of the Company
- c. Risk Management Policy
- d. Nomination and Remuneration Policy
- e. Related Party Transaction Policy
- f. Whistle Blower Policy & Vigil Mechanism
- g. Policy on Determination of Materiality
- h. Insider Trading Policy
- i. Code for Fair Disclosure of Undisclosed Price Sensitive Information
- j. Prevention of Sexual Harassment at Workplace
- k. Familiarization Programme for Independent Directors
- l. Policy on Preservation of Documents
- m. Criteria for making payment to Non- Executive Directors
- n. Policy for Determining Material Subsidiary

All above named policies and codes are available on our Company website as mentioned below:

<https://krantiindustries.com/investors/>



## BOARD REPORT

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

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

#### A. CONSERVATION OF ENERGY/ RESOURCES:

The Company remains committed in its pursuit of enhancing energy conservation across all operations. We prioritize strict adherence to statutory requirements while proactively implementing sustainable initiatives to foster a better environment. These efforts underscore our commitment to responsible corporate and our dedication to minimizing environmental impact through continuous improvement in energy efficiency and conservation practices.

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

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

- i. Company has implemented solar panels across all units to conserve energy through in-house generation of solar power.
- ii. All new installations and replacements at our units utilize energy-efficient LED lights, contributing to significant energy savings.
- iii. Measures have been implemented to minimize compressed air losses by addressing leakages and inefficiencies. Additionally, efficient compressed air dryers have been installed to enhance energy efficiency.
- iv. A Capacitor Panel with Harmonic Filters has been installed at the load side to enhance power factor and reduce energy losses.

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

The Company has made substantial investments in utilizing alternate sources of energy, including:

**Solar Energy:** 225KWp Solar Panels has been installed which generate 300MWh for captive consumption, offering a cost-effective alternative to conventional electricity.

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

The Company continues to invest in energy conservation equipment and practices, including the use of secondary sources like gensets to minimize daily electricity consumption. Our facilities leverage natural resources such as ample sunlight and natural air circulation to optimize energy efficiency in machining operations. Strict monitoring of electricity usage ensures responsible and efficient energy utilization across all processes.

#### Water Management:

The Company is dedicated to rainwater conservation, implementing a system that collects rainwater from rooftops and channels it into an underground water tank with a capacity of approximately 30,000 liters. This initiative not only reduces reliance on municipal water but also supports sustainable water management practices, contributing to the preservation of natural resources.

#### Waste Management:

The Company promotes responsible waste management practices by emphasizing reuse, recycling, and appropriate disposal methods. Our initiatives aim to minimize waste generation and maximize material reuse or recycling wherever feasible. By adopting these measures, we actively reduce our environmental footprint and promote a cleaner, healthier planet.

#### Health, Safety and Environment:

The Company has established an internal committee dedicated to ensuring comprehensive health, safety, and environmental standards within our operations. Our commitment is to maintain a secure and healthy workplace for employees and contractors alike, with rigorous adherence to environmental regulations.

## BOARD REPORT

We are pleased to report zero accidents or fatalities on our premises during the past year, underscoring our commitment to safety, operational excellence, and sustainable practices.

#### B. TECHNOLOGY ABSORPTION:

The Company is dedicated to fostering a culture of innovation driven by technology and places a strong emphasis on cultivating this mindset throughout the organization. In line with the same Company in the year 2023 was honoured with the "Smart Factory Award" by the Asian Leadership Awards & Middle East Leadership Awards in Dubai, highlighting our commitment to technology adoption. Further, in March 2024 Company was recognised by ACMA Excellence Awards & 09th Technology Summit 2024 as winner for Excellence in "Digitalization".

We are equipped with cutting-edge operating machines and highly precise equipment for both production and quality management. Our commitment to delivering excellence is supported by a dedicated quality team that brings enthusiasm and tireless dedication to ensuring the highest standards of quality and service. This team works along with state-of-the-art quality equipment essential for our Machine Shop operations.

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Exchange Earnings during the year under review Foreign Exchange Earning of ₹ 227.41 Lakhs (Approx.) Foreign Exchange Outgo during the year is given below.

(In Rs. Lakh)

| Particulars                          | As on March 31, 2024 | As on March 31, 2023 |
|--------------------------------------|----------------------|----------------------|
| Spares for Repairs                   | 0                    | 0                    |
| Travelling Expense                   | 0.79                 | 0                    |
| Advance for Capital Goods & Material | 42.43                | 26.32                |
| Packaging Material                   | 0                    | 0                    |
| Consumables                          | 0                    | 0.04                 |

Value of Imports calculated on CIF Basis:

| Particulars          | As on March 31, 2024 | As on March 31, 2023 |
|----------------------|----------------------|----------------------|
| <b>Capital Goods</b> | 276.44               | 199.73               |
| Raw Material         | 0                    | 4.89                 |

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

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

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

### 23. ANNUAL RETURN:

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

## BOARD REPORT

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

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

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

No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the Financial Year 2023-24.

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

- During the year of reporting period, the application of Merger by Absorption was approved by the Hon'ble National Company Law Tribunal in the matter of Wonder Precision Private Limited ("Transferor Company") with Kranti Industries Limited ("Transferee Company"). Subsequently, also passed an order on December 19, 2023 with respect to dispensing with the meeting of Equity Shareholders of Transferor Company, meeting of Secured and Unsecured Creditors of the Transferor and Transferee Company regarding Scheme of Merger by Absorption.
- The Deputy Commissioner of State Tax Enforcement Division 6 of Vadodara passed a release order on March 10, 2024 under Section 129(3) by levying penalty of ₹ 11,11,024/- (Rupees Eleven Lakhs Eleven Thousand and Twenty-Four Only) for the discrepancies in the details mentioned in E-way bill for the Goods in Transit. The Company has paid the penalty under protest and has filed for an appeal with Appellate Authority.

### 27. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

The Company has adopted a Code of Conduct for Prohibition of Insider Trading ("PIT Code") in terms of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Company has also formulated a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI Code")' in compliance with the PIT Regulations. The PIT Code and UPSI Code is applicable to all directors, employees, designated persons and connected persons and their immediate relatives, who have access to unpublished price sensitive information relating to the Company. The aforesaid Codes are posted on the Company's website and can be accessed by using web link at <https://krantiindustries.com/wp-content/uploads/2024/03/CODE-OF-PRACTICE-PROCEDURE-FOR-FAIR-DISCLOSURE-OF-UPSI.pdf>

In addition to the above, the company also maintains a Structured Digital Database in terms of Regulation 3(5) of the PIT Regulations containing the nature of UPSI and the name of persons sharing the information, names of persons with whom information is shared along with the Permanent Account Number (PAN).

### 28. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

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

### 29. CHANGE IN NATURE OF BUSINESS:

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

### 30. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

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

The Board of Directors of the Company has formulated the Nomination & Remuneration Policy which is available on the Website of the Company and can be accessed by using web link at <https://krantiindustries.com/wp-content/uploads/2024/03/NOMINATION-AND-REMUNERATION-POLICY.pdf>

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

All contracts/ arrangements/ transactions entered by the Company during Financial Year 2023-24 with related parties were on an arm's length basis and in the ordinary course of business. There were no material Related Party Transactions

## BOARD REPORT

(RPTs) undertaken by the Company during the year that requires Shareholders' approval under Regulation 23(4) of the SEBI Listing Regulations or Section 188 of the Act. The approval of the Audit Committee was sought for all RPTs. Certain transactions which were repetitive in nature were approved through omnibus route. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

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

During the Financial Year 2023-24, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, as applicable except Smt. Indubala Subhash Vora who has given unsecured loan to the company as mentioned in the Financial Statement under Loan from Directors.

### 32. RISK MANAGEMENT SYSTEM:

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

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

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

Following are the major risk concerns:

**Competition:** Some of the Company's business segments operates in a competitive environment and some of the Company's customers pursue a policy of maintaining more than one source for a product/ service. The Company's senior management team closely monitors the market and devises the various strategies to stay ahead of the competition.

**Economy:** The economy is still susceptible to the challenging global economic environment of increased trade tensions, protectionism and slow down. It is also constrained by fiscal profligacy and implementation delays, weak financial sector.

**Automobile Industry:** The fortunes of the automobile industry are cyclical and the demand for vehicles are vulnerable to the interest rates and liquidity.

**Risk Mitigation Measures:** As already mentioned the Company adopts the policy of risk diversification by broadening its products, services, market and customer base. The Company over the years built a good design, engineering and product development team. This has enabled the Company to come out with new products and services and in the contract manufacturing space, the company is able to position itself as a one-stop solution provider to its customers. In addition, the Company has steadily invested over the years to build up world class manufacturing and testing facilities at Coimbatore and other plants. The state-of-the-art machines, continuous improvement in the production processes, constant upgradation of employee skill levels, backward integration to tool, die and fixture making and JIT deliveries have created a strong competitive advantage for the Company.

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

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

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



## BOARD REPORT

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

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

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

### 33. VIGIL MECHANISM:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. Under the policy, the Directors and Employees are free to report any violation of the applicable laws and regulations and the code of conduct of the Company. The reportable matters are to be disclosed to the Audit Committee. No person has been denied to access to the Audit Committee in this regard. There were no complaints filed/pending with the company during the year.

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

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

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

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

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

During the review period, the Hon'ble National Company Law Tribunal issued an order on July 10, 2024, adjourning the final hearing date to August 14, 2024, regarding the Scheme of Merger by Absorption of Wonder Precision Private Limited ("Transferor Company") with Kranti Industries Limited ("Transferee Company").

### 36. DETAILS OF SUBSIDIARIES & ASSOCIATE:

#### Acquisition of Preciso Metall Private Limited:

During the period under review, your Company acquired 55% Equity Share Capital of Preciso Metall Private Limited ("Preciso Metall") on April 11, 2023, through share purchase agreement entered into by and between the Kranti Industries Limited and Mr. Vivek Deshmukh, the shareholder of Preciso Metall Private Limited dated on March 22, 2023 comprising of 31,98,205 (Thirty One Lakhs Ninety Eight Thousand Two Hundred and Five Equity Shares) Equity shares of face value of ₹ 10/- each comprising of 55% of the total number of shares of the Company. The acquisition was for a

## BOARD REPORT

total investment of ₹ 99,78,400/- (Rupees Ninety-Nine Lakhs Seventy-Eight Thousand Four Hundred Only) with effect from April 11, 2023. Due to such strategic inorganic acquisition of 55% controlling stake in Preciso Metall Private Limited the said company became a subsidiary of the Company.

The Preciso Metall Private Limited is engaged in the business of shell moulding, casting foundry with the latest equipment's, other allied activities and complementing technologies is perfect fit for the growth of the Company. It strengthens the Company's presence in the non-automotive other engineering segment. Company also focused on leveraging the synergies from the acquisition, which strengthen the Company's presence in the foundry business which is primarily dovetailed to the non-automotive segment.

As on March 31, 2024, the Company had 2 Subsidiary Companies and 1 Associate Company whose details are given below:

| Name of the Entity               | Nature                        | Date on becoming a subsidiary        | Date of cessation of subsidiary |
|----------------------------------|-------------------------------|--------------------------------------|---------------------------------|
| WONDER PRECISION PRIVATE LIMITED | Wholly-Owned Subsidiary (WOS) | March 31, 2013 (WOS on May 31, 2022) | -                               |
| KRANTI SFCI PRIVATE LIMITED      | Associate                     | December 17, 2018                    | -                               |
| PRECISO METALL PRIVATE LIMITED   | Subsidiary                    | April 11, 2023                       | -                               |

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

### 37. SECRETARIAL STANDARDS:

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

### 38. GREEN INITIATIVE:

In compliance with the Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Annual Report 2023-24, the Notice of the 29th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

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

### 39. E-VOTING/BALLOT VOTING:

In terms of requirements of the Companies Act, 2013 and the relevant rules made there under, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through National Securities Depository Limited for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 29th Annual General Meeting of the Company.

## BOARD REPORT

### GENERAL SHAREHOLDERS INFORMATION:

| Annual General Meeting    | 29th AGM of Kranti Industries Limited  |
|---------------------------|--|
| Date                      | September 12, 2024   |
| Time                      | 11:30 AM   |
| Mode                      | Physical   |
| Venue                     | At the Registered Office of the Company at Gat No. 267/B/1, Post Pirangut, Taluka Mulshi, District- Pune- 412115 |
| Financial Year Reported   | April 01, 2023 to March 31, 2024   |
| Cut-Off date for Notice   | August 09, 2024  |
| Cut-Off date for E voting | September 05, 2024   |
| Date of Book Closure      | September 06, 2024 to September 12, 2024   |
| E-voting Period           | September 09, 2024 to September 11, 2024   |
| Stock Code                | 542459   |
| ISIN                      | INE911TO1010   |
| CIN                       | L29299PN1995PLC095016  |

The Company publishes quarterly, half-yearly, and yearly key financial results in highly circulated newspaper in English and the regional language the financial results are posted on the Company's website at <https://krantiindustries.com/investors/>

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

### 40. GENERAL DISCLOSURES:

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

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

### 41. CAUTIONARY STATEMENT:

Statements in this "Management Discussion & Analysis" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply

## BOARD REPORT

conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the company's markets, changes in the government regulations, tax regimes, economic developments within India and countries with which the company conducts business besides other factors, such as litigation and other labour negotiations.

### 42. ACKNOWLEDGEMENT:

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

We thank the Government of India, the State Governments and Statutory Authorities and Other Government agencies for their support and look forward to their continued support in the future.

For and on Behalf of Board of Directors

**KRANTI INDUSTRIES LIMITED**

Sd/-

**SACHIN SUBHASH VORA**

DIN: 02002468

CHAIRMAN & MANAGING DIRECTOR

Sd/-

**SUMIT SUBHASH VORA**

DIN: 02002416

WHOLE-TIME DIRECTOR

Date: August 14, 2024

Place: Pune



## BOARD REPORT

### Annexure 'I'

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kranti Industries Limited having CIN: L29299PN1995PLC095016 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Review Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)** and

## BOARD REPORT

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

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

- (I) Secretarial Standards issued by 'The Institute of Company Secretaries of India' ('ICSI'); and
- (II) The Listing Agreement entered into by the Company with BSE Limited ('the Stock Exchange').

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

- (1) **The Company did not file board resolution with the Registrar of Companies in e-Form MGT-14 within the time limit as prescribed under the Act, related to the approval for the proposal of merger between the Company and its Wholly Owned Subsidiary (Wonder Precision Private Limited), which was approved by the Board of Directors of the Company at their meeting held on April 28, 2023.**
- (2) **The Company did not file board resolution with the Registrar of Companies in e-Form MGT-14 within the time limit as prescribed under the Act, related to providing an authority to the Board of Directors for advancing / giving loan(s) including any loan represented by a book debt (including to provide any guarantee / security in connection with the loan), which was approved by the Board of Directors of the Company at their meeting held on August 14, 2023.**
- (3) **The Company did not file e-Form MGT-6 with the Registrar of Companies within the time limit as prescribed under section 89 of the Act.**
- (4) **On September 29, 2023; the Company allotted 8,48,000 Equity Shares on preferential basis for cash at a price of INR 101/- per Equity Share (including a premium of INR 91/- per Equity Share) to non-promoter(s) allottees, out of which 80,000 Equity Shares were allotted to a person resident outside India. And, as per respective RBI Notification, it is mandatory for the Company to report such transaction related to allotment of shares to a person resident outside India to RBI within 30 days from the date of allotment in prescribed Form FC-GPR (on FIRMS portal of RBI). In this regard, there was a delay from the Company side in submission of said Form FC-GPR within the time limit, and the same was submitted to RBI latest on December 05, 2023, which was approved by the respective authority vide their email dated December 06, 2023, and also levied a 'Late Submission Fees' ('LSF') of INR 7,900/- (Indian Rupees Seven Thousand Nine Hundred only) on the Company, which has been paid by the Company to the Mumbai Regional Office of RBI within the specified time limit.**

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

**I further report that,**

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

Adequate notice is given to all directors to schedule the meetings of the Board and Committees of the Board, agenda and detailed notes on agenda were also 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. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with a shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

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

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

**I further report that** during the audit period: there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

- (1) Pursuant to the Share Purchase Agreement ('SPA') dated March 22, 2023; the Company has completed the acquisition of a majority stake of 55% in equity share capital of Preciso Metall Private Limited ('Preciso Metall') on April 11, 2023,

## BOARD REPORT

making it a subsidiary of the Company.

- (2) The Board of Directors of the Company have approved the proposal of merger between the Company and its Wholly Owned Subsidiary (Wonder Precision Private Limited) at their meeting held on April 28, 2023.
- (3) The Company raised an amount of INR 8,56,48,000/- (Indian Rupees Eight Crore Fifty-Six Lakhs Forty-Eight Thousand only) by way of issuance and allotment of 8,48,000 Equity Shares having face value of INR 10/- (Indian Rupees Ten Only) each ("Equity Shares") on preferential basis for cash at a price of INR 101/- per Equity Share (including a premium of INR 91/- per Equity Share) to such non-promoter(s) allottees ('Investors') as identified by the Board of Directors of the Company at their meeting held on September 29, 2023.

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

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

Place: Pune  
Date: May 16, 2024

UDIN: F007948F000384005  
Peer Review Certificate No.: 1784/2022

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

## BOARD REPORT

### Annexure to the Secretarial Audit Report

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

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

#### MANAGEMENT'S RESPONSIBILITY:

- (1) It is the responsibility of the management of the Company to maintain the secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations, and to ensure that the systems are adequate and operate effectively.

#### AUDITOR'S RESPONSIBILITY:

- (2) My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- (3) I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
- (4) I have relied on the documents and evidence provided physically and through electronic mode.
- (5) Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

#### DISCLAIMER:

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

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

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

UDIN: F007948F000384005  
Peer Review Certificate No.: 1784/2022

Place: Pune  
Date: May 16, 2024



## BOARD REPORT

### Annexure II

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

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

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

This is to certify that for the financial year ended March 31, 2024:

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

For **Kranti Industries Limited**

Sd/-  
**Sachin Vora**  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
**Sheela Dhawale**  
CHIEF FINANCIAL OFFICER

Date: August 14, 2024

## BOARD REPORT

### Annexure III

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

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

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

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

For **Kranti Industries Limited**

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

Date: August 14, 2024

## BOARD REPORT

### Annexure IV

#### CORPORATE GOVERNANCE REPORT

##### COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

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

##### Code of Conduct

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted the Code of Conduct ('CoC/Code') for its Board of Directors and Senior Management, which is available on the website of the Company at <https://krantiindustries.com/wp-content/uploads/2024/03/CODE-OF-CONDUCT-FOR-BOARD-OF-DIRECTORS-AND-SENIOR-MANAGEMENT-OF-THE-COMPANY.pdf>. The Company has received annual affirmations from the Board of Directors and Senior Management Personnel regarding compliance of the Code during the year under review.

The Company has also adopted the Code of Conduct of Independent Directors ('IDs') which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ('Act'). The same is also available on the website of the Company at <https://krantiindustries.com/wp-content/uploads/2024/03/CODE-OF-CONDUCT-FOR-INDEPENDENT-DIRECTORS.pdf>. The Company has received confirmation from the Non-Executive Directors (NED) and Independent Directors (ID)s regarding compliance of the Code, for the year under review.

Code of Practices and Procedure for the Fair Disclosure of Unpublished Price Sensitive Information and Insider Trading Policy. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ('SEBI Insider Trading Regulations'), as amended from time to time, the Board of Directors of the Company has adopted the Code of Practices and Procedure for the Fair Disclosure of Unpublished Price Sensitive Information and Insider Trading Policy. The Company Secretary & Compliance Officer is the 'Compliance Officer' in terms of this Insider Trading Regulation.

#### BOARD OF DIRECTORS

##### Size and Composition of the Board

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

Our policy is to have a mix of EDs, NEDs, and IDs to maintain the Board's independence and separate its functions of governance and management. As on year ended on March 31, 2024, the Board Comprised of 06 (Six) Members, including 03 (Three) Independent Directors; 01 (One) Non-Executive Woman Director (Promoter), and 02 (Two) Executive Directors (Promoters) (including 1 Chairman & Managing Director as well as 1 Whole-Time Director). The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Board of Directors is available on our website at <https://krantiindustries.com/our-team/>.

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

## BOARD REPORT

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

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

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management. The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at <https://krantiindustries.com/wp-content/uploads/2024/01/Appointment-Letters-of-Independent-Directors.pdf>.

During the Financial Year 2023-24, none of our directors acted as a Member in more than 10 committees or as Chairperson in more than 5 committees across all listed companies where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

##### Composition and Category of Directors:

| Sr. No. | Name of Director                         | Category of Directors                | Date of Appointment |
|---------|--|--------------------------------------|---------------------|
| 1       | Sachin Subhash Vora (DIN:02002468)       | Promoter - Executive Director        | January 28, 2008    |
| 2       | Sumit Subhash Vora (DIN: 02002416)       | Promoter - Executive Director        | January 28, 2008    |
| 3       | Indubala Subhash Vora (DIN: 02018226)    | Promoter - Non-Executive Director    | December 05, 1995   |
| 4       | Prakash Vasant Kamat (DIN:07350643)      | Non - Executive Independent Director | February 13, 2021   |
| 5       | Pramod Vinayak Apshankar (DIN: 00019869) | Non - Executive Independent Director | February 13, 2021   |
| 6       | Satchidanand Arun Ranade (DIN: 03525423) | Non - Executive Independent Director | April 06, 2021      |

##### Directors' Attendance Record and Directorships:

##### Attendance of Directors at Board Meetings, last Annual General Meeting (AGM)

The following table gives the Name of Director, Nature of Directorship, attendance of the Director at the Board Meeting, whether they have attended the last AGM.

| Sr. No. | Name of Director                         | Number of Meetings which director was entitled to attend | Number of Meetings attended | % of Attendance | Whether attended AGM held on September 08, 2023 |
|---------|--|--|-----------------------------|-----------------|---|
| 1       | Sachin Subhash Vora (DIN:02002468)       | 7  | 7                           | 100%            | Yes   |
| 2       | Indubala Subhash Vora (DIN: 02018226)    | 7  | 7                           | 100%            | Yes   |
| 3       | Sumit Subhash Vora (DIN: 02002416)       | 7  | 7                           | 100%            | Yes   |
| 4       | Prakash Vasant Kamat (DIN:07350643)      | 7  | 7                           | 100%            | Yes   |
| 5       | Pramod Vinayak Apshankar (DIN: 00019869) | 7  | 7                           | 100%            | Yes   |
| 6       | Satchidanand Arun Ranade (DIN: 03525423) | 7  | 7                           | 100%            | Yes   |



## BOARD REPORT

### Number of Board of Directorship in Other Companies

The following table give the name of director, number of membership other than this entity, category of directorship in other company and name of other company

| Sr. No. | Name of Director         | No. of Membership other than this entity | Category of Directorship                     | Name of Company   |
|---------|--------------------------|--|--|---|
| 1       | Sachin Subhash Vora      | 4  | Director<br>Director<br>Director<br>Director | Wonder Precision Private Limited<br>Kranti SFCI Private Limited<br>Lekhapal Fintech Private Limited<br>Preciso Metall Private Limited |
| 2       | Indubala Subhash Vora    | 1  | Director                                     | Wonder Precision Private Limited  |
| 3       | Sumit Subhash Vora       | 3  | Director<br>Director<br>Director             | Wonder Precision Private Limited<br>Kranti SFCI Private Limited<br>Preciso Metall Private Limited                                     |
| 4       | Prakash Vasant Kamat     | 0  | NIL  | NIL   |
| 5       | Pramod Vinayak Apshankar | 1  | Managing Director                            | Stud Craft (India) Private Limited  |
| 6       | Satchidanand Arun Ranade | 1  | Independent Director                         | ENKEI WHEELS (INDIA) Limited<br>(Appointed on May 23, 2024)   |

### Membership of Directors in another Companies Committees.

The following table gives the name of director, chairmanship of director in other public company's committees, membership in other public company's committees, and name of Company.

| Sr. No. | Name of Director         | Chairmanship in other Public Companies Committees         | Membership in other Public companies committees                | Name of Company   |
|---------|--------------------------|---|--|---|
| 1       | Sachin Subhash Vora      | 0   | 0  | None  |
| 2       | Indubala Subhash Vora    | 0   | 0  | None  |
| 3       | Sumit Subhash Vora       | 0   | 0  | None  |
| 4       | Prakash Vasant Kamat     | 0   | 0  | None  |
| 5       | Pramod Vinayak Apshankar | 0   | 0  | None  |
| 6       | Satchidanand Arun Ranade | 1. Stakeholder Relationship Committee<br>2. CSR Committee | 1. Audit Committee<br>2. Nomination and Remuneration Committee | ENKEI WHEELS (INDIA) Limited<br>(Appointed on May 23, 2024) |

### MEETINGS OF THE BOARD:

The Board of Directors of your Company met 7 (Seven) times to review strategic, operational and financial performance of the company. All the directors actively participate in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time. The requisite quorum was present in all the meetings and the maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

## BOARD REPORT

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

| Sr. No. | Date of Meeting    | Board Strength | No. of Directors Present |
|---------|--------------------|----------------|--------------------------|
| 1       | April 28, 2023     | 6              | 6                        |
| 2       | May 27, 2023       | 6              | 6                        |
| 3       | August 14, 2023    | 6              | 6                        |
| 4       | September 29, 2023 | 6              | 6                        |
| 5       | November 10, 2023  | 6              | 6                        |
| 6       | February 13, 2024  | 6              | 6                        |
| 7       | March 09, 2024     | 6              | 6                        |

### Relationships between directors inter-se

| Sr. No. | Name of Directors        | Relationship with Other Directors  |
|---------|--------------------------|--|
| 1       | Indubala Subhash Vora    | Mother of Mr. Sachin Subhash Vora & Mr. Sumit Subhash Vora                     |
| 2       | Sachin Subhash Vora      | Son of Smt. Indubala Subhash Vora & elder brother of Mr. Sumit Subhash Vora    |
| 3       | Sumit Subhash Vora       | Son of Smt. Indubala Subhash Vora & younger brother of Mr. Sachin Subhash Vora |
| 4       | Satchidanand Arun Ranade | NIL  |
| 5       | Pramod Vinayak Apshankar | NIL  |
| 7       | Prakash Vasant Kamat     | NIL  |

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

| Sr. No. | Name of Director         | Designation                        | No. of Equity Shares Held as on March 31, 2024 |
|---------|--------------------------|------------------------------------|--|
| 1       | Indubala Subash Vora     | Non-Executive Director             | 23,20,604                                      |
| 2       | Satchidanand Arun Ranade | Non-Executive Independent Director | NIL  |
| 3       | Pramod Vinayak Apshankar | Non-Executive Independent Director | NIL  |
| 4       | Prakash Vasant Kamat     | Non-Executive Independent Director | 3,600  |

### Familiarization Program for Independent Directors

The Independent Directors inducted on the Board are given a formal introduction about the company and operations. This is enabled through a meeting with the Managing Director, Whole-Time Director, Members of Senior Management team. The objective is to provide them an insight about the company operations, comprehensive information about Company's business, its operations and management.

In compliance with the Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, 2015, the company has conducted the familiarization programme. Kindly refer to the Company's website <https://krantiindustries.com/wp-content/uploads/2024/03/FAMILIARISATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf> for details of the familiarization programme for IDs on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

## BOARD REPORT

### Key Board Qualifications, Expertise and Attributes

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

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

#### Areas of Skills/ Expertise/ Competence

| Name of Directors        | Leadership | Strategy | Operations | Technology | Finance | Governance | Government/Regulatory Affairs |
|--------------------------|------------|----------|------------|------------|---------|------------|-------------------------------|
| Indubala Subhash Vora    | Yes        | Yes      | Yes        | No         | No      | Yes        | No                            |
| Sachin Subhash Vora      | Yes        | Yes      | Yes        | Yes        | Yes     | Yes        | Yes                           |
| Sumit Subhash Vora       | Yes        | Yes      | Yes        | Yes        | Yes     | Yes        | Yes                           |
| Sachidanand Arun Ranade  | Yes        | Yes      | Yes        | No         | Yes     | Yes        | Yes                           |
| Pramod Vinayak Apshankar | Yes        | Yes      | Yes        | Yes        | Yes     | Yes        | Yes                           |
| Prakash Vasant Kamat     | Yes        | Yes      | Yes        | Yes        | No      | No         | Yes                           |

### Confirmation from Board of Directors regarding independence of Independent Directors

In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the Management. The Independent Directors have also confirmed compliance with the provision of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended, relating to inclusion of their name in Data Base of Independent Directors maintained by Indian Institute of Corporate Affairs.

### Changes to Board during Financial Year 2023-24

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

### Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') formulates and recommends to the Board the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for appointment and removal of Directors and determining Directors' independence is available on our website at <https://krantiindustries.com/wp-content/uploads/2024/03/NOMINATION-AND-REMUNERATION-POLICY.pdf>

### THE COMMITTEES OF THE BOARD:

As on March 31, 2024, the Board had 03 (Three) Committees namely:

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

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

### 1. AUDIT COMMITTEE

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

## BOARD REPORT

During the year Financial Year 2023-24, the Audit Committee was duly constituted, and the Composition details are given below:

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

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

During the period under review, Audit Committee members met 7 (Seven) times on April 28, 2023, May 27, 2023, August 14, 2023, September 29, 2023, November 10, 2023, February 13, 2024 and March 09, 2024. All the members of the Audit Committee have attended all the meetings. In addition to above Audit Committee Composition, the Company Secretary of the Company was also acting as the Secretary to the Audit Committee.

### 2. NOMINATION AND REMUNERATION COMMITTEE

The constitution of the Nomination and Remuneration Committee ("NRC") of the Company meets with the requirement of the Regulation 19 of SEBI (Listing Obligation and Disclosures Requirements) 2015 and Section 178 of the Companies Act, 2013.

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

During the year Financial Year 2023-24 the Nomination and Remuneration Committee was duly constituted, and the Composition details are given below:

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

During the period under review, Nomination and Remuneration Committee members met 1 (One) time on February 13, 2024 and all the members of the Committee were present during the meeting.

The Nomination and Remuneration Policy are available on our website: <https://krantiindustries.com/wp-content/uploads/2024/03/NOMINATION-AND-REMUNERATION-POLICY.pdf>

### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The constitution of the Stakeholder Relationship Committee ("SRC") of the Company meets with the requirement of the Regulation 20 of SEBI (Listing Obligation and Disclosures Requirements) 2015 and Section 178(5) of the Companies Act, 2013.

During the year Financial Year 2023-24 the Stakeholder Relationship Committee was duly constituted, and the Composition details are given below:

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



## BOARD REPORT

During the period under review, Stakeholders Relationship Committee members met on February 13, 2024, and all the members of the Committee have attended the meeting.

Mr. Bhavesh Subhash Selarka, Company Secretary and Compliance Officer of the Company was authorised till April 30, 2024 (Resignation) to receive the complaints from stakeholders of the Company and Ms. Shraddha Nandkumar Phule, Company Secretary and Compliance Officer of the Company is authorised from May 28, 2024 (Appointment) to receive the complaints from stakeholders of the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, may be contacted at:

### KRANTI INDUSTRIES LIMITED

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

Tel (020) 66755676

Mb no. +91 7028271015

E-mail: investor@krantiindustries.com

No complaints were received during the year under review.

### SENIOR MANAGEMENT

The following were the Senior Management personnel for the Financial Year 2023-24.

| Sr. No. | Name of Senior Management Personnel | Head of the Department (HOD)                 |
|---------|-------------------------------------|--|
| 1       | Mrs. Sheela Dhawale                 | Chief Financial Officer (KMP)                |
| 2       | Mr. Ramdas Gunjal                   | Operations                                   |
| 3       | Mr. Mahesh Sarnaik                  | Human Resource and Administration            |
| 4       | Mr. Bhavesh Selarka                 | Company Secretary & Compliance Officer (KMP) |

### REMUNERATION OF DIRECTORS:

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

Non-Executive Independent Directors are professionals with rich domain knowledge having diversified industry experience. Based on the nature of expertise, they advise the Board from an external perspective on critical matters brought to their attention. As Independent Directors they fulfil their duties by proficiently bringing objectivity during discussions in the Board and Committee meetings.

The company makes payment of remuneration by way of sitting fees to Non-Executive Directors for their contribution as members of Board and Committees. The Company has formulated the criteria of making payments to Non-Executive Directors which is available on website of the Company at <https://krantiindustries.com/wp-content/uploads/2024/03/CRITERIA-FOR-MAKING-PAYMENT-TO-NED.pdf>

#### Remuneration of Executive Directors:

| Sr. No. | Name of the Director | Designation                  | Remuneration in ₹ |
|---------|----------------------|------------------------------|-------------------|
| 1       | Sachin Subhash Vora  | Chairman & Managing Director | 17,02,000         |
| 2       | Sumit Subhash Vora   | Whole Time Director          | 17,02,000         |

## BOARD REPORT

### Sitting Fees of Non-Executive Directors

| Sr. No. | Name of the Director     | Designation                        | Sitting Fees in ₹ |
|---------|--------------------------|------------------------------------|-------------------|
| 1       | Indubala Subhash Vora    | Non-Executive Director             | 40,000            |
| 2       | Pramod Vinayak Apshankar | Non-Executive Independent Director | 40,000            |
| 3       | Satchidanand Arun Ranade | Non-Executive Independent Director | 40,000            |
| 4       | Prakash Vasant Kamat     | Non-Executive Independent Director | 40,000            |

### GENERAL BODY MEETINGS:

The details of the Annual General Meeting(s) (AGM) of the Company held during the preceding three years are tabulated below:

| Financial Year | Date               | Time     | Venue   | Details of Special Resolution(s) Passed  |
|----------------|--------------------|----------|---|--|
| 2022-23        | September 08, 2023 | 03:30 PM | At Registered office of the company situated at Gat No-267/B-1 at post Pirangut, Tal- Mulshi, Pune- 412115.                               | 1. To offer, issue and allot equity shares of the company on preferential basis.   |
| 2021-22        | September 13, 2022 | 03:30 PM | Held through video conferencing ('VC') / other audio-visual means ('OAVM') and deemed to be held at the registered office of the Company. | 1. To create the mortgage on the assets of the Company.<br>2. To borrow in excess of Share Capital and Reserves.<br>3. To alter the Memorandum of Association of the Company consequent to addition of few object clauses.   |
| 2020-21        | August 10, 2021    | 03:30 PM | Held through video conferencing ('VC') / other audio-visual means ('OAVM') and deemed to be held at the registered office of the Company. | 1. To re-appoint Mr. Sachin Subhash Vora (DIN: 02002468) as a Managing Director.<br>2. To re-appoint Mr. Sumit Subhash Vora (DIN: 02002416) as a Whole Time Director of the Company.<br>3. To Migrate the company's listed equity shares from SME platform of BSE Ltd to Main Board of BSE Ltd.<br>4. To create charge mortgages, hypothecation on the immovable and movable properties/ assets of the Company under section 180(1)(a) of the Companies Act, 2013- Threshold Limit approval. |

### Details of Extra-Ordinary General Meetings held

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

### Postal Ballot

During the financial year 2023-24, the company sought the approval of shareholders by passing a Special Resolution through Postal Ballot on June 30, 2023:

- To consider and approve for giving authorization to Board of Directors to advance any loan, give any guarantee or to provide any security in connection with loan availed by any of the company's subsidiary(ies)/associates/joint venture

## BOARD REPORT

or any other person specified under section 185 of the companies act, 2013 up to an aggregate limit of ₹ 20,00,00,000/- (Rupees Twenty Crores Only) for which Board of Directors appointed Mr. Siddharth Bogawat, Practicing Chartered Accountant as the Scrutinizer of E-voting process. Summary Special Resolution passed through postal ballot as below:

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

The Scrutinizer submitted his report on July 03, 2023. The details of e-voting on the aforementioned resolution are provided hereunder

| Sr. No. | Special Resolution passed  | Voted in favour of the Resolution |                                       | Voted against the resolution |                                       |
|---------|--|-----------------------------------|---------------------------------------|------------------------------|---------------------------------------|
|         |  | No of votes Cast                  | % of total number of valid votes cast | No of votes Cast             | % of total number of valid votes cast |
| 1       | To consider and approve for giving authorisation to Board of Directors to advance any loan, give any guarantee or to provide any security in connection with loan availed by any of the company's subsidiary(ies)/ associates/ joint venture or any other person specified under the Section 185 of the Company's Act, 2013 upto an aggregate limit of ₹ 200,000,000/- (Rupees Twenty Crores Only) | 169127                            | 99.95%                                | 77                           | 0.045%                                |

Note: Since the promoters (Smt. Indubala Vora, Mr. Sachin Vora and Mr. Sumit Vora) are interested in the agenda/resolution, the votes of interested promoters/ directors are not counted for the results hence not considered in the above mentioned numbers.

### MEANS OF COMMUNICATION:

#### Financial Results

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

| Financial Results                      | Name(s) of Newspapers         | Date of Publication |
|--|-------------------------------|---------------------|
| Quarter ended June 30, 2023            | Financial Express & Lok-Satta | August 15, 2023     |
| Quarter ended September 30, 2023       | Financial Express & Lok-Satta | November 11, 2023   |
| Quarter ended December 31, 2023        | Financial Express & Lok-Satta | February 14, 2024   |
| Quarter & year ended on March 31, 2024 | Financial Express & Lok-Satta | May 29, 2024        |

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

#### Press Release and Presentations

The official press release, detailed presentations made to institutional investors or to the analysts are available at the Company's website at <https://krantiindustries.com/investors/>. The official press releases are also submitted to the stock exchange.

## BOARD REPORT

### Annual Report

The Annual report containing inter alia, the Director's Report, Management Discussion and Analysis Report, Corporate Governance Report, Auditor's Report and Audited Financial Statements and other important information is circulated amongst the members and others entitled thereto. The Annual Reports of the Company are also available on the website in a downloadable form.

### Website

The Company's website <https://krantiindustries.com/> contains a dedicated section "Investor" where information for investors and Shareholders is available.

### GENERAL SHAREHOLDERS INFORMATION:

| Annual General Meeting    | 29th AGM of Kranti Industries Limited  |
|---------------------------|--|
| Date                      | September 12, 2024   |
| Time                      | 11:30 AM   |
| Mode                      | Physical   |
| Venue                     | At the Registered Office of the Company at Gat No. 267/B/1, Post Pirangut, Taluka Mulshi, District- Pune- 412115 |
| Financial Year Reported   | April 01, 2023 to March 31, 2024   |
| Cut-Off date for Notice   | August 09, 2024  |
| Cut-Off date for E voting | September 05, 2024   |
| Date of Book Closure      | September 06, 2024 to September 12, 2024   |
| E-voting Period           | September 09, 2024 to September 11, 2024   |
| Stock Code                | 542459   |
| ISIN                      | INE911T01010   |
| CIN                       | L29299PN1995PLC095016  |

### Scrip code/ ISIN/ Address of Stock Exchange

The Equity shares of the Company are currently listed on following stock exchange.

| Sr. No. | Name of Stock Exchange | Address  | ISIN         | Scrip Code |
|---------|------------------------|--|--------------|------------|
| 1       | BSE Ltd                | 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 | INE911T01010 | 542459     |

The Company has duly paid the Listing Fees to BSE.

### Market Price Data:

High and Low prices during each month of Financial Year 2023-24 on BSE Limited are as under:

The Closing Price represents the price on the last trading day of each month of Financial Year 2023-24

| Month       | High (Rs.) | Low (Rs.) |
|-------------|------------|-----------|
| April 2023  | 78.39      | 62.22     |
| May 2023    | 93.50      | 70.00     |
| June 2023   | 111.95     | 79.21     |
| July 2023   | 103.89     | 81.60     |
| August 2023 | 112.80     | 90.41     |



## BOARD REPORT

| Month          | High (Rs.) | Low (Rs.) |
|----------------|------------|-----------|
| September 2023 | 99.40      | 84.05     |
| October 2023   | 94.60      | 81.70     |
| November 2023  | 103.00     | 82.55     |
| December 2023  | 98.29      | 81.90     |
| January 2024   | 94.50      | 83.99     |
| February 2024  | 92.90      | 69.55     |
| March 2024     | 85.39      | 72.01     |

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

### 'Stock price movement of Kranti Industries Limited' versus sensitivity at BSE Sensex:



### Registrar and Transfer Agent

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

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

#### Link Intime India Private Limited

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

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

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

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

#### Share Transfer System:

Effective from April 1, 2019, SEBI has mandated that shares can be transferred only in Demat. Hence no transfer of shares in physical form can be lodged by the shareholders.

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

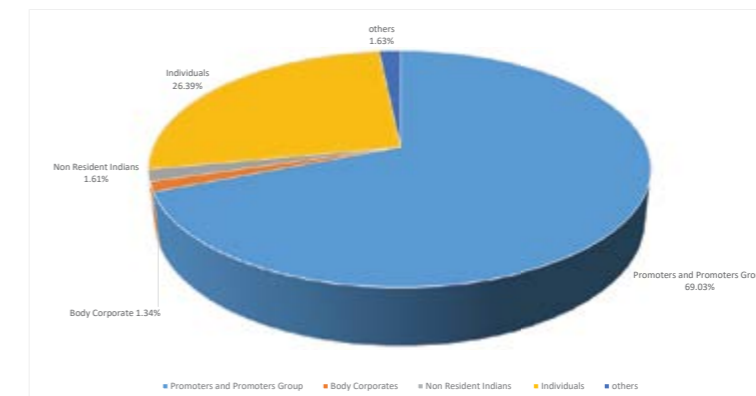
As per the requirements of Regulation 40(9) of the Regulations, the Company has obtained the Yearly Compliance Certificate from a Company Secretary in Practice for due compliance of Share Transfer formalities and the same has been filed with the BSE LTD (BSE) through BSE Listing Centre.

## BOARD REPORT

### Distribution of Shareholding as on March 31, 2024:

| Category  | No of shareholders | Shares held | % of Holding |
|---|--------------------|-------------|--------------|
| Promoters and Promoters Group                                   | 12                 | 7876265     | 69.03        |
| Public:   |                    |             |              |
| Body Corporates   | 22                 | 153019      | 1.34         |
| Non-Resident Indians  | 72                 | 184109      | 1.61         |
| Individuals holding nominal share capital up to Rs. 2 lakhs     | 3549               | 2003908     | 17.56        |
| Individuals holding nominal share capital exceeding Rs. 2 lakhs | 21                 | 1007608     | 8.83         |
| Others  | 81                 | 185491      | 1.63         |
| Total   | 3757               | 11410400    | 100 %        |

### Pie chart regarding Shareholding Pattern



### Dematerialization of shares and liquidity:

As on March 31, 2024, 100.00% of the Company's Equity Shares was held in dematerialized form with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL).

| Sr. No. | Particulars   | Number of Shares | % of Total Issued Capital |
|---------|---|------------------|---------------------------|
| 1       | Issued Capital  | 1,14,10,400      | 100.000                   |
| 2       | Listed Capital (Exchange Wise) All (as per Company records) | 1,14,10,400      | 100.000                   |
| 3       | Held in dematerialized form in CDSL                         | 46,44,740        | 40.706                    |
| 4       | Held in dematerialized form in NSDL                         | 67,65,660        | 59.294                    |
| 5       | Physical  | 0.00             | 0.000                     |
| 6       | Total No. of Shares   | 1,14,10,400      | 100.000                   |

### Outstanding GDRs or ADRs or warrants or any convertible instruments, conversion date and likely impact on equity shares as on March 31, 2024:

The Company has no outstanding GDR / ADR / Warrants or any Convertible Instruments.

## BOARD REPORT

### Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

- i. Risk management policy of the listed entity with respect to commodities including hedging:  
The Company does not have any significant exposure to commodity price risk.
- ii. Exposure of the Company to commodity and commodity risks faced by the entity throughout the year :
  - a) Total exposure of the listed entity to commodities in INR: NIL
  - b) Exposure of the listed entity to various commodities:

| Commodity Name | Exposure in INR towards the particular commodity | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives |          |                      |          | TOTAL |
|----------------|--|---|---|----------|----------------------|----------|-------|
|                |  |   | Domestic Market   |          | International Market |          |       |
|                |  |   | OTC   | Exchange | OTC                  | Exchange |       |
| NA             | NA   | NA  | NA  | NA       | NA                   | NA       | NA    |

### Plant locations:

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

Plant 1: Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune 412115, Maharashtra India.

Plant 2: Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune 412115, Maharashtra India

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

### Addresses for Correspondence:

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

### Registrar and Transfer Agent

#### Link Intime India Private Limited,

C 101, 247 Park, LBS Marg,

Vikhroli West Mumbai- 400 083.

Tel Ph No. +91 22 4918 6000

Fax: +91 22 4918 6060

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

### For Investor Assistance: -

#### Ms. Shraddha Nandkumar Phule.

Company Secretary and Compliance Officer,

(Appointed on May 28, 2024)

Kranti Industries Limited

Registered Office: Gat no 267/B/1,

At Post Pirangut, Tal. Mulshi,

Pune 412115, Maharashtra, India

Phone: 020-66755676,

Email : [investor@krantiindustries.com](mailto:investor@krantiindustries.com) Web: [www.krantiindustries.com](http://www.krantiindustries.com)

### OTHER DISCLOSURES:

#### Related Party Transactions

During the year 2023-24, there were no material individual transactions with related parties, which are not in the normal course of business or are not on an Arm's Length basis in terms of Regulation 23 of the Regulations. The statements in summary form of transactions with Related Parties in the ordinary course of business are placed periodically before the Audit Committee for its consideration and approval.

All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters. The details of the Related Party Transactions during the year are given in the Notes forming part of the financial statements.

## BOARD REPORT

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Regulation 23 of the Regulations and the same is available on the official website of the Company at <https://krantiindustries.com/investors/>. In terms of Regulation 23(9) (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has filed the disclosures of related party transactions on a consolidated basis with the BSE Limited (BSE) through BSE Listing Centre on a half yearly basis.

### Details of Capital Market Non-Compliances:

The following are the details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by the Stock Exchanges or board or any other statutory authority on any matter related to capital markets, during the last three years

| Sr. No. | Details of Non-Compliance   | Financial year | Penalty or fine imposed on listed entity   |
|---------|---|----------------|--|
| 1       | During the period under review there has been no non-compliance by listed entity.   | 2023-24        | None   |
| 2       | During the period under review there has been no non-compliance by listed entity  | 2022-23        | None   |
| 3       | There was delay of compliance of Regulation 95 (1) of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 by 20 days as the company fails to implement the bonus issue within the time prescribed under the regulation. | 2021-22        | Fine of ₹ 4,00,000/- (Rupees Four Lakhs only) imposed on listed entity by BSE Ltd. |

### Whistle Blower Policy/Vigil Mechanism:

The Whistle Blower Policy/Vigil Mechanism of the Company has been formulated as per Regulation 22 of the Regulations and Section 177 of the Companies Act, 2013. The policy provides a channel to the employees, Directors and any other person who avails such mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy. The mechanism of policy provides for adequate safeguards against victimization of employees, Directors and any other person who avails such mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The said policy has been communicated to all the personnel and is available on the website of the Company at <https://krantiindustries.com/wp-content/uploads/2024/03/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf>. Protected disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the concerned officer as specified in the policy.

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

### Details of Compliance with mandatory requirement and adoption of the non-mandatory requirement.

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

### Mandatory Requirements:

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

| Sr. No. | Item  | Compliance status (Yes/No/NA) |
|---------|---|-------------------------------|
| 1       | Details of business   | Yes                           |
| 2       | Terms and conditions of appointment of independent directors          | Yes                           |
| 3       | Composition of various committees of board of directors               | Yes                           |
| 4       | Code of conduct of board of directors and senior management personnel | Yes                           |
| 5       | Details of establishment of vigil mechanism/ Whistle Blower policy    | Yes                           |



## BOARD REPORT

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

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

## BOARD REPORT

| Sr. No. | Particulars  | Regulation Number            | Compliance status (Yes/No/NA) |
|---------|--|------------------------------|-------------------------------|
| 16      | Meeting of Audit Committee   | 18(2)                        | Yes                           |
| 17      | Composition of nomination & remuneration committee   | 19(1) & (2)                  | Yes                           |
| 18      | Quorum of Nomination and Remuneration Committee meeting  | 19(2A)                       | Yes                           |
| 19      | Meeting of Nomination and Remuneration Committee   | 19(3A)                       | Yes                           |
| 20      | Composition of Stakeholder Relationship Committee  | 20(1), 20(2) & 20(2A)        | Yes                           |
| 21      | Meeting of Stakeholders Relationship Committee   | 20(3A)                       | Yes                           |
| 22      | Composition and role of risk management committee  | 21(1),(2),(3),(4)            | NA                            |
| 23      | Meeting of Risk Management Committee   | 21(3A)                       | NA                            |
| 24      | Vigil Mechanism  | 22                           | Yes                           |
| 25      | Policy for related party Transaction   | 23(1),(1A),(5),(6),(7) & (8) | Yes                           |
| 26      | Prior or Omnibus approval of Audit Committee for all related party transactions  | 23(2), (3)                   | Yes                           |
| 27      | Approval for material related party transactions   | 23(4)                        | NA                            |
| 28      | Disclosure of related party transactions on consolidated basis   | 23(9)                        | Yes                           |
| 29      | Composition of Board of Directors of unlisted material Subsidiary  | 24(1)                        | NA                            |
| 30      | Other Corporate Governance requirements with respect to subsidiary of listed entity  | 24(2),(3),(4),(5) & (6)      | Yes                           |
| 31      | Annual Secretarial Compliance Report   | 24(A)                        | Yes                           |
| 32      | Alternate Director to Independent Director   | 25(1)                        | NA                            |
| 33      | Maximum Tenure   | 25(2)                        | Yes                           |
| 34      | Meeting of Independent directors   | 25(3) & (4)                  | Yes                           |
| 35      | Familiarization of Independent directors   | 25(7)                        | Yes                           |
| 36      | Declaration from Independent Director  | 25(8) & (9)                  | Yes                           |
| 37      | D & O Insurance for Independent Directors  | 25(10)                       | NA                            |
| 38      | Memberships in Committees  | 26(1)                        | Yes                           |
| 39      | Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel                            | 26(3)                        | Yes                           |
| 40      | Disclosure of Shareholding by Non-Executive Directors  | 26(4)                        | Yes                           |
| 41      | Policy with respect to directors and senior management   | 26(2) & 26(5)                | Yes                           |
| 42      | Approval of the Board and shareholders for compensation of profit sharing in connection with dealings in the securities of the listed entity | 26(6)                        | NA                            |
| 43      | Vacancies in respect Key Managerial Personnel  | 26A(1) & 26A(2)              | NA                            |

### Web link where policy for determining 'Material' subsidiaries is disclosed

The policy for determining material subsidiaries is disclosed at <https://krantiindustries.com/wp-content/uploads/2024/03/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARY.pdf>

### Web link where policy on dealing with 'Related Party Transactions' is disclosed

The policy on dealing with related party transactions is disclosed at <https://krantiindustries.com/wp-content/uploads/2024/03/RELATED-PARTY-TRANSACTION-POLICY.pdf>

## BOARD REPORT

### Details of utilization of funds raised through preferential allotment as specified under Regulation 32(7A)

During the period under review the Company issued and allotted 8,48,000 (Eight Lakh Forty-Eight Thousand) Equity Shares of face value Rs. 10/- (Rupees Ten Only) each ("Equity Shares") for cash at a price of Rs. 101/- per equity shares (including a premium of Rs. 91/- per equity share) for an aggregate amount upto Rs. 8,56,48,000 /- (Rupees Eight Crore Fifty-Six Lakhs Forty-Eight Thousand Only) on preferential basis to non-promoter group.

Following are the details of utilization of funds raised through the preferential issue during the Financial Year 2023-24 on quarterly basis:

| Original Object   | Original Allocation (in Rupees) | Funds Utilised in Q-2 ended on 30.09.2023 (in Rupees) | Funds Utilised in Q-3 ended on 31.12.2023 (in Rupees) | Funds Utilised in Q-4 ended on 31.03.2024 (in Rupees) | Amount of deviation / variation for the quarter according to applicable object |
|---|---------------------------------|---|---|---|--|
| Capital requirement to meet the needs of its growing business (Expansion of production capacity), working capital | 6,42,36,000                     | 32,975,848  | 3,12,60,152   | -   | NA   |
| General Corporate Purposes  | 2,14,12,000                     | 7,437,155   | 1,34,58,303   | 5,16,542  | NA   |

Note: During the period under review there was no any

- Deviation or variation in the objects or purposes for which the funds have been raised,
- Deviation or variation in the amount of funds actually utilized as against what was originally disclosed or
- Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc.

### No Disqualification Certificate

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

### Acceptance of recommendation of committees, if any

During the period under review, the Board has accepted all the recommendations of /submissions by the Audit Committee and Nomination and remuneration committee.

### Consolidated Fees paid to Statutory Auditors

During Financial Year 2023-24, the Company has paid ₹ 2 Lakhs as fees on consolidated basis to the Statutory Auditors.

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has constituted Internal Committee as per the aforesaid Act.

## BOARD REPORT

### The following is a summary of Sexual harassment complaint received and disposed of during the year 2023-24 under the aforesaid Act;

|  |                |
|--|----------------|
| No. of complaints received / filed during the year | Nil            |
| No. of complaints disposed off                     | Not Applicable |
| No. of complaints pending                          | Nil            |

### Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount

Company has given loan to its subsidiary companies by taking necessary approval of members in which directors are interested. The details are disclosed in the Audited Financial Statements of the Company.

### COMPLIANCE STATUS OF CORPORATE GOVERNANCE REQUIREMENTS AS PRESCRIBED IN THE LISTING REGULATIONS

This Report is prepared with adherence to the provisions of the Listing Regulations and the Report comprehends all the requirements under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations as applicable

### DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF THE SCHEDULE II OF THE LISTING REGULATIONS

#### Shareholders' Rights:

The financial results are published in the Loksatta and Financial Express and are also displayed on the Company's website as well as the websites of the Stock Exchanges on which the Company's shares are listed and therefore, have not been separately circulated to the shareholders.

#### Modified Opinion(s) in Audit Report:

During the year under review, there was no audit qualification in the Auditors' Report on the Company's Financial Statements. There was no modified audit opinion in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.

#### Separate posts of Chairperson and the Managing Director or the Chief Executive Office:

Separation of Chairperson and Managing Director is not mandatory as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022.

#### Reporting of Internal Auditor:

The Internal Auditor of the Company has reported directly to the Committee.

### DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE UNDER REGULATION 17 TO 27 OF LISTING REGULATIONS EXCEPT THOSE WHICH ARE ALREADY DISCLOSED ELSEWHERE IN THIS REPORT

#### Information supplied to the Board:

Ahead of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those which require deliberation for arriving at a decision. Presentations are also made to the board by the function heads concerned on important matters from time to time. In addition to the items which are required to be placed before the Board for its noting and/or approval, information is provided in terms of listing regulations on various other significant matters.

In terms of quality and importance, the information supplied by the management to the Board, is precise and crisp with relevant details that are necessary for the directors to enable them fulfill their duties. The independent directors of the Company at their meeting held on February 13, 2024 expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



## BOARD REPORT

### Compliance Certificate

The Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of read with Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Performance Evaluation of Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2023-24, the board has carried out the performance of Independent directors was evaluated by the entire board except the director being evaluated, at their meeting held on February 13, 2024. The Board acknowledge that each of the independent directors effectively contributed in strengthening the performance of Board and respective committee.

### Independent Directors Meeting

In compliance with Schedule IV to the Act and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent directors held a separate meeting on February 13, 2024, without the attendance of Non-Independents and management. The following are the key agenda discussed at the meeting

- i. Review the performance of Non-Independent directors and the Board, as a whole.
- ii. Assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to perform their duties.

### Report on Corporate Governance

This section, read together with the information given in the Board's Report, Management Discussion and Analysis Section and General shareholders information, constitute the compliance report on the Corporate Governance during the year. The company has been submitting the quarterly compliance report to Stock Exchanges as required under regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### ACKNOWLEDGEMENT:

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

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

For and on Behalf of Board of Directors

### KRANTI INDUSTRIES LIMITED

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

Date: August 14, 2024  
Place: Pune

Sd/-  
**SUMIT SUBHASH VORA**  
DIN: 02002416  
WHOLE-TIME DIRECTOR

## BOARD REPORT

### Annexure B

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**KRANTI INDUSTRIES LIMITED**  
Gat No. 267/B/1, At Post Pirangut  
Tal. Mulshi, Pune – 412108  
Maharashtra, India

I have examined the compliance of the conditions of Corporate Governance by Kranti Industries Limited ('the Company') for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024, as applicable.

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

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

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

Place: Pune  
Date: May 16, 2024

UDIN: F007948F000384005  
Peer Review Certificate No.: 1784/2022

## BOARD REPORT

### DISCLOSURE UNDER SEC 197

#### Annexure V

#### DISCLOSURES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

| Sr. No. | Name of the Director   | Designation                    | Ratio of Remuneration of each Director to Median Remuneration of Employees |
|---------|------------------------|--------------------------------|--|
| 1       | Indubala S. Vora       | Non-Executive Director**       | 0.15:1   |
| 2       | Sachin S. Vora         | Chairman & Managing Director * | 6.18:1   |
| 3       | Sumit S. Vora          | Whole-Time Director*           | 6.18:1   |
| 4       | Satchidanand A. Ranade | Independent Director**         | 0.15:1   |
| 5       | Prakash V. Kamat       | Independent Director **        | 0.15:1   |
| 6       | Pramod V. Apshankar    | Independent Director **        | 0.15:1   |

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

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

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

| Sr. No. | Name                   | Designation                            | Percentage of Increase / Decrease in Remuneration |
|---------|------------------------|--|---|
| 1       | Sachin S. Vora         | Chairman & Managing Director           | -14.00%   |
| 2       | Sumit S. Vora          | Executive Director                     | -14.00%   |
| 3       | Sheela K. Dhawale      | Chief Financial Officer                | -1.19%  |
| 4       | Bhavesh S. Selarka     | Compliance Officer & Company Secretary | 4.39%   |
| 5       | Median Employee        | Material Management Department         | 14.13%  |
| 6       | Indubala Vora          | Non-Executive Director                 | 0.00%   |
| 7       | Prakash Kamat          | Independent Director                   | 0.00%   |
| 8       | Pramod Apshankar       | Independent Director                   | 0.00%   |
| 9       | Satchidanand A. Ranade | Independent Director                   | 0.00%   |

| REQUIREMENTS  | DISCLOSURE                          |
|---|-------------------------------------|
| The percentage increase/decrease in the median remuneration of employees in the financial year. | 14.13%                              |
| The number of permanent employees on the rolls of the Company.                                  | 189 employees as at March 31, 2024. |

## BOARD REPORT

| REQUIREMENTS  | DISCLOSURE  |
|---|---|
| Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | There has been increase in average remuneration of the employees other than managerial personnel by 1.19 % and average managerial remuneration has decreased by 9.40 %      |
| Affirmation that the remuneration is as per the Remuneration policy of the Company.   | It is affirmed that the remuneration paid is as per the Remuneration Policy applicable for Directors, Key Managerial Personnel, and other employees, adopted by the Company |

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

| Sr. No. | Name of the KMP | Designation                            | Remuneration | Total Revenue | % of Total Revenue |
|---------|-----------------|--|--------------|---------------|--------------------|
| 1       | SACHIN VORA     | Chairman & Managing Director           | 17,02,000    | 81,88,73,574  | 0.21%              |
| 2       | SUMIT VORA      | Whole Time Director                    | 17,02,000    | 81,88,73,574  | 0.21%              |
| 3       | SHEELA DHAWALE  | Chief Financial Officer                | 12,48,000    | 81,88,73,574  | 0.15%              |
| 4       | BHAVESH SELARKA | Company Secretary & Compliance Officer | 5,94,000     | 81,88,73,574  | 0.07%              |

\*Note: Ms. Shraddha Nandkumar Phule was appointed as Company Secretary and Compliance Officer as on May 28, 2024. Accordingly, remuneration pertaining to Ms. Shraddha Phule will be reflected in Financial Year 2024-2025.

For and on Behalf of Board of Directors of  
**Kranti Industries Limited**

Sd/-  
**SACHIN VORA**  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
**SHEELA DHAWALE**  
CHIEF FINANCIAL OFFICER

Date: August 14, 2024

## BOARD REPORT

### Annexure VI

#### FORM NO. AOC-1

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

#### Part A – Subsidiary Companies of Kranti Industries Limited.

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

| Sr. No. | Particulars   | Details of Subsidiaries          |                                |
|---------|---|----------------------------------|--------------------------------|
|         |   | Wonder Precision Private Limited | Preciso Metall Private Limited |
| 1.      | Name of the Subsidiary  |                                  |                                |
| 2.      | Date of Acquisition of Company  | January 01, 2013                 | April 11, 2023                 |
| 3.      | Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period                   | March 31, 2024                   | March 31, 2024                 |
| 4.      | Reporting currency and exchange rates on the last date of the relevant financial year in the case of Foreign Subsidiaries | Not applicable                   | Not applicable                 |
| 5.      | Share capital   | ₹ 1,00,000/-                     | ₹ 5,81,49,180/-                |
| 6.      | Reserves and Surplus  | ₹ 3,05,73,720/-                  | ₹ -5,35,72,221/-               |
| 7.      | Total Assets  | ₹ 3,16,80,249/-                  | ₹ 13,98,38,578/-               |
| 8.      | Total Liabilities   | ₹ 10,06,529/-                    | ₹ 13,52,61,619/-               |
| 9.      | Investments   | ₹ 10,000/-                       | -                              |
| 10.     | Turnover  | ₹ 1,67,42,705/-                  | ₹ 7,63,32,683/-                |
| 11.     | Profit before taxation  | ₹ 35,13,980/-                    | ₹ -2,39,14,288/-               |
| 12.     | Profit after taxation   | ₹ 36,97,493/-                    | ₹ -1,03,43,240/-               |
| 13.     | Proposed Dividend   | NIL                              | NIL                            |
| 14.     | % of shareholding   | 100%                             | 55%                            |

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

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

| Sr. No. | Particulars   | Details of Associates       |
|---------|---|-----------------------------|
| 1.      | Name of Associates of the Company                                       | Kranti SFCI Private Limited |
| 2.      | Latest Audited Balance Sheet Date                                       | March 31, 2024              |
| 3.      | Date on which the Associate or Joint Venture was associated or acquired | December 17, 2018           |
| 4.      | Shares of Associate/Joint Ventures held by the company on the year end  |                             |
| 4 a)    | No. of shares   | 1,50,000                    |
| 4 b)    | Amount of Investment in Associates/Joint Venture                        | ₹ 15,00,000/-               |
| 4 c)    | Extend of Holding (%)   | 30%                         |

## BOARD REPORT

| Sr. No. | Particulars  | Details of Associates                            |
|---------|--|--|
| 5.      | Description of how there is significant influence                          | Due to percentage (%) of Share Capital           |
| 6.      | Reason why the associate/joint venture is not consolidated                 | Considered in Consolidation as per Equity Method |
| 7.      | Net worth attributable to Shareholding as per latest audited Balance Sheet | NIL  |
| 8.      | Profit/ Loss for the year (attributed to Shareholding)                     | YES  |
| 8 a)    | Considered in Consolidation  | NIL  |
| 8 b)    | Not Considered in Consolidation  | NA   |

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

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

Sd/-  
**SUMIT VORA**  
WHOLE-TIME DIRECTOR  
DIN: 02002416

Sd/-  
**SHEELA DHAWALE**  
CHIEF FINANCIAL OFFICER

Sd/-  
**SHRADDHA PHULE**  
COMPANY SECRETARY  
& COMPLIANCE OFFICER  
(ICSI NO.: A67126)

Date: August 14, 2024



## INDEPENDENT

Auditor's Report

To The Members of

**Kranti Industries Limited**

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

#### Opinion

We have audited the accompanying Standalone Financial Statements of Kranti Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (Including other comprehensive income), Statement of change in equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed (IND AS) under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income and its cash flows for the year ended on that date.

#### Basis for opinion

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other

## INDEPENDENT

Auditor's Report

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be

## INDEPENDENT

### Auditor's Report

thought to bear on our independence, and where applicable, related safeguards.

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

#### Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv) (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

## INDEPENDENT

### Auditor's Report

- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.
- 2) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Pratik Kabra**  
Partner

Place: Mumbai  
Date: 28th May, 2024

Membership number: 611401  
UDIN: 24611401BKCKWQ1362

## ANNEXURE "A"

to the Independent Auditor's Report

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Limitations of Internal Financial Controls Over Financial Reporting

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

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

## ANNEXURE "A"

to the Independent Auditor's Report

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kranti Industries Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A DV & ASSOCIATES**

*Chartered Accountants*

Firm Registration number: 128045W

**Pratik Kabra**

*Partner*

Place: Mumbai

Date: 28th May, 2024

Membership number: 611401

UDIN: 24611401BKCKWQ1362



## ANNEXURE "B"

to the Independent Auditor's Report

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

- i) In respect of the Company's Property, Plant and Equipment's and Intangible Assets:
- According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Fixed Assets have been physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book's records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Variances between the quarterly returns or statements filed by the Company with such banks are in agreement are as follows:

| Quarters ending on                | June 23  | September 23 | December 23 | March 24 |
|-----------------------------------|----------|--------------|-------------|----------|
| Current Assets submitted to Banks | 2,134.12 | 2,073.87     | 2,424.90    | 2,500.80 |
| Current Assets as per books       | 2,151.26 | 2,076.34     | 2,421.92    | 2,548.74 |
| Difference                        | -0.80%   | -0.12%       | 0.12%       | -1.88%   |

- iii) According the information and explanations given to us, During the year the company has made investments in subsidiary and given loan to subsidiary:
- (a) **A.** Based on the audit procedures carried on by us and as per the information and explanations given to us during the year the company has given loan to its subsidiary the detail is as below:

| To Whom   | The Aggregate Amount During the Year (In Lakhs) |
|---|---|
| Aggregate amount during the year – Others           | 261.77  |
| Balance outstanding as at balance sheet date -Other | 261.77  |

- B.** Based on the audit procedures carried on by us and as per the information and explanations given to us during the year the company has not given loan to parties other than subsidiary.
- (b) According to the information and explanation given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

## ANNEXURE "B"

to the Independent Auditor's Report

- schedule of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular;
- According to the information and explanation given to us, no amount is overdue in these respect;
- According to the information and explanation given to us, in respect of any loan or advance in the nature of loan granted which has fallen due during the year, none has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;
- The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, required details in respect thereof are as below:

| Particulars   | All Parties | Promoters | Related parties     |
|---|-------------|-----------|---------------------|
| Aggregate amount of loans/ advances in nature of loans:           |             |           |                     |
| - Repayable on demand (A)   | -           | -         | 261.77 Lakhs        |
| - Agreement does not specify any terms or period of repayment (B) | -           | -         | -                   |
| <b>Total (A+B)</b>  | <b>-</b>    | <b>-</b>  | <b>261.77 Lakhs</b> |

- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
- According to the information and explanations given to us, in respect of statutory dues:
  - According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has generally been regular in depositing undisputed statutory dues including Income-Tax, Goods and Services Tax and any other material statutory dues applicable to it with the appropriate authorities.
  - According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable.
  - According to the information and explanations given to us, there are no dues of income tax, duty of excise and service tax and value added tax have not been deposited with the appropriate authorities on account of any dispute.

(Rs. In lakhs)

| Name of the statute | Nature of the dues | Period to which the amount Relates | Amount | Forum where dispute is pending |
|---------------------|--------------------|------------------------------------|--------|--------------------------------|
| Income Tax 1961     | Tax                | 2015-16                            | 14.42  | Income Tax Appeal              |
| SGST Act 2017       | Penalty            | 2023-24                            | 11.11  | SGST Appeal - Gujrat           |

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

## ANNEXURE "B"

to the Independent Auditor's Report

- ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment of 8,48,000 shares during the year and the same is in accordance with section 42 and section 62 of the Companies Act, 2013. As per explanations given to us the funds raised, have been used for the purposes they were raised.
- xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company has not received any whistle blower complaints during the year (and upto the date of this report).
- xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

## ANNEXURE "B"

to the Independent Auditor's Report

- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) The provision of sub-section (5) of Section 135 of the Companies Act, 2013 not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**Pratik Kabra**  
Partner

Place: Mumbai  
Date: 28th May, 2024

Membership number: 611401  
UDIN: 24611401BKCKWQ1362

## STANDALONE BALANCE SHEET

as on 31 March, 2024

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

| Particulars   | Note | As at 31 March 2024 | As at 31 March 2023 |
|---|------|---------------------|---------------------|
| <b>I. ASSETS</b>  |      |                     |                     |
| <b>Non-current assets</b>   |      |                     |                     |
| (a) Property, plant and equipment   | 2    | 4,333.49            | 3,968.16            |
| (b) Right-of-use asset  | 3    | 393.49              | 475.60              |
| (c) Capital work-in-progress  | 4    | 6.80                | 276.76              |
| (d) Intangible assets   | 5    | 40.39               | 21.29               |
| (e) Goodwill  |      |                     |                     |
| (f) Financial assets  |      |                     |                     |
| (i) Investment  | 6    | 439.77              | 335.44              |
| (ii) Others   | 7    | 218.65              | 53.20               |
| (iii) Other financial assets (NC)   |      |                     |                     |
| (g) Income tax assets (net)   | 33   | 27.29               | 15.31               |
| (h) Deferred tax assets (net)   | 33   |                     |                     |
| (i) Other non-current assets  | 8    | 261.77              | -                   |
| <b>Total non-current assets</b>   |      | <b>5,721.65</b>     | <b>5,145.78</b>     |
| <b>Current assets</b>   |      |                     |                     |
| (a) Inventories   | 9    | 1,197.58            | 924.22              |
| (b) Financial assets  |      |                     |                     |
| (i) Trade receivables   | 10   | 1,351.16            | 836.77              |
| (ii) Cash and cash equivalents  | 11   | 1.50                | 0.71                |
| (iii) Other financial assets  | 12   | 1.06                | 0.82                |
| (c) Current tax assets (net)  | 33   | -                   | -                   |
| (d) Other current assets  | 13   | 69.58               | 126.95              |
| <b>Total current assets</b>   |      | <b>2,620.88</b>     | <b>1,889.47</b>     |
| <b>TOTAL ASSETS</b>   |      | <b>8,342.53</b>     | <b>7,035.25</b>     |
| <b>II. EQUITY AND LIABILITIES</b>   |      |                     |                     |
| <b>Equity</b>   |      |                     |                     |
| (a) Equity share capital  | 14   | 1,141.04            | 1,056.24            |
| (b) Other equity  | 15   | 2,147.75            | 1,374.93            |
| <b>Total equity</b>   |      | <b>3,288.79</b>     | <b>2,431.17</b>     |
| <b>Non-current liabilities</b>  |      |                     |                     |
| <b>(a) Financial liabilities</b>  |      |                     |                     |
| (i) Borrowings (Non Current)  | 16   | 2,135.67            | 1,646.85            |
| (ii) Lease liabilities (Non Current)  | 17   | 125.85              | 200.19              |
| (iii) Other financial liabilities   | 18   | -                   | -                   |
| (b) Provisions  | 16   | -                   | -                   |
| (c) Other non-current liabilities   | 18   | 4.27                | 0.75                |
| (d) Deferred tax liabilities (Net)  | 33   | 166.65              | 159.20              |
| <b>Total non-current liabilities</b>  |      | <b>2,432.44</b>     | <b>2,007.00</b>     |
| <b>Liabilities</b>  |      |                     |                     |
| <b>Current liabilities</b>  |      |                     |                     |
| <b>(a) Financial liabilities</b>  |      |                     |                     |
| (i) Borrowings (Current)  | 19   | 1,130.73            | 1,326.77            |
| (ii) Lease liabilities (Current)  | 20   | 74.34               | 70.20               |
| (iii) Trade payables  | 21   |                     |                     |
| a) total outstanding dues of micro enterprises and small enterprises                      |      | 295.17              | 267.82              |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 586.85              | 735.68              |
| (iv) Other financial liabilities  | 22   | 131.83              | 153.88              |
| (b) Other current liabilities   | 23   | 362.15              | 21.32               |
| (c) Provisions  | 24   | 40.24               | 19.64               |
| (d) Income tax liabilities (net)  | 33   | -                   | 1.78                |
| <b>Total current liabilities</b>  |      | <b>2,621.30</b>     | <b>2,597.07</b>     |
| <b>Total liabilities</b>  |      | <b>5,053.75</b>     | <b>4,604.07</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b>8,342.53</b>     | <b>7,035.25</b>     |

Significant accounting policies 1  
Notes to the financial statements 1 to 50  
The notes referred to above form an integral part of the financial statements  
As per our report of even date attached  
**For and on behalf of A DV Associates**  
Chartered Accountants  
Firm Registration No - 128045W  
**Pratik Kabra**  
Partner  
Membership no - 611401  
UDIN: 24611401BKCKWQ1362

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

**Sachin Vora**  
Managing Director  
DIN-02002468

**Sheela Dhawale**  
Chief Financial Officer  
Place : Pune  
Date: May 28, 2024

**Sumit Vora**  
Whole Time Director  
DIN-02002416

**Shraddha Phule**  
Company Secretary  
Place : Pune  
Date: May 28, 2024

Place : Mumbai  
Date: May 28, 2024

## STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2024

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

| Particulars   | Note | For the period ended 31 March 2024 | For Year ended 31 March 2023 |
|---|------|------------------------------------|------------------------------|
| <b>Revenue</b>  |      |                                    |                              |
| Revenue from operations   | 25   | 8,166.18                           | 9,139.73                     |
| Other income (net)  | 26   | 22.56                              | 12.79                        |
| <b>Total revenue</b>  |      | <b>8,188.74</b>                    | <b>9,152.51</b>              |
| <b>Expenses</b>   |      |                                    |                              |
| Cost of material, operation and incidental cost                     | 27   | 4,865.97                           | 6,130.23                     |
| Purchase of Stock-in- Trade   |      |                                    |                              |
| Changes in inventories of finished goods and work-in-progress       | 28   | 90.52                              | (32.33)                      |
| Employee benefits expenses  | 29   | 1,205.04                           | 991.34                       |
| Finance costs   | 30   | 303.61                             | 225.95                       |
| Depreciation and amortisation expenses                              | 31   | 612.68                             | 392.47                       |
| Other expenses  | 32   | 1,004.98                           | 1,137.69                     |
| <b>Total expenses</b>   |      | <b>8,082.80</b>                    | <b>8,845.34</b>              |
| Profit/(loss) before Exceptional Items, and Tax                     |      | 105.94                             | 307.17                       |
| Exceptional items   |      | -                                  | -                            |
| <b>Profit before tax</b>  |      | <b>105.94</b>                      | <b>307.17</b>                |
| <b>Tax expense:</b>   | 33   |                                    |                              |
| Current tax   |      | 22.05                              | 56.41                        |
| Deferred tax  |      | 29.80                              | 30.99                        |
| MAT Credit Entitlement/Utilisation                                  |      | (22.05)                            | 13.39                        |
| <b>Profit for the year</b>  |      | <b>76.14</b>                       | <b>206.38</b>                |
| Other comprehensive income/(loss) for the year                      |      |                                    |                              |
| (i) Items that will not be reclassified to profit or loss           |      |                                    |                              |
| Remeasurements of defined benefit liability / (asset)               |      | (1.10)                             | 3.43                         |
| Income tax on remeasurements of defined benefit liability / (asset) |      | 0.31                               | (0.95)                       |
|   |      | (0.79)                             | 2.48                         |
| Other comprehensive income (net of tax)                             |      | (0.79)                             | 2.48                         |
| Total comprehensive income for the year                             |      | 75.35                              | 208.85                       |
| <b>Earnings per equity share (face value of Rs. 10 each)</b>        |      |                                    |                              |
| Basic earnings per share  | 34   | 0.69                               | 1.95                         |
| Diluted earnings per share  |      | 0.69                               | 1.95                         |

Significant accounting policies 1  
Notes to the financial statements 1 to 50  
The notes referred to above form an integral part of the financial statements  
As per our report of even date attached

**For and on behalf of A DV Associates**

Chartered Accountants  
Firm Registration No - 128045W  
**Pratik Kabra**  
Partner  
Membership no - 611401  
UDIN: 24611401BKCKWQ1362

Place : Mumbai  
Date: May 28, 2024

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

**Sachin Vora**  
Managing Director  
DIN-02002468

**Sheela Dhawale**  
Chief Financial Officer  
Place : Pune  
Date: May 28, 2024

**Sumit Vora**  
Whole Time Director  
DIN-02002416

**Shraddha Phule**  
Company Secretary  
Place : Pune  
Date: May 28, 2024



## STANDALONE STATEMENT OF CASH FLOW

for the year ended 31 March, 2024

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

| Particulars   | For the period ended<br>31 March 2024 | For the period ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------------|
| <b>A. Cash flow from operating activities</b>   |                                       |                                       |
| Net Profit before extraordinary items and tax   | 105.94                                | 307.17                                |
| <b>Adjustments for:</b>   |                                       |                                       |
| Interest received   | (21.58)                               | (2.31)                                |
| Dividend received   | (0.98)                                | (0.33)                                |
| Loss on sale of Assets  | 2.39                                  | (8.59)                                |
| Interest paid   | 303.61                                | 225.95                                |
| Depreciation and amortisation   | 612.68                                | 392.47                                |
| Commission income on corporate guarantee  | -                                     | (1.55)                                |
| Remeasurements of defined benefit liability / (asset)                                     | (1.10)                                |                                       |
|   | 895.02                                | 605.63                                |
| <b>Operating profit before working capital changes</b>                                    | <b>1,000.96</b>                       | <b>912.81</b>                         |
| Changes in working capital:   |                                       |                                       |
| (Increase) in other non-current liabilities   | 3.52                                  | 0.21                                  |
| (Increase) / Decrease in other non-current financial assets                               |                                       | (25.05)                               |
| Decrease in other non-current assets  | (461.23)                              | -                                     |
| Decrease / (Increase) in inventories  | (273.37)                              | (99.69)                               |
| (Increase) in trade receivables   | (514.38)                              | (227.96)                              |
| (Increase)/ Decrease in Bank Balances   |                                       |                                       |
| (Increase) in current financial loans   |                                       |                                       |
| Decrease / (Increase) in other current financial assets                                   | (0.24)                                | 1.54                                  |
| Decrease in other current assets  | 57.37                                 | (84.50)                               |
| Increase / (Decrease) in trade payables   | (121.48)                              | 163.93                                |
| Increase in other current financial liabilities   | (22.05)                               | (13.97)                               |
| (Decrease) / Increase in other current liabilities  | 340.83                                | (49.25)                               |
| Increase in current provisions  | 20.60                                 | 3.53                                  |
|   | <b>(970.43)</b>                       | <b>(331.22)</b>                       |
| Cash generated from operations  | 30.53                                 | 581.59                                |
| Net income tax (paid)   | (1.78)                                | (44.92)                               |
| <b>Net cash flow generated from operating activities</b>                                  | <b>28.75</b>                          | <b>536.67</b>                         |
| <b>B. Cash flow from investing activities</b>   |                                       |                                       |
| Purchase of property, plant and equipment, intangible assets and capital work-in-progress | (659.68)                              | (1,158.85)                            |
| Sale proceeds of property, plant and equipment  | 12.25                                 | 79.00                                 |
| Bank deposits placed / matured during the year  |                                       |                                       |
| Investment in subsidiary  | (104.33)                              |                                       |
| Purchase/Sale of non-current investments  | -                                     | 0.06                                  |
| Proceeds from sale of investments   |                                       |                                       |
| Dividend received   | 0.98                                  | 0.33                                  |
| Interest received   | 21.58                                 | 2.31                                  |
| <b>Net cash flow (used in) investing activities</b>                                       | <b>(729.20)</b>                       | <b>(1,077.14)</b>                     |

## STANDALONE STATEMENT OF CASH FLOW (Contd.)

for the year ended 31 March, 2024

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

| Particulars   | For the period ended<br>31 March 2024 | For the period ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------------|
| <b>C. Cash flow from financing activities</b>   |                                       |                                       |
| Long-term borrowings (repaid) during the year   | 488.82                                | 687.65                                |
| (Repayment) / Proceeds of short-term borrowings (net)                                       | (196.04)                              | 156.83                                |
| Interest paid   | (277.27)                              | (191.30)                              |
| Leases  |                                       |                                       |
| Principal   | (70.20)                               | (77.79)                               |
| Interest  | (26.34)                               | (34.65)                               |
| Share Capital Raised during the year  | 856.48                                |                                       |
| Transaction costs on issue of shares  | (74.21)                               | -                                     |
| <b>Net cash flow (used in) financing activities</b>   | <b>701.24</b>                         | <b>540.74</b>                         |
| <b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>                                  | <b>0.80</b>                           | <b>0.27</b>                           |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents |                                       |                                       |
| Cash and cash equivalents at the beginning of the year                                      | 0.71                                  | 0.45                                  |
| <b>Cash and cash equivalents at the end of the year</b>                                     | <b>1.51</b>                           | <b>0.72</b>                           |

### Notes to cash flow statement

- The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.
- For the purpose of cash flow, Cash and cash equivalents comprise :

| Particulars        | For the period ended<br>31 March 2024 | For the period ended<br>31 March 2023 |
|--------------------|---------------------------------------|---------------------------------------|
| Cash on hand       | 1.50                                  | 0.46                                  |
| Balances with bank | -                                     | -                                     |
| - Current accounts | -                                     | 0.25                                  |
|                    | <b>1.50</b>                           | <b>0.71</b>                           |

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

 As per our report of even date attached  
**For and on behalf of A D V Associates**

 Chartered Accountants  
 Firm Registration No - 128045W

**Pratik Kabra**

Partner

Membership no - 611401

UDIN: 24611401BKCKWQ1362

Place : Mumbai

Date: May 28, 2024

 For and on behalf of the board of directors of  
**Kranti Industries Limited**
**Sachin Vora**

Managing Director

DIN-02002468

**Sheela Dhawale**

Chief Financial Officer

Place : Pune

Date: May 28, 2024

**Sumit Vora**

Whole Time Director

DIN-02002416

**Shraddha Phule**

Company Secretary

Place : Pune

Date: May 28, 2024

## STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2024

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

### (a) Equity share capital

| Particulars  | As at 31 March 2024 |                 | As at 31 March 2023 |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | No. of Shares       | Amount          | No. of Shares       | Amount          |
| Balance at the beginning of the reporting year             | 1,05,62,400         | 1,056.24        | 1,05,62,400         | 1,056.24        |
| Changes in equity share capital due to prior period errors | -                   | -               | -                   | -               |
| Restated balance at the beginning of the reporting year    | 1,05,62,400         | 1,056.24        | 1,05,62,400         | 1,056.24        |
| Changes in equity share capital during the year            | 8,48,000            | 84.80           | -                   | -               |
| <b>Balance at the end of the reporting year</b>            | <b>1,14,10,400</b>  | <b>1,141.04</b> | <b>1,05,62,400</b>  | <b>1,056.24</b> |

### (b) Other equity

| Particulars  | Reserves and Surplus |                    |                 | Other equity                          | Total other equity |
|--|----------------------|--------------------|-----------------|---------------------------------------|--------------------|
|  | Retained Earnings    | Securities Premium | General reserve | Equity contribution from shareholders |                    |
| <b>Balance at 01 April 2023</b>                                    | <b>912.59</b>        | <b>154.18</b>      | <b>30.00</b>    | <b>69.31</b>                          | <b>1,166.08</b>    |
| <b>Total comprehensive income for the Year ended 31 March 2023</b> |                      |                    |                 |                                       |                    |
| <b>Add/(Less):</b>   |                      |                    |                 |                                       |                    |
| Profit for the year  | 206.38               | -                  | -               | -                                     | 206.38             |
| Other comprehensive income (net of tax)                            |                      |                    |                 |                                       |                    |
| - Remeasurements of post employment benefit obligations            | 2.48                 | -                  | -               | -                                     | 2.48               |
| Issue of bonus shares  |                      |                    |                 |                                       |                    |
| Transaction costs on issue of shares                               | -                    | -                  | -               | -                                     | -                  |
| Transfer from / (to) other reserves                                | -                    | -                  | -               | -                                     | -                  |
| Total comprehensive income   | 208.85               | -                  | -               | -                                     | 208.85             |
| <b>Balance at 31 March 2023</b>                                    | <b>1,121.44</b>      | <b>154.18</b>      | <b>30.00</b>    | <b>69.31</b>                          | <b>1,374.93</b>    |
| <b>Appropriations</b>  |                      |                    |                 |                                       |                    |
| <b>Total comprehensive income for the Year ended 31 March 2024</b> |                      |                    |                 |                                       |                    |
| <b>Add/(Less):</b>   |                      |                    |                 |                                       |                    |
| Profit for the year  | 76.14                | -                  | -               | -                                     | 76.14              |
| Other comprehensive income (net of tax)                            |                      |                    |                 |                                       |                    |
| - Remeasurements of post employment benefit obligations            | -0.79                | -                  | -               | -                                     | -0.79              |
| - Equity instruments designated through other comprehensive income | -                    | -                  | -               | -                                     | -                  |
| Issue of bonus shares  |                      |                    |                 |                                       |                    |
| Issue of Shares  |                      | 771.68             |                 |                                       | 771.68             |
| Transaction costs on issue of shares                               |                      | -74.21             |                 |                                       | -74.21             |
| Transfer from / (to) other reserves                                |                      |                    |                 |                                       |                    |
| <b>Total comprehensive income</b>                                  | <b>75.35</b>         | <b>697.47</b>      | <b>-</b>        | <b>-</b>                              | <b>772.81</b>      |
| <b>Balance at 31 March 2024</b>                                    | <b>1,196.79</b>      | <b>851.64</b>      | <b>30.00</b>    | <b>69.31</b>                          | <b>2,147.75</b>    |

## STANDALONE STATEMENT OF CHANGES IN EQUITY (Contd.)

for the year ended 31 March, 2024

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

### Nature and purpose of reserves

#### i) Securities premium

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

#### ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

#### iii) General reserve

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

#### iv) Equity contribution from shareholders

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

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

As per our report of even date attached

**For and on behalf of A D V Associates**

Chartered Accountants

Firm Registration No - 128045W

**Pratik Kabra**

Partner

Membership no - 611401

UDIN: 24611401BKCKWQ1362

Place : Mumbai

Date: May 28, 2024

For and on behalf of the board of directors of

**Kranti Industries Limited**
**Sachin Vora**

Managing Director

DIN-02002468

**Sheela Dhawale**

Chief Financial Officer

Place : Pune

Date: May 28, 2024

**Sumit Vora**

Whole Time Director

DIN-02002416

**Shraddha Phule**

Company Secretary

Place : Pune

Date: May 28, 2024

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2024

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

#### Corporate overview

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

#### 1. Significant accounting policies

##### 1.1. Basis of preparation of financial statements:

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

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

The financial statements were authorised for issue by the Board of Directors on May 28, 2024.

- **Functional and presentation currency**

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

##### 1.2. Basis of measurement

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

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

##### 1.3. Use of judgements estimates and assumptions.

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

#### Judgements

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

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

#### Assumptions and estimation uncertainties

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

The company classifies all other liabilities as non-current.

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

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

### 1.5. Property, plant and equipment:

- **Recognition and measurement**

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

- **Subsequent costs**

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

- **Disposal**

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



**NOTES TO THE FINANCIAL STATEMENTS** (Contd.)

for the year ended 31 March, 2024

**Depreciation**

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

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

**1.6. Intangible assets:**

**Recognition and measurement**

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

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

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

**Subsequent measurement**

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

**Amortisation**

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

**Disposal**

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

**NOTES TO THE FINANCIAL STATEMENTS** (Contd.)

for the year ended 31 March, 2024

**1.7. Borrowing costs:**

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

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

**1.8. Impairments of non-financial assets:**

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

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

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

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

**1.9. Inventories:**

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

**1.10. Revenue recognition:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The company collects excise duty, service tax, value added taxes (VAT) and Goods and service tax GST as applicable on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Revenue is disclosed, net of trade discounts and excise duty.

**Sale of goods**

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

**Sale of services**

- Timing of recognition Revenue from rendering of services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Job-work revenues are accounted as and when such services are rendered.
- Measurement of revenue estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

## NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

for the year ended 31 March, 2024

### Recognition of dividend income, interest income:

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

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

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

### 1.11. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### 1.12. Employee benefits:

#### • Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

#### • Post-employment benefits

##### Defined contribution plans

Contributions to the provident fund which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

##### Defined benefit plans

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

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

## NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

for the year ended 31 March, 2024

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

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

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

#### • Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### 1.13. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

#### • Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### • Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

for the year ended 31 March, 2024

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### 1.14. Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 1.15. Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

#### Contingent liability is disclosed in case of:

a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

present obligation arising from past events, when no reliable estimate is possible

a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 1.16. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

### 1.17. Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

for the year ended 31 March, 2024

### 1.18. Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.



## NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

for the year ended 31 March, 2024

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 1.19. Fair value measurement

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

In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

for the year ended 31 March, 2024

### 1.20. Financial instruments

#### 1.20.1. Financial assets

##### Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

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

##### (a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

##### (b) Financial assets classified as measured at FVOCI

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

##### (c) Financial assets classified as measured at FVTPL

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

##### De-recognition of financial asset

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

## NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

for the year ended 31 March, 2024

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

### Impairment of financial assets

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

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

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

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

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

### 1.20.2. Financial liabilities

#### Initial recognition and measurement

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

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

#### Financial liabilities at FVTPL

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

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

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

#### (a) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

#### De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

## NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

for the year ended 31 March, 2024

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting of financial instruments

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

### Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

### 1.21. Operating Segment

#### Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker.

#### Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

#### Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

#### Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

### 2. Property, plant and equipment

| Description                        | Freehold land | Buildings       | Plant and equipment | Furniture and fittings | Vehicles - Others | Office Equipments | Computers    | Tools and Fixtures | Total Owned assets | Right-of-use assets | Total Owned + Right-of-use assets |
|------------------------------------|---------------|-----------------|---------------------|------------------------|-------------------|-------------------|--------------|--------------------|--------------------|---------------------|-----------------------------------|
|                                    |               |                 |                     |                        |                   |                   |              |                    |                    | Plant and equipment |                                   |
| <b>Gross block</b>                 |               |                 |                     |                        |                   |                   |              |                    |                    |                     |                                   |
| Balance as at 01st April 2023      | 638.03        | 1,474.56        | 6,036.76            | 72.11                  | 66.11             | 38.89             | 12.04        | 195.39             | 8,533.89           | 520.28              | 9,054.17                          |
| Additions                          | -             | 61.52           | 710.48              | 0.48                   | -                 | 47.46             | 8.73         | 131.05             | 959.71             | -                   | 959.71                            |
| Disposals                          | -             | -               | (15.47)             | (4.11)                 | -                 | (9.47)            | -            | -                  | (29.05)            | (71.34)             | (100.40)                          |
| <b>Balance as at 31 March 2024</b> | <b>638.03</b> | <b>1,536.08</b> | <b>6,731.77</b>     | <b>68.48</b>           | <b>66.11</b>      | <b>76.88</b>      | <b>20.77</b> | <b>326.44</b>      | <b>9,464.55</b>    | <b>448.93</b>       | <b>9,913.49</b>                   |
| <b>Accumulated depreciation</b>    |               |                 |                     |                        |                   |                   |              |                    |                    |                     |                                   |
| Balance as at 01st April 2023      | -             | 414.68          | 3,950.48            | 63.73                  | 27.57             | 17.75             | 9.79         | 81.73              | 4,565.73           | 44.68               | 4,610.41                          |
| Depreciation for the year          | -             | 98.12           | 397.81              | 2.22                   | 12.03             | 22.38             | 3.00         | 44.18              | 579.74             | 23.39               | 603.13                            |
| Depreciation on disposals          | -             | -               | (1.43)              | (3.94)                 | -                 | (9.04)            | -            | -                  | (14.41)            | (12.63)             | (27.03)                           |
| <b>Balance as at 31 March 2024</b> | <b>-</b>      | <b>512.79</b>   | <b>4,346.86</b>     | <b>62.00</b>           | <b>39.61</b>      | <b>31.10</b>      | <b>12.79</b> | <b>125.91</b>      | <b>5,131.07</b>    | <b>55.44</b>        | <b>5,186.51</b>                   |
| <b>Net block</b>                   |               |                 |                     |                        |                   |                   |              |                    |                    |                     |                                   |
| <b>As At 31st March 2024</b>       | <b>638.03</b> | <b>1,023.28</b> | <b>2,384.91</b>     | <b>6.47</b>            | <b>26.50</b>      | <b>45.78</b>      | <b>7.98</b>  | <b>200.53</b>      | <b>4,333.49</b>    | <b>393.49</b>       | <b>4,726.98</b>                   |
| <b>As At March 2023</b>            | <b>638.03</b> | <b>1,059.88</b> | <b>2,086.29</b>     | <b>8.38</b>            | <b>38.54</b>      | <b>21.14</b>      | <b>2.25</b>  | <b>113.66</b>      | <b>3,968.16</b>    | <b>475.60</b>       | <b>4,443.76</b>                   |

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

### 4. Capital work-in-progress

#### 31-03-2023

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

#### 31-03-2024

| Description                   | Factory Building | Capital Work in progress | Total       |
|-------------------------------|------------------|--------------------------|-------------|
| Balance as at 01st April 2023 | -                | 276.76                   | 276.76      |
| Additions                     | -                | 49.80                    | 49.80       |
| Capitalised during the year   | -                | (319.76)                 | (319.76)    |
|                               | -                | <b>6.80</b>              | <b>6.80</b> |
| <b>Net block</b>              | <b>-</b>         | <b>6.80</b>              | <b>6.80</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

### Capital work-in-progress aging schedule

| Capital work-in-progress           | Amount in capital work-in-progress for a period of |           |           |                   | Total*        |
|------------------------------------|--|-----------|-----------|-------------------|---------------|
|                                    | Less than 1 year                                   | 1-2 years | 2-3 years | More than 3 years |               |
| Projects in progress               |  |           |           |                   |               |
| Balance as at 31 March 2024        | 6.80   | -         | -         | -                 | 6.80          |
| <b>Balance as at 31 March 2023</b> | <b>276.76</b>                                      | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>276.76</b> |

There are no projects which are suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

### 5. Other Intangible assets

#### F.Y 22-23

| Description                          | Trade Mark  | Softwares    | Total Owned assets |
|--------------------------------------|-------------|--------------|--------------------|
| <b>Gross block</b>                   |             |              |                    |
| Balance as at 01 April 2022          | 0.30        | 30.51        | 17.39              |
| Additions                            | -           | 7.35         | 7.35               |
| Disposals                            | -           | -            | -                  |
| <b>Balance as at 31 March 2023</b>   | <b>0.30</b> | <b>37.86</b> | <b>38.15</b>       |
| Amortisation                         |             |              |                    |
| Balance as at 01 April 2022          | 0.26        | 11.62        | 6.81               |
| Depreciation for the year            | 0.01        | 4.97         | 4.97               |
| Depreciation on disposals            | -           | -            | -                  |
| <b>Balance as at 31 March 2023</b>   | <b>0.27</b> | <b>16.59</b> | <b>16.86</b>       |
| <b>Net Block as at 31 March 2023</b> | <b>0.03</b> | <b>21.27</b> | <b>21.29</b>       |

#### F.Y 23-24

| Description                          | Trade Mark  | Softwares    | Total Owned assets |
|--------------------------------------|-------------|--------------|--------------------|
| <b>Gross block</b>                   |             |              |                    |
| Balance as at 01 April 2023          | 0.30        | 37.86        | 17.39              |
| Additions                            | -           | 28.64        | 28.64              |
| Disposals                            | -           | -            | -                  |
| <b>Balance as at 31 March 2024</b>   | <b>0.30</b> | <b>66.50</b> | <b>66.80</b>       |
| Amortisation                         |             |              |                    |
| Balance as at 01 April 2023          | 0.27        | 16.59        | 6.81               |
| Depreciation for the year            | 0.01        | 9.54         | 9.55               |
| Depreciation on disposals            | -           | -            | -                  |
| <b>Balance as at 31 March 2024</b>   | <b>0.28</b> | <b>26.13</b> | <b>26.40</b>       |
| <b>Net Block as at 31 March 2024</b> | <b>0.02</b> | <b>40.37</b> | <b>40.39</b>       |



**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**6. Non-current investments**

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Investments in subsidiaries at cost</b>  |                        |                        |
| 1000 (31 March 2023 : 1000) Investment in equity shares of Wonder Precision Private Limited of Rs. 100/- each   | 277.92                 | 277.92                 |
| <b>Investments in associates at cost</b>  |                        |                        |
| 1,50,000 (31 March 2023 : 1,50,000) Investment in equity shares of Kranti SFCI Private Limited of Rs. 10/- each   | 15.00                  | 15.00                  |
| <b>Investment in equity shares - Unquoted</b>   |                        |                        |
| 31,98,205 (31 March 2023 : 1100000) Investment in equity shares of Investments -Shares Preciso Metall Pvt Ltd at Rs. 3.12/- each (Face value Rs 10 per share) | 99.78                  | 34.32                  |
| <b>Investment in subsidiary (residual amount)</b>   | 38.87                  | -                      |
| Residual Value from the present value of Interest free Loan given to subsidiary   |                        |                        |
|   | <b>431.57</b>          | <b>327.24</b>          |
| Investments carried at fair value through other comprehensive income (FVTOCI)   |                        |                        |
| <b>Investment in equity shares - Unquoted</b>   |                        |                        |
| 8,200 (31 March 2023 : 8,200) Investment in equity shares of Cosmos Co-operative Bank Limited of Rs. 100/- each   | 8.20                   | 8.20                   |
|   | <b>8.20</b>            | <b>8.20</b>            |
| Investments carried at fair value through profit and loss (FVTPL)   |                        |                        |
| Investment in Mutual funds - Quoted   | -                      | -                      |
|   | <b>439.77</b>          | <b>335.44</b>          |
| (a) Aggregate amount of quoted investments  |                        | -                      |
| (b) Aggregate market value of quoted investments  |                        | -                      |
| (a) Aggregate amount of unquoted investments  | 439.77                 | 335.44                 |
| (b) Aggregate amount of impairment in value of investments  |                        | -                      |

**7. Non-current financial assets - Others**

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| (Unsecured, considered good)   |                        |                        |
| Security deposits  | 34.81                  | 34.82                  |
| Fixed Deposit In - Bank  | 55.30                  | 18.38                  |
| Interest free loan to subsidiary Financial Asset at amortised cost (Balance sheet) | 128.54                 |                        |
|  | <b>218.65</b>          | <b>53.20</b>           |
| Refer Note 38 for Related Party Disclosures  |                        |                        |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**8. Other non-current assets**

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| (Unsecured, considered good)           |                        |                        |
| Capital advance                        | 0.00                   | -                      |
| Balance with government authorities    | -                      | -                      |
| Loans and Advances                     | -                      | -                      |
| Inter Corporate Deposits to Subsidiary | 261.77                 | -                      |
|  | <b>261.77</b>          | <b>-</b>               |

**9. Inventories**

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Raw materials                          |                        |                        |
| Work-in-progress                       |                        |                        |
| Stores and spares                      |                        |                        |
| Raw Materials, Components, Consumables | 1,086.40               | 722.51                 |
| Work-in-progress, Stores and Spares    | 111.18                 | 201.70                 |
|  | <b>1,197.58</b>        | <b>924.22</b>          |

**10. Trade receivables**

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| (Unsecured, considered good)  |                        |                        |
| Trade receivables   | 1,351.16               | 836.77                 |
|   | <b>1,351.16</b>        | <b>836.77</b>          |
| (Outstanding from due date of payment / from date of transaction)                         |                        |                        |
| <b>(i) Undisputed Trade Receivables – considered good</b>                                 |                        |                        |
| Less than 6 months  | 1,345.25               | 836.77                 |
| 6 months - 1 year   | 0.50                   | -                      |
| 1-2 years   | 5.40                   | -                      |
| 2-3 years   | -                      | -                      |
| More than 3 years   | -                      | -                      |
|   | <b>1,351.16</b>        | <b>836.77</b>          |
| <b>(ii) Undisputed Trade Receivables – which have significant increase in credit risk</b> |                        |                        |
| Less than 6 months  | -                      | -                      |
| 6 months - 1 year   | -                      | -                      |
| 1-2 years   | -                      | -                      |
| 2-3 years   | -                      | -                      |
|   | <b>-</b>               | <b>-</b>               |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>(iii) Undisputed Trade Receivables – credit impaired</b>                            |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
|  | -                      | -                      |
| <b>(iv) Disputed Trade Receivables – considered good</b>                               |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
| More than 3 years  | -                      | -                      |
|  | -                      | -                      |
| <b>(v) Disputed Trade Receivables – which have significant increase in credit risk</b> |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
| More than 3 years  | -                      | -                      |
|  | -                      | -                      |
| <b>(vi) Disputed Trade Receivables – credit impaired</b>                               |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
| More than 3 years  | -                      | -                      |
|  | -                      | -                      |
| <b>(vii) Unbilled dues</b>   |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
| More than 3 years  | -                      | -                      |
|  | -                      | -                      |
| Less: Provision for doubtful receivables   | -                      | -                      |
|  | <b>1,351.16</b>        | <b>836.77</b>          |
|  | <b>(0.00)</b>          | -                      |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**11. Cash and cash equivalents**

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Cash-in-hand                                   | 1.50                   | 0.46                   |
| Current accounts                               | -                      | 0.25                   |
| Bank deposits with maturity less than 3 Months | -                      | -                      |
|  | <b>1.50</b>            | <b>0.71</b>            |

**12. Other current financial assets**

|                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------|------------------------|------------------------|
| Interest receivable | 1.06                   | 0.82                   |
| Security deposits   | -                      | -                      |
|                     | <b>1.06</b>            | <b>0.82</b>            |

**13. Other current assets**

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Advance to creditors                   | 51.50                  | 41.13                  |
| Advance to employees                   | 1.04                   | 0.69                   |
| Prepaid expenses                       | 5.93                   | 5.13                   |
| Loans and Advances Repayable on Demand | -                      | 80.00                  |
| GST Liability paid Under Protest       | 11.11                  | -                      |
|  | <b>69.58</b>           | <b>126.95</b>          |

**14. Share capital**

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Authorised :</b>   |                        |                        |
| 1,50,00,000 (31 March 2023 : 1,50,00,000 ) equity shares of Rs.10 each.             | 1,500.00               | 1,500.00               |
| <b>TOTAL</b>  | <b>1,500.00</b>        | <b>1,500.00</b>        |
| <b>Issued, subscribed and paid-up:</b>  |                        |                        |
| 1,14,10,400 (31 March 2023 : 1,05,62,400) equity shares of Rs.10 each fully paid-up | 1,141.04               | 1,056.24               |
|   | <b>1,141.04</b>        | <b>1,056.24</b>        |

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

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

| Particulars                              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Equity shares :</b>                   |                        |                        |
| Outstanding at the beginning of the year | 1,05,62,400.00         | 1,05,62,400.00         |
| Equity shares issued during the year*    | 8,48,000.00            | -                      |
| Outstanding at the end of the year       | <b>1,14,10,400.00</b>  | <b>1,05,62,400.00</b>  |

\*The Company has done the Preferential issue of shares during the year.

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

| Equity shares of Rs. 10 each fully paid | As at 31 March 2024 |                 | As at 31 March 2023 |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | No. of Shares       | No. of Shares % | No. of Shares       | No. of Shares % |
| Mrs. Indubala S. Vora                   | 23,20,604.00        | 20.34%          | 23,05,253.00        | 21.83%          |
| Mr. Sachin S. Vora                      | 19,55,710.00        | 17.14%          | 19,52,200.00        | 18.48%          |
| Mr. Sumit S. Vora                       | 18,54,137.00        | 16.25%          | 18,54,037.00        | 17.55%          |

**Disclosures of Shareholdings of Promoters is set out below:**
**Equity shares of Rs. 10 each fully paid**

| Equity shares of Rs. 10 each fully paid | As at 31 March 2024 |                 |          | As at 31 March 2023 |                 |          |
|---|---------------------|-----------------|----------|---------------------|-----------------|----------|
|   | No. of Shares       | No. of Shares % | % change | No. of Shares       | No. of Shares % | % change |
| Name of the Promoter                    |                     |                 |          |                     |                 |          |
| Mrs. Indubala S. Vora                   | 23,20,604.00        | 20.34%          | -1.49%   | 23,05,253.00        | 21.83%          | 2.19%    |
| Mr. Sachin S. Vora                      | 19,55,710.00        | 17.14%          | -1.34%   | 19,52,200.00        | 18.48%          | 0.01%    |
| Mr. Sumit S. Vora                       | 18,54,137.00        | 16.25%          | -1.30%   | 18,54,037.00        | 17.55%          | 0.00%    |

**Disclosures of Shareholdings of Promoters is set out below:**

| Equity shares of Rs. 10 each fully paid | As at 31 March 2022 |                 |
|---|---------------------|-----------------|
|   | No. of Shares       | No. of Shares % |
| Name of the Promoter                    |                     |                 |
| Mrs. Indubala S. Vora                   | 20,74,441.00        | 19.64%          |
| Mr. Sachin S. Vora                      | 19,51,208.00        | 18.47%          |
| Mr. Sumit S. Vora                       | 18,54,036.00        | 17.55%          |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**15. Other equity**

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| A. Retained earnings                                  | 1,196.79               | 1,121.44               |
| B. Securities premium                                 | 851.64                 | 154.18                 |
| C. General reserve                                    | 30.00                  | 30.00                  |
| D. Equity contribution from shareholders              | 69.31                  | 69.31                  |
|   | <b>2,147.75</b>        | <b>1,374.93</b>        |
| <b>Retained earnings</b>                              |                        |                        |
| Opening balance                                       | 1,121.44               | 912.59                 |
| <b>Add/(Less):</b>                                    |                        |                        |
| Profit for the year                                   | 76.14                  | 206.38                 |
| Remeasurements of defined benefit liability / (asset) | (0.79)                 | 2.48                   |
| Transfer from / (to) other reserves                   | -                      | -                      |
| <b>Closing balance</b>                                | <b>1,196.79</b>        | <b>1,121.44</b>        |
| <b>Securities premium</b>                             |                        |                        |
| Opening balance                                       | 154.18                 | 154.18                 |
| Changes during the year                               | 771.68                 | -                      |
| Transaction costs on issue of shares                  | (74.21)                | -                      |
| <b>Closing balance</b>                                | <b>851.64</b>          | <b>154.18</b>          |
| <b>General Reserve</b>                                |                        |                        |
| Opening balance                                       | 30.00                  | 30.00                  |
| Changes during the year                               | -                      | -                      |
| <b>Closing balance</b>                                | <b>30.00</b>           | <b>30.00</b>           |
| Equity contribution from shareholders                 |                        |                        |
| Opening Balance                                       | 69.31                  | 69.31                  |
| Transfer from/ to reserves                            | -                      | -                      |
| <b>Closing Balance</b>                                | <b>69.31</b>           | <b>69.31</b>           |

**16. Non-current financial liabilities - borrowings**

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Term loans from banks and financials institutions | 1,681.67               | 1,179.85               |
| Loans from related parties Directors              | 454.00                 | 467.00                 |
|   | <b>2,135.67</b>        | <b>1,646.85</b>        |

- Term Loan availed from HDFC bank for Plant and Machinery. secured by way of first mortgage /charge on the plant and machinery and mortgage of immovable property situated at Gat No. 267/B/1, Pirangut, Pune.
- Vehicle Loan availed from HDFC bank for Purchase of Vehicle secured by way of first mortgage /charge on the Vehicle purchased.
- Term Loan availed from Standard Chartered bank as working capital requirement This loan is secured by way of first mortgage /charge on Flat owned by Director Situated at Isha Pearl, Kodhwa, Pune.



**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

- d. Term loan availed from TATA Capital for Machinery. This loan is secured by way of first mortgage / charge on the machinery Purchased.
- e. ABFL : These loans are availed under Guaranteed Emergency Credit Line (GECL) as made available during COVID-19 crisis to augment their net-working capital.
- f. Loan from Aditya Birla is availed for the Purchase of Industrial Land at Gat no 1121, Pirangut Pune. This loan is secured by way of first mortgage / charge on the Land Purchased.
- g. EFL This Credit is availed from Electronica Finance Limited for purchase of Machinery The Loan is secured by Mortgage of Machinery.
- h. Supplier Credit availed from YES Bank for purchase of Machinery The Loan is secured by Mortgage of Machinery, The supplier credit will be matured and on maturity will be converted to Term Loan.

**17. Lease liabilities - Non-current**

|                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------|------------------------|------------------------|
| Lease liabilities | 125.85                 | 200.19                 |
|                   | <b>125.85</b>          | <b>200.19</b>          |

**18. Other non-current liabilities**

|                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------|------------------------|------------------------|
| Provision for Gratuity Non Current | 4.27                   | 0.75                   |
|                                    | <b>4.27</b>            | <b>0.75</b>            |

**19. Borrowings - Current**

|                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| <b>Secured</b>                        |                        |                        |
| Cash-credit from bank*                | 810.87                 | 897.34                 |
| <b>Bill discounting from banks</b>    |                        |                        |
| Current maturities of long-term debts | 319.86                 | 429.43                 |
| Loans from related parties            |                        |                        |
|                                       | <b>1,130.73</b>        | <b>1,326.77</b>        |

\*Cash Credit Facility from HDFC Bank and HSBC Bank Secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment.

Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-

- (a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts;

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

- (b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.

| Quarter | Current Assets<br>- Submitted to<br>Banks | Current Assets<br>As per Books | Change |
|---------|---|--------------------------------|--------|
| Jun-23  | 2,134.12                                  | 2,151.26                       | -0.80% |
| Sep-23  | 2,073.87                                  | 2,076.34                       | -0.12% |
| Dec-23  | 2,424.90                                  | 2,421.92                       | 0.12%  |
| Mar-24  | 2,500.80                                  | 2,548.74                       | -1.88% |

**20. Lease liabilities - Current**

|                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------|------------------------|------------------------|
| Lease liabilities | 74.34                  | 70.20                  |
|                   | <b>74.34</b>           | <b>70.20</b>           |

**21. Trade payables**

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Total outstanding dues to micro enterprises and small enterprises                      | 295.17                 | 267.82                 |
| Total outstanding dues to creditors other than micro enterprises and small enterprises | 586.85                 | 735.68                 |
|  | <b>882.02</b>          | <b>1,003.50</b>        |

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| (Outstanding from due date of payment / from date of transaction) |                        |                        |
| <b>(i) MSME</b>   |                        |                        |
| Less than 1 year  | 295.17                 | 267.82                 |
| 1-2 years   | -                      | -                      |
| 2-3 years   | -                      | -                      |
| More than 3 years   | -                      | -                      |
|   | <b>295.17</b>          | <b>267.82</b>          |
| <b>(ii) Others</b>  |                        |                        |
| Less than 1 year  | 586.85                 | 735.68                 |
| 1-2 years   | -                      | -                      |
| 2-3 years   | -                      | -                      |
| More than 3 years   | -                      | -                      |
|   | <b>586.85</b>          | <b>735.68</b>          |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
for the year ended 31 March, 2024

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

| Particulars                        | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------|------------------------|------------------------|
| <b>(iii) Disputed dues - MSME</b>  |                        |                        |
| Less than 1 year                   | -                      | -                      |
| 1-2 years                          | -                      | -                      |
| 2-3 years                          | -                      | -                      |
| More than 3 years                  | -                      | -                      |
|                                    | -                      | -                      |
| <b>(iv) Disputed dues – Others</b> |                        |                        |
| Less than 1 year                   | -                      | -                      |
| 1-2 years                          | -                      | -                      |
| 2-3 years                          | -                      | -                      |
| More than 3 years                  | -                      | -                      |
|                                    | -                      | -                      |
| <b>(v) Accruals</b>                |                        |                        |
| Less than 1 year                   | -                      | -                      |
| 1-2 years                          | -                      | -                      |
| 2-3 years                          | -                      | -                      |
| More than 3 years                  | -                      | -                      |
|                                    | -                      | -                      |
|                                    | <b>882.02</b>          | <b>1,003.50</b>        |

**22. Other current financial liabilities**

|                              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------|------------------------|------------------------|
| Employee benefits payable    | 89.63                  | 67.68                  |
| Audit fees payable           | 1.35                   | 0.90                   |
| Legal fees payable           | 2.17                   | 2.17                   |
| Electricity expenses payable | 26.39                  | 28.24                  |
| Expenses payable             | 1.79                   | 46.56                  |
| Interest payable             | 10.50                  | 8.33                   |
|                              | <b>131.83</b>          | <b>153.88</b>          |

**23. Other current liabilities**

|                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------|------------------------|------------------------|
| Statutory dues payable          | 56.32                  | 21.32                  |
| Advance received from customers | 6.83                   | -                      |
| Deferred income                 | -                      | -                      |
| Advances from Shareholders      | 299.00                 | -                      |
|                                 | <b>362.15</b>          | <b>21.32</b>           |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
for the year ended 31 March, 2024

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

**24. Provisions - Current**

|                                | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------|------------------------|------------------------|
| Provision for gratuity         | 10.85                  | 9.67                   |
| Provision for leave encashment | 12.01                  | 9.97                   |
| Provision for Income Tax       | -                      | 1.78                   |
| Other Provisions               | 17.38                  | -                      |
|                                | <b>40.24</b>           | <b>21.41</b>           |

**25. Revenue from operations**

|                                   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|-----------------------------------|---------------------------------------|---------------------------------|
| <b>Sales of goods</b>             | 7,143.61                              | 8,171.18                        |
| Sale of services (Labour charges) | 543.70                                | 564.17                          |
| <b>Other non operating income</b> |                                       |                                 |
| Sale of Scrap                     | 439.53                                | 366.64                          |
| Cash discount received            | 39.34                                 | 37.75                           |
|                                   | <b>8,166.18</b>                       | <b>9,139.73</b>                 |

**26. Other income**

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| <b>Interest</b>  |                                       |                                 |
| Interest on Deposits   | 11.16                                 | 2.31                            |
| Profit on Sale of Assets   | -                                     | 8.59                            |
| Amortisation of deferred income  | -                                     | -                               |
| Commision income on corporate guarantee  | -                                     | 1.55                            |
| Fair valuation gain/loss on instruments measured at fair value through profit and loss | -                                     | -                               |
| Dividend on shares   | 0.98                                  | 0.33                            |
| Interest accrued income- IND AS notional   | 10.41                                 | -                               |
|  | <b>22.56</b>                          | <b>12.79</b>                    |

**27. Cost of materials consumed**

|                           | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---------------------------|---------------------------------------|---------------------------------|
| Opening inventory         | 722.51                                | 655.16                          |
| Add:                      |                                       |                                 |
| Purchases during the year | 5,198.26                              | 6,162.91                        |
| Freight & Octroi          | 31.60                                 | 34.67                           |
| Closing inventory         | (1,086.40)                            | (722.51)                        |
|                           | <b>4,865.97</b>                       | <b>6,130.23</b>                 |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**28. Changes in inventories of finished goods and work-in-progress**

|                          | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--------------------------|---------------------------------------|---------------------------------|
| Opening Work-in-Progress | 201.70                                | 169.37                          |
| Closing Work-in-Progress | (111.18)                              | (201.70)                        |
|                          | <b>90.52</b>                          | <b>(32.33)</b>                  |

**29. Employee benefits expense**

|                                | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--------------------------------|---------------------------------------|---------------------------------|
| Salaries and Wages             | 1,033.40                              | 860.63                          |
| Bonus and Incentives           | 62.40                                 | 39.68                           |
| Gratuity paid                  | 11.37                                 | 5.98                            |
| P.F. Contribution              | 41.68                                 | 31.50                           |
| Esic : Employer's Contribution | 5.16                                  | 3.80                            |
| Welfare Fund Deducted          | 0.11                                  | 0.08                            |
| Staff Welfare                  | 12.13                                 | 8.94                            |
| Leave Encashment               | 4.77                                  | 3.25                            |
| Directors Remuneration         | 34.02                                 | 34.05                           |
|                                | <b>1,205.04</b>                       | <b>987.91</b>                   |

**30. Finance costs**

|   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| Interest on Term Loan                     | 114.07                                | 63.37                           |
| Interest on Cash Credit, Bill Discounting | 118.12                                | 84.68                           |
| Interest on Unsecured Loans and Deposits  | 37.73                                 | 26.48                           |
| Interest on corporate guarantee           | -                                     | 0.11                            |
| Interest on unwinding lease liabilities   | 26.34                                 | 34.65                           |
| Bank Charges                              | 7.19                                  | 15.90                           |
| Interest on Income Tax                    | 0.17                                  | 0.76                            |
|   | <b>303.61</b>                         | <b>225.95</b>                   |

**31. Depreciation and amortisation**

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| Depreciation of property, plant and equipment (refer note 2) | 589.29                                | 356.56                          |
| Depreciation of intangible assets (refer note 5)             | -                                     | 9.55                            |
| Depreciation of right-of-use asset (refer note 2)            | 23.39                                 | 26.36                           |
|  | <b>612.68</b>                         | <b>392.47</b>                   |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**32. Other expenses**

|   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| <b>Manufacturing Expenses</b>                               |                                       |                                 |
| Power and Fuel  | 312.05                                | 315.33                          |
| Repairs to Machinery  | 165.04                                | 191.69                          |
| Job work and labour charges                                 | 151.71                                | 276.06                          |
| Lease Rental  | -                                     | 4.95                            |
| Packing Material  | 122.13                                | 144.66                          |
| <b>Sales, administration and other expenses</b>             |                                       |                                 |
| Advertisement   | 1.95                                  | 1.57                            |
| Audit Fees  | 1.50                                  | 1.00                            |
| Conveyance and Travelling                                   | 18.18                                 | 11.24                           |
| Insurance   | 12.92                                 | 13.52                           |
| Interest paid on Govt. Dues                                 | 1.82                                  | -                               |
| Custom Clearing Charges                                     | 0.73                                  | -                               |
| Legal and Professional Fees                                 | 23.46                                 | 27.18                           |
| Legal Expenses  | 4.59                                  | 10.83                           |
| Office Expenses   | 52.79                                 | 31.17                           |
| Postage and Courier   | 0.17                                  | 0.08                            |
| Printing and Stationary                                     | 8.10                                  | 7.17                            |
| Profession Tax  | 0.03                                  | 0.03                            |
| Rates and Taxes   | 7.16                                  | 3.92                            |
| Repairs and Maintenance                                     | 11.52                                 | 10.20                           |
| Sales Promotion, entertainment and Ceremony expenditure     | 0.64                                  | 0.44                            |
| Security Charges  | 26.89                                 | 20.61                           |
| Housekeeping Expenses                                       | 28.93                                 | 21.72                           |
| Subscription and contribution                               | 5.90                                  | 4.92                            |
| Transport Charges   | 36.56                                 | 28.54                           |
| Round Off   | 0.00                                  | 0.00                            |
| Telephone Expenses  | 1.31                                  | 1.61                            |
| Water Charges   | 10.72                                 | 8.42                            |
| Foreign Currency Gain/Loss                                  | (5.95)                                | (0.76)                          |
| Accounts / Liability Written Back                           | 0.14                                  | (0.03)                          |
| Director Sitting Fees                                       | 1.60                                  | 1.60                            |
| Loss on Sell of Asset                                       | 2.39                                  | -                               |
|   | <b>1,004.98</b>                       | <b>1,137.69</b>                 |
| <b>Payment to auditor (excluding goods and service tax)</b> |                                       |                                 |
| <b>As auditor</b>   |                                       |                                 |
| Statutory audit fees  | 1.50                                  | 1.00                            |
| Tax audit fees  | -                                     | -                               |
| GST audit fees  | -                                     | -                               |
|   | <b>1.50</b>                           | <b>1.00</b>                     |



**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**33. Taxes**
**a) Statement of profit or loss**

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| <b>Current tax:</b>  |                                       |                                 |
| Current income tax charge                                      | 22.05                                 | 56.41                           |
| Deferred tax   | 29.80                                 | 30.99                           |
| MAT credit entitlement AND Utilisation                         | (22.05)                               | 13.39                           |
| Income tax expense reported in the statement of profit or loss | <b>29.80</b>                          | <b>100.79</b>                   |

**b) Other comprehensive income (OCI)**

Taxes related to items recognised in OCI during in the year

|   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| <b>Deferred tax</b>   |                                       |                                 |
| Remeasurements gains and losses on post employment benefits | 0.31                                  | (0.95)                          |
| Income tax recognised in OCI                                | <b>0.31</b>                           | <b>(0.95)</b>                   |

**c) Balance sheet**

Tax assets

|                         | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------|------------------------|------------------------|
| Non-current tax assets  | 27.29                  | 15.31                  |
| Current tax assets      | -                      | -                      |
| <b>Total tax assets</b> | <b>27.29</b>           | <b>15.31</b>           |

Current tax liabilities

|                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Income tax (net of provision)        | -                      | 1.78                   |
| <b>Total current tax liabilities</b> | <b>-</b>               | <b>1.78</b>            |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**d) Deferred tax**

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Deferred tax liability (DTL)</b>   |                        |                        |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | 196.05                 | 17.57                  |
| Tax law over depreciation / amortisation provided in books of account                     | -                      | -                      |
| Borrowings  |                        |                        |
| Goodwill  | -                      | -                      |
| Borrowings  | 3.68                   | 0.37                   |
| Unsecured borrowings  | 0.00                   | 0.00                   |
| Mutual Funds  |                        |                        |
| Leases  | 55.67                  | 4.46                   |
|   | <b>255.39</b>          | <b>22.40</b>           |
| <b>Deferred tax asset (DTA)</b>   |                        |                        |
| MAT credit entitlement  | (59.15)                | (5.92)                 |
| Gratuity  | (4.21)                 | (0.29)                 |
| Deferred tax on brought forward losses  | 0.00                   | 0.00                   |
| Leave encashment  | (3.34)                 | (0.28)                 |
| Corporate guarantee   | 0.00                   | 0.00                   |
| Borrowings  | -                      | -                      |
|   | <b>(66.70)</b>         | <b>(6.48)</b>          |
| <b>Net deferred tax liability/(asset)</b>   | <b>188.69</b>          | <b>15.92</b>           |

**e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:**

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| Accounting profit before tax   | 105.94                                | 307.17                          |
| <b>Tax as per IT Act on above @ 27.82% (Prev. year - 27.82%) (A)</b>       | 29.47                                 | 85.46                           |
| <b>Tax expenses</b>  |                                       |                                 |
| (i) Current tax  | 22.05                                 | 56.41                           |
| (ii) Deferred tax  | 29.80                                 | 30.99                           |
| (iii) MAT credit entitlement   | (22.05)                               | 13.39                           |
|  | <b>(B) 29.80</b>                      | <b>100.79</b>                   |
| <b>Difference (C)</b>  | <b>(0.32)</b>                         | <b>(15.34)</b>                  |
| <b>Tax reconciliation</b>  |                                       |                                 |
| <b>Adjustments:</b>  |                                       |                                 |
| Permanent disallowances  | -                                     | -                               |
| Ind AS transition impacts on MAT computations (1/5th)                      | 7.58                                  | 7.58                            |
| Tax expenses accounted as no effect of Timing differences on MAT liability | -                                     | -                               |
| Others   | (7.25)                                | 7.76                            |
|  | 0.00                                  | (0.00)                          |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

**f) Movement in temporary differences:**

|   | 01 April 2022 | Recognised in profit or loss during the year | Recognised in OCI during the year | 31 March 2023 | Recognised in profit or loss during the year | Recognised in OCI during the year | 31 March 2024 |
|---|---------------|--|-----------------------------------|---------------|--|-----------------------------------|---------------|
| Deferred tax liability (DTL)  |               |  |                                   |               |  |                                   |               |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | 166.02        | 9.67   | -                                 | 175.69        | 20.36  | -                                 | 196.05        |
| Income tax on remeasurements of defined benefit liability / (asset)                       | -             | -  | -                                 | -             | -  | -                                 | -             |
| Mutual Funds  | -             | -  | -                                 | -             | -  | -                                 | -             |
| Borrowings  | -             | 3.74   | -                                 | 3.74          | -0.06  | -                                 | 3.68          |
| Unsecured borrowing   | 6.88          | -6.88  | -                                 | 0.00          | -  | -                                 | 0.00          |
| Interest cost on PPE  | -0.22         | 0.22   | -                                 | -             | -  | -                                 | -             |
| MAT credit entitlement  | -71.87        | 12.72  | -                                 | -59.15        | -22.05                                       | -                                 | -81.20        |
| Leases  | 25.87         | 18.73  | -                                 | 44.60         | 11.06  | -                                 | 55.67         |
| Gratuity  | -2.53         | -1.33  | 0.95                              | -2.90         | -1.00  | -0.31                             | -4.21         |
| Deferred tax on brought forward losses  | -6.77         | 6.77   | -                                 | 0.00          | -  | -                                 | 0.00          |
| Leave encashment  | -2.48         | -0.29  | -                                 | -2.77         | -0.57  | -                                 | -3.34         |
| Corporate guarantee   | -0.37         | 0.37   | -                                 | 0.00          | -  | -                                 | 0.00          |
|   | <b>114.54</b> | <b>43.71</b>                                 | <b>0.95</b>                       | <b>159.20</b> | <b>7.75</b>                                  | <b>-0.31</b>                      | <b>166.65</b> |
|   |               | 44.39  | 0.95                              | 159.20        | 7.75   | -0.31                             | 166.65        |
|   |               | -0.68  | -                                 | -             | 0.00   | -                                 | 0.00          |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**34. Earnings Per Share**

| Particulars   | For the period ended 31 March 2024 | For Year ended 31 March 2023 |
|---|------------------------------------|------------------------------|
| Profit / (Loss) attributable to equity shareholders                   | 75.35                              | 206.38                       |
| Basic Earnings Per Share  |                                    |                              |
| Weighted average number of equity shares outstanding during the year* | 1,09,89,885                        | 1,05,62,400                  |
| Basic EPS (Rs.)   | 0.69                               | 1.95                         |
| Diluted Earnings Per Share  |                                    |                              |
| Weighted average number of equity shares outstanding for diluted EPS* | 1,09,89,885                        | 1,05,62,400                  |
| Diluted EPS (Rs.)   | 0.69                               | 1.95                         |

**35. Contingent liabilities:**

| Particulars  | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Pending litigation under Income Tax Act                      | 14.42               | 14.42               |
| Pending Appeal before GST appeals against E Way Bill Penalty | 11.11               | -                   |
|  | <b>25.53</b>        | <b>14.42</b>        |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

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

| Particulars   | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| The amount remaining unpaid to micro and small suppliers as at the end of each accounting year  |                     |                     |
| - Principal   | 295.17              | 267.82              |
| - Interest  | Nil                 | Nil                 |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006   | Nil                 | Nil                 |
| The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.  | Nil                 | Nil                 |
| The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.  | Nil                 | Nil                 |
| The amount of interest accrued and remaining unpaid at the end of the accounting year.  | Nil                 | Nil                 |
| The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | Nil                 | Nil                 |

**37. Corporate social responsibility**

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

**38. Related Party Disclosures**
**(a) List of Related Parties and description of relationship:**

|   |   |
|---|---|
| <b>Subsidiary company</b>                   | Wonder Precision Private Limited<br>Preciso Metall Private Limited              |
| <b>Associate company</b>                    | Kranti SFCI Private Limited   |
| <b>Key Management Personnel (KMP)</b>       | Mr. Sachin Vora<br>Mr. Sumit Vora<br>Mrs. Sheela Dhawale<br>Mr. Bhavesh Selarka |
| <b>Relative of Key Management Personnel</b> | Smt. Indubala Vora<br>Mrs. Sarika Sachin Vora<br>Mrs. Lushita Sumit Vora        |
| <b>Other relative parties</b>               | Kranti Industries EGGLAS<br>Suparsh Engineering                                 |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

### (b) Related party transactions:

| Sr. no | Nature of Transaction                                      | 31 March 2024  |              |                    |                       |               | 31 March 2023  |              |                    |                       |       |
|--------|--|--|--------------|--------------------|-----------------------|---------------|--|--------------|--------------------|-----------------------|-------|
|        |  | Key Management Personnel (KMP)/ Relative of Key Management Personnel | Associates   | Subsidiary Company | Other related parties | Total         | Key Management Personnel (KMP)/ Relative of Key Management Personnel | Associates   | Subsidiary Company | Other related parties | Total |
|        | Remuneration to Key Managerial persons                     |  |              |                    |                       |               |  |              |                    |                       |       |
|        | Short-term employee benefits                               | 66.93  |              |                    |                       | 66.93         | 75.10  | -            | -                  | 75.10                 |       |
|        | Post employment benefits                                   |  |              |                    |                       | -             | -  | -            | -                  | -                     |       |
|        | Other long-term employee benefits                          |  |              |                    |                       | -             | -  | -            | -                  | -                     |       |
|        | Termination benefits                                       |  |              |                    |                       | -             | -  | -            | -                  | -                     |       |
|        | Share based payments                                       |  |              |                    |                       | -             | -  | -            | -                  | -                     |       |
|        | Purchase of material & job charges                         |  | 18.99        | 18.04              | 61.46                 | 98.49         |  | 9.31         | 73.64              | 60.49                 |       |
|        | Purchase of Fixed Assets                                   |  |              |                    |                       | -             |  | 100.25       |                    |                       |       |
|        | Advances given to the Associates Company                   |  |              |                    |                       | -             | 20.00  |              |                    |                       |       |
|        | Advances received back from the Associates Company         |  | 20.00        |                    |                       | 20.00         |  |              |                    |                       |       |
|        | Business Advance Received from Subsidiary                  |  |              | 299.00             |                       | 299.00        |  |              |                    |                       |       |
|        | Inter Corporate loans / Deposits                           |  |              | 352.00             |                       | 352.00        |  |              |                    |                       |       |
|        | Loans amount accepted from related parties during the year |  |              |                    |                       | -             | 142.00   |              |                    |                       |       |
|        | Loans amount repaid to the related parties during the year | 13.00  |              |                    |                       | 13.00         |  |              |                    |                       |       |
|        | Interest Paid  | 35.84  |              | 6.77               |                       | 42.61         |  |              |                    |                       |       |
|        | Interest Paid Notional                                     |  |              | 10.41              |                       | 10.41         |  |              |                    |                       |       |
|        | Sale of machines   |  |              |                    |                       | -             |  |              |                    |                       |       |
|        | Gratuity premium paid                                      |  |              |                    | 5.00                  | 5.00          |  |              | 0.35               | 0.35                  |       |
|        |  | <b>115.77</b>  | <b>38.99</b> | <b>686.21</b>      | <b>66.46</b>          | <b>907.43</b> | <b>217.10</b>  | <b>29.31</b> | <b>173.89</b>      | <b>60.85</b>          |       |
|        |  |  |              |                    |                       |               |  |              |                    | <b>218.90</b>         |       |

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

| Particulars                                 | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| a. Loans taken from related parties         | 454.00              | 467.00              |
| b. Trade Payables as on date Related Party  | 5.85                | 2.43                |
| c. Advances given to the Associates Company | -                   | 20.00               |
| d. Advances given to the Subsidiary Company | 390.31              |                     |
| e. Advance received from Subsidiary Company | 299.00              | -                   |

### 39. Financial risk management

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

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

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

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

#### (a) Credit risk

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

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

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

#### (b) Liquidity risk

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

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

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

| Particulars                   | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------|---------------------|---------------------|
| Total current assets (A)      | 2,620.88            | 1,889.47            |
| Total current liabilities (B) | 2,621.30            | 2,597.07            |
| <b>Working capital (A-B)</b>  | <b>-0.42</b>        | <b>-707.60</b>      |

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

|                   | 31 March 2024  |                  |                  |          |
|-------------------|----------------|------------------|------------------|----------|
|                   | Carrying value | Less than 1 year | More than 1 year | Total    |
| Borrowings        | 3,266.40       | 1,130.73         | 2,135.67         | 3,266.40 |
| Trade payables    | 882.02         | 882.02           | -                | 882.02   |
| Lease liabilities | 200.19         | 74.34            | 125.85           | 200.19   |
| Other liabilities | 498.25         | 493.97           | 4.27             | 498.25   |



**NOTES TO THE FINANCIAL STATEMENTS** (Contd.)

for the year ended 31 March, 2024

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

| 31 March 2023          |                |                  |                  |          |
|------------------------|----------------|------------------|------------------|----------|
| Contractual cash flows |                |                  |                  |          |
|                        | Carrying value | Less than 1 year | More than 1 year | Total    |
| Borrowings             | 2,973.62       | 1,326.77         | 1,646.85         | 2,973.62 |
| Trade payables         | 1,003.50       | 1,003.50         | -                | 1,003.50 |
| Lease liabilities      | 270.38         | 70.20            | 200.19           | 270.38   |
| Other liabilities      | 175.95         | 175.20           | 0.75             | 175.95   |

**(c) Interest rate risk:**

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

**(d) Market risk**

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

**40. Capital management**

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

The Company's objectives when managing capital are to :

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

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

| Particulars                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Total liabilities                                 | 5,053.75               | 4,604.07               |
| Less: cash and cash equivalents and bank balances | 1.50                   | 0.71                   |
| <b>Net debt</b>                                   | <b>5,052.24</b>        | <b>4,603.36</b>        |
| <b>Total equity</b>                               | <b>3,288.79</b>        | <b>2,431.17</b>        |
| <b>Debt-equity ratio</b>                          | <b>153.62%</b>         | <b>189.35%</b>         |

**NOTES TO THE FINANCIAL STATEMENTS** (Contd.)

for the year ended 31 March, 2024

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

**41. Fair value measurements**
**(a) Categories of financial instruments -**

| Nature of Transaction              | 31 March 2024 |             |                | 31-Mar-23   |             |                |
|------------------------------------|---------------|-------------|----------------|-------------|-------------|----------------|
|                                    | FVTPL         | FVTOCI      | Amortised cost | FVTPL       | FVTOCI      | Amortised cost |
|                                    | Level 1       | Level 3     | Level 2        | Level 1     | Level 3     | Level 2        |
| <b>Financial assets</b>            |               |             |                |             |             |                |
| Investment                         |               | 8.20        |                | -           | 8.20        | -              |
| Trade receivables                  |               |             |                | -           | -           | 836.77         |
| Cash and cash equivalents          |               |             |                | -           | -           | 0.71           |
| Loans                              |               |             |                | -           | -           | 53.20          |
| Other financial assets             |               |             |                | -           | -           | 0.82           |
| <b>Total financial assets</b>      | <b>-</b>      | <b>8.20</b> | <b>-</b>       | <b>-</b>    | <b>8.20</b> | <b>891.51</b>  |
| <b>Financial liabilities</b>       |               |             |                |             |             |                |
| Borrowings                         |               |             | 3266.40        | 0.00        | 0.00        | 2973.62        |
| Lease liabilities                  |               |             | 200.19         | 0.00        | 0.00        | 270.38         |
| Trade payables                     |               |             | 882.02         | 0.00        | 0.00        | 1003.50        |
| Other financial liabilities        |               |             | 131.83         | 0.00        | 0.00        | 153.88         |
| <b>Total financial liabilities</b> | <b>-</b>      | <b>-</b>    | <b>4480.44</b> | <b>0.00</b> | <b>0.00</b> | <b>4401.39</b> |

**(b) Fair value hierarchy:**

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

- (c) Investment in subsidiaries and associates is accounted at cost in accordance with Ind AS 27 - "Separate financial statements". Accordingly such investments are not recorded at fair value.

**42. Post-employment benefit plans**

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

**A. Defined Contribution Plans**

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

| Particulars  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| Employer's contribution to provident fund and ESIC | 46.84                                 | 35.30                           |

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

**B. Defined Benefit Plans**
**Gratuity**

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

### Liability Risks

- Asset-Liability mismatch risk-** Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.
- Discount rate risk-** Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.
- Future salary escalation and inflation risk -** Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

#### Net employee benefit expense on account of gratuity recognised in employee benefit expenses

| Particulars                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------|------------------------|------------------------|
| Current service cost           | 10.08                  | 9.03                   |
| Net interest (Income)/ Expense | 0.42                   | 0.38                   |
| Net benefit expense            | 10.50                  | 9.41                   |

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

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Projected benefit obligation at the beginning of the year | 78.61                  | 73.91                  |
| Interest cost   | 5.79                   | 5.28                   |
| Current service cost                                      | 10.08                  | 9.03                   |
| Actuarial (gain)/ loss on obligations                     | 0.17                   | (4.68)                 |
| Benefits paid   | (6.17)                 | (4.93)                 |
| Present value of obligation at the end of the year        | 88.49                  | 78.61                  |

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

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Fair value of plan assets at the beginning of the year</b>                         | <b>68.19</b>           | <b>64.19</b>           |
| Interest income   | 5.37                   | 4.90                   |
| Contributions   | 5.35                   | 0.35                   |
| Mortality charges and taxes   | -                      | -                      |
| Benefits paid   | (4.60)                 | -                      |
| Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | (0.93)                 | (1.26)                 |
| <b>Fair value of Plan assets at end of the year</b>                                   | <b>73.37</b>           | <b>68.19</b>           |
| Actual return on plan assets  | 4.44                   | 3.65                   |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

### Amount recognised in the statement of other comprehensive income

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Re-measurement for the year - obligation (gain) / loss                                      | 1.10                   | (3.43)                 |
| Re-measurement for the year - plan assets (gain) / loss                                     | -                      | -                      |
| Total re-measurements cost / (credit) for the year recognised in other comprehensive income | 1.10                   | (3.43)                 |

### Net Defined Benefit Liability/(Asset) for the year

| Particulars                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Defined benefit obligation                    | 88.49                  | 78.61                  |
| Fair value of plan assets                     | 73.37                  | 68.19                  |
| Closing net defined benefit liability/(asset) | 15.12                  | 10.42                  |
| Current                                       | 10.85                  | 9.67                   |
| Non-Current                                   | 4.27                   | 0.75                   |

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

| Particulars              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------|------------------------|------------------------|
| Nature of plan assets    |                        |                        |
| Funds managed by insurer | 100%                   | 100%                   |

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

#### Assumptions

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
|  | %                      | %                      |
| Mortality table  | IALM (2012- 14)        | IALM (2012- 14)        |
| Discount rate  | 7.20%                  | 7.50%                  |
| Rate of increase in compensation levels                          | 5.00%                  | 5.00%                  |
| Expected rate of return on plan assets                           | 7.30%                  | 7.50%                  |
| Withdrawal rate #  |                        |                        |
| Age 25 & below 25  | 3.00%                  | 3.00%                  |
| Age 25- 35 years   | 2.00%                  | 2.00%                  |
| Age 35 - 45 years  | 1.00%                  | 1.00%                  |
| Age 45 - 55 years  | 1.00%                  | 1.00%                  |
| Age 55 years & Above   | 1.00%                  | 1.00%                  |
| Expected average remaining working lives of employees (in years) | 15.97*                 | 16.55 *                |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

# Assumption has been revised by the Company based on their past experience and future expectations

**A quantitative sensitivity analysis for significant assumption is as shown below:**

| Assumptions                                | Defined benefit obligation |                |                |                |
|--|----------------------------|----------------|----------------|----------------|
|  | 31 March 2024              |                | 31-Mar-23      |                |
|  | Increase by 1%             | Decrease by 1% | Increase by 1% | Decrease by 1% |
| <b>Discount Rate</b>                       |                            |                |                |                |
| Discount Rate                              | 8.20%                      | 6.50%          | 8.50%          | 6.50%          |
| Amount                                     | 76.75                      | 102.69         | 68.00          | 91.48          |
| Salary increment Rate                      |                            |                |                |                |
| Salary increment Rate                      | 6.00%                      | 4.00%          | 6.00%          | 4.00%          |
| Amount                                     | 101.53                     | 77.41          | 90.41          | 68.59          |
| <b>Impact of change in withdrawal Rate</b> |                            |                |                |                |
| Withdrawal Rate                            | 4.00%                      | 2.00%          | 4.00%          | 2.00%          |
| Amount                                     | 88.53                      | 88.45          | 78.66          | 78.57          |

**Expected contribution for the next Annual reporting period.**

The Company intends to contribute Rs. 10.85 Lakhs (Last Year 9.67 lakhs) towards its gratuity fund in next year

**Expected future benefit payments (Undiscounted)**

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

| Year ending 31 March 2024 | Expected benefit payment rounded of to nearest thousand |
|---------------------------|---|
| 0 to 1 Year               | 3   |
| 1 to 2 Year               | 2   |
| 2 to 3 Year               | 2   |
| 3 to 4 Year               | 5   |
| 4 to 5 Year               | 2   |
| 6 to 10 Year              | 20  |

### 43. Revenue from contracts with customers

**A. Revenue streams**

| Particulars                       | For the period ended 31 March 2024 | For Year ended 31 March 2023 |
|-----------------------------------|------------------------------------|------------------------------|
| <b>Revenue from operations</b>    |                                    |                              |
| Sales of goods                    | 7,143.61                           | 8,171.18                     |
| Sale of services (Labour charges) | 543.70                             | 564.17                       |
| <b>Other non operating income</b> |                                    |                              |
| Sale of Scrap                     | 439.53                             | 366.64                       |
| Cash discount received            | 39.34                              | 37.75                        |
|                                   | <b>8,166.18</b>                    | <b>9,139.73</b>              |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

| Particulars                          | For the period ended 31 March 2024 | For Year ended 31 March 2023 |
|--------------------------------------|------------------------------------|------------------------------|
| <b>Timing of revenue recognition</b> |                                    |                              |
| At point in time                     | 7,622.48                           | 8,575.56                     |
| Over the period in time              | 543.70                             | 564.17                       |
| <b>Total revenue</b>                 | <b>8,166.18</b>                    | <b>9,139.73</b>              |

### 44. Leases

**A. As a lessee**

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

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

**B. As a lessor**

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

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

**C. Impacts on financial statements**
**A1. Lease liabilities**

| Particulars  | As at 31 March 2024 | As at 31 March 2023 |
|--------------|---------------------|---------------------|
| Current      | 74.34               | 70.20               |
| Non Current  | 125.85              | 200.19              |
| <b>Total</b> | <b>200.19</b>       | <b>270.38</b>       |

| Particulars   | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| <b>Maturity Analysis - Contractual undiscounted cash flow</b> |                     |                     |
| Less than 1 Year  | 74.34               | 70.20               |
| More than 1 Year  | 125.85              | 200.19              |
| <b>Total</b>  | <b>200.19</b>       | <b>270.38</b>       |

**A2. Amount recognised in statement of profit & loss**

| Particulars                                   | For the period ended 31 March 2024 | For Year ended 31 March 2023 |
|---|------------------------------------|------------------------------|
| <b>Interest expenses on lease liabilities</b> |                                    |                              |
| Interest on lease liabilities                 | 26.34                              | 34.65                        |



**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

| Particulars   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| <b>Expenses on short-term leases / low value assets</b> |                                       |                                 |
| Short-term lease  | -                                     | 4.95                            |
| Low value assets  | -                                     | -                               |

| Particulars   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| <b>Amounts recognised in the statement of cash flow</b> |                                       |                                 |
| Principle Amount  | -70.20                                | -77.79                          |
| Unwinding of interest on lease liabilities              | -26.34                                | -34.65                          |
| Total cash outflow for leases                           | -96.54                                | -112.44                         |

**46. Ratios analysis & it's elements**

| Particulars                      | 31-Mar-24 | 31-Mar-23 | % change from<br>31 March 2023 to<br>31 March 2024 | Reasons if % change is 25%<br>or more  |
|----------------------------------|-----------|-----------|--|--|
| Current Ratio                    | 100%      | 73%       | -27%   | Increase in Current assets as compare to previous year                                     |
| Debt-Equity Ratio                | 99%       | 122%      | 23%  | Changes is less than 25 %  |
| Debt Service Coverage Ratio      | 1.54      | 1.58      | 3%   | Changes is less than 25 %  |
| Return on Equity Ratio           | 2%        | 8%        | 267%   | Decrease in profit as compare to the previous year   |
| Inventory turnover ratio         | 467%      | 697%      | 49%  | Increase in inventory level in current year and reduction in turnover                      |
| Trade Receivables turnover ratio | 746%      | 1265%     | 69%  | Increase in trade receivables in current year and reduction in turnover                    |
| Trade payables turnover ratio    | 516%      | 665%      | 29%  | Reduction in Cost of goods sold in current year  |
| Net capital turnover ratio       | -1950577% | -1292%    | -100%  | Sunstantial change in Net working capital in current year resulted as change in this ratio |
| Net profit ratio                 | 1%        | 2%        | 142%   | Reduction in Profits in current year as compare to previous year                           |
| Return on Capital employed       | 6%        | 10%       | 57%  | Reduction in Profits in current year as compare to previous year                           |
| Return on investment             | 2%        | 9%        | 275%   | Reduction in Profits in current year as compare to previous year                           |

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

for the year ended 31 March, 2024

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

| Ratios                           | Numerator  | Denominator  | 31 March 2024 |             | 31 March 2023 |             |
|----------------------------------|--|--|---------------|-------------|---------------|-------------|
|                                  |  |  | Numerator     | Denominator | Numerator     | Denominator |
| Current Ratio                    | <b>Current assets</b>  | <b>Current liabilities</b>   | 2,620.88      | 2,621.30    | 1,889.47      | 2,597.07    |
| Debt-Equity Ratio                | Debt :- long term borrowings + short term borrowings   | <b>Equity :-</b> Total Equity  | 3,266.40      | 3,288.79    | 2,973.62      | 2,431.17    |
| Debt Service Coverage Ratio      | <b>Earning available for debt services :-</b> net profit before tax + non cash expenses tax (Depreciation and Amortisation) + interest expense on borrowings | <b>Interest + Installment :-</b> interest expenses on borrowings and current maturities                | 1,022.23      | 665.59      | 855.79        | 541.14      |
| Return on Equity Ratio           | Total Profit / (loss) for the period / year  | Total Equity   | 76.14         | 3,288.79    | 206.38        | 2,431.17    |
| Inventory turnover ratio         | <b>Cost of good sold :-</b> Cost of material, operation and incidental cost+ changes in inventories of stock-in-trade  | Average Inventory  | 4,956.48      | 1,060.90    | 6,097.90      | 874.37      |
| Trade Receivables turnover ratio | Revenue from operations  | Average Trade Receivables  | 8,166.18      | 1,093.97    | 9,139.73      | 722.79      |
| Trade payables turnover ratio    | Total Purchase   | Average Trade Payables   | 4,865.97      | 942.76      | 6,130.23      | 921.53      |
| Net capital turnover ratio       | Revenue from operations  | Working capital  | 8,166.18      | (0.42)      | 9,139.73      | (707.60)    |
| Net profit ratio                 | Profit / (loss) after tax  | Revenue from operations  | 76.14         | 8,166.18    | 206.38        | 9,139.73    |
| Return on Capital employed       | <b>Earning before interest &amp; taxes (EBIT) :-</b> profit / (loss) before tax + interest expenses on financial liabilities carried at amortised cost       | <b>Capital Employed :-</b> total equity (parent+ non controlling interest) + borrowings + deferred tax | 409.55        | 6,721.84    | 533.12        | 5,564.00    |
| Return on investment             | Profit / (loss) after tax attributable to owners of the company  | Equity shareholders' fund  | 75.35         | 3,288.79    | 208.85        | 2,431.17    |

The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

### 47. Additional Regulatory Information

#### Details of Benami Property held

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

#### Details of Loans and advances

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

#### Wilful Defaulter

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

#### Relationship with Struck off Companies

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

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

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

#### Compliance with number of layers of companies

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

#### Compliance with approved Scheme(s) of Arrangements

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

#### Discrepancy in utilization of borrowings

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

#### Utilisation of Borrowed funds and share premium:

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

(B) the company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- 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 to or on behalf of the Ultimate Beneficiaries;

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- 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.

### 48. Additional Information

#### Undisclosed income

The Company has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31 March, 2024

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

as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### Details of Crypto Currency or Virtual Currency

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

### 49. Operating Segment

#### A. Description of segments and principal activities

The Company's is engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies. This is considered as the single reportable segment.

#### B. Information about major customers

Revenues from two customers of the Company's automobile segments represented approximately Rs.481.35 Lakhs (31 March 20223: Rs. 6446.96 lakhs) of the Company's total revenues.

50. Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation.

As per our report of even date attached

#### For and on behalf of A D V Associates

Chartered Accountants

Firm Registration No - 128045W

#### Pratik Kabra

Partner

Membership no - 611401

UDIN: 24611401BKCKWQ1362

Place : Mumbai

Date: May 28, 2024

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

#### Sachin Vora

Managing Director

DIN-02002468

#### Sheela Dhawale

Chief Financial Officer

Place : Pune

Date: May 28, 2024

#### Sumit Vora

Whole Time Director

DIN-02002416

#### Shraddha Phule

Company Secretary

Place : Pune

Date: May 28, 2024

## INDEPENDENT

Auditor's Report

To The Members of  
**Kranti Industries Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Kranti Industries Limited** ("the Group"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (IND-AS) prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income and its cash flows for the year ended on that date.

#### Basis for opinion

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

#### Other Matter

We did not audit the financial statements and other information, in respect of the subsidiary company Wonder Precision Pvt Ltd (audited by Siddharth Bogawat and Associates, Chartered Accountants) and Preciso Metall Pvt Ltd. (Audited by CA Samir S Bhagwat, Chartered Accountants) in respect of subsidiary company financial statements include total assets of Rs. 1415.89 Lakhs as at March 31, 2024, and total revenues of Rs. 912.72 Lakhs for the year ended on that date.

These financial statements and other financial information have been prepared and submitted to us by the management and auditors. Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we

## INDEPENDENT

Auditor's Report

are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

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



## INDEPENDENT

### Auditor's Report

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.

## INDEPENDENT

### Auditor's Report

- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

For **ADV & ASSOCIATES**

Chartered Accountants

Firm Registration number: 128045W

**Pratik Kabra**

Partner

Place: Mumbai

Date: 28th May, 2024

Membership number: 611401

UDIN: 24611401BKCKWR2753

## ANNEXURE "A"

to the Independent Auditor's Report

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Limitations of Internal Financial Controls Over Financial Reporting

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

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

## ANNEXURE "A"

to the Independent Auditor's Report

### Opinion

We have audited the internal financial controls with reference to Consolidated financial statements of Kranti Industries Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the Consolidated financial statements of the Company as at and for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ADV & ASSOCIATES**

*Chartered Accountants*

Firm Registration number: 128045W

**Pratik Kabra**

Partner

Membership number: 611401

UDIN: 24611401BKCKWR2753

Place: Mumbai

Date: 28th May, 2024

## CONSOLIDATED BALANCE SHEET

as on 31 March, 2024

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

| Particulars   | Note | As at 31 March 2024 | As at 31 March 2023 |
|---|------|---------------------|---------------------|
| <b>I. ASSETS</b>  |      |                     |                     |
| <b>Non-current assets</b>   |      |                     |                     |
| (a) Property, plant and equipment   | 2    | 4,855.54            | 3,983.09            |
| (b) Right-of-use asset  | 2    | 393.49              | 475.60              |
| (c) Capital work-in-progress  | 3    | 16.80               | 276.76              |
| (d) Intangible assets   | 4    | 45.82               | 21.60               |
| (e) Goodwill  |      | 365.00              | 319.12              |
| (f) Financial assets  |      |                     |                     |
| (i) Investment  | 5    | 8.30                | 42.62               |
| (ii) Others   | 6    | 90.10               | 53.20               |
| (iii) Other financial assets (NC)   |      |                     |                     |
| (g) Income tax assets (net)   | 33   | 27.29               | 15.31               |
| (h) Deferred tax assets (net)   | 33   | 15.31               | 0.26                |
| (i) Other non-current assets  | 7    | 39.74               | -                   |
| <b>Total non-current assets</b>   |      | <b>5,857.40</b>     | <b>5,187.56</b>     |
| <b>Current assets</b>   |      |                     |                     |
| (a) Inventories   | 8    | 1,630.45            | 924.21              |
| (b) Financial assets  |      |                     |                     |
| (i) Trade receivables   | 9    | 1,404.63            | 847.84              |
| (ii) Cash and cash equivalents  | 10   | 11.36               | 270.76              |
| (iii) Other financial assets  | 11   | 1.83                | 0.82                |
| (c) Current tax assets (net)  | 33   | -                   | -                   |
| (d) Other current assets  | 12   | 242.08              | 126.95              |
| <b>Total current assets</b>   |      | <b>3,290.34</b>     | <b>2,170.58</b>     |
| <b>TOTAL ASSETS</b>   |      | <b>9,147.74</b>     | <b>7,358.14</b>     |
| <b>II. EQUITY AND LIABILITIES</b>   |      |                     |                     |
| <b>Equity</b>   |      |                     |                     |
| (a) Equity share capital  | 13   | 1,141.04            | 1,056.24            |
| (b) Other equity  | 14   | 2,443.44            | 1,685.83            |
| <b>Total equity</b>   |      | <b>3,584.48</b>     | <b>2,742.07</b>     |
| (a) Equity share capital  | 15   | 3.11                | -                   |
| <b>Total equity</b>   |      | <b>3,587.58</b>     | <b>2,742.07</b>     |
| <b>Non-current liabilities</b>  |      |                     |                     |
| <b>(a) Financial liabilities</b>  |      |                     |                     |
| (i) Borrowings (Non Current)  | 16   | 2,572.57            | 1,646.85            |
| (ii) Lease liabilities (Non Current)  | 17   | 125.85              | 200.19              |
| (iii) Other financial liabilities   | 18   | -                   | -                   |
| (b) Provisions  | 15   | -                   | -                   |
| (c) Other non-current liabilities   | 18   | 4.27                | 0.75                |
| (d) Deferred tax liabilities (Net)  | 33   | -                   | 159.20              |
| <b>Total non-current liabilities</b>  |      | <b>2,702.69</b>     | <b>2,006.99</b>     |
| <b>Liabilities</b>  |      |                     |                     |
| <b>Current liabilities</b>  |      |                     |                     |
| <b>(a) Financial liabilities</b>  |      |                     |                     |
| (i) Borrowings (Current)  | 19   | 1,326.04            | 1,326.77            |
| (ii) Lease liabilities (Current)  | 20   | 74.34               | 70.20               |
| (iii) Trade payables  | 21   |                     |                     |
| a) total outstanding dues of micro enterprises and small enterprises                      |      | 509.72              | 267.82              |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 643.50              | 737.91              |
| (iv) Other financial liabilities  | 22   | 144.67              | 155.88              |
| (b) Other current liabilities   | 23   | 96.68               | 26.17               |
| (c) Provisions  | 24   | 53.07               | 21.44               |
| (d) Income tax liabilities (net)  | 33   | 9.46                | 2.91                |
| <b>Total current liabilities</b>  |      | <b>2,857.48</b>     | <b>2,609.10</b>     |
| <b>Total liabilities</b>  |      | <b>5,560.17</b>     | <b>4,616.09</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b>9,147.75</b>     | <b>7,358.16</b>     |

Significant accounting policies

1

Notes to the financial statements

1 to 51

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

As per our report of even date attached

**For and on behalf of A D V Associates**

Chartered Accountants

Firm Registration No - 128045W

**Pratik Kabra**

Partner

Membership no - 611401

UDIN: 24611401BKCKWR2753

Place : Mumbai

Date: May 28, 2024

 For and on behalf of the board of directors of  
**Kranti Industries Limited**
**Sachin Vora**

Managing Director

DIN-02002468

Place : Pune

Date: May 28, 2024

**Sheela Dhawale**

Chief Financial Officer

Place : Pune

Date: May 28, 2024

**Sumit Vora**

Whole Time Director

DIN-02002416

Place : Pune

Date: May 28, 2024

**Shraddha Phule**

Company Secretary

Place : Pune

Date: May 28, 2024

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2024

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

| Particulars  | Note | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|------|---------------------------------------|---------------------------------|
| <b>Revenue</b>   |      |                                       |                                 |
| Revenue from operations  | 25   | 9,028.54                              | 9,323.74                        |
| Other income (net)   | 26   | 62.51                                 | 410.08                          |
| <b>Total revenue</b>   |      | <b>9,091.04</b>                       | <b>9,733.82</b>                 |
| <b>Expenses</b>  |      |                                       |                                 |
| Cost of material, operation and incidental cost                        | 27   | 5,409.72                              | 6,150.90                        |
| Purchase of Stock-in-Trade   |      |                                       |                                 |
| Changes in inventories of finished goods and work-in-progress          | 28   | 183.76                                | (32.33)                         |
| Employee benefits expenses   | 29   | 1,244.39                              | 1,100.08                        |
| Finance costs  | 30   | 386.27                                | 249.69                          |
| Depreciation and amortisation expenses                                 | 31   | 667.88                                | 414.24                          |
| Other expenses   | 32   | 1,299.18                              | 1,164.28                        |
| <b>Total expenses</b>  |      | <b>9,191.18</b>                       | <b>9,046.86</b>                 |
| Profit/(loss) before Exceptional Items, and Tax                        |      | (100.14)                              | 686.96                          |
| Exceptional items  |      | -                                     | -                               |
| <b>Profit before tax</b>   |      | <b>(100.14)</b>                       | <b>686.96</b>                   |
| <b>Tax expense:</b>  |      |                                       |                                 |
| Current tax  |      | 19.94                                 | 108.57                          |
| Deferred tax   |      | (105.65)                              | 43.01                           |
| MAT Credit Entitlement/Utilisation                                     |      | (22.05)                               | 13.39                           |
| <b>Profit for the year</b>   |      | <b>7.61</b>                           | <b>521.98</b>                   |
| <b>Other comprehensive income/(loss) for the year</b>                  |      |                                       |                                 |
| <b>(i) Items that will not be reclassified to profit or loss</b>       |      |                                       |                                 |
| Remeasurements of defined benefit liability / (asset)                  |      | (1.10)                                | 3.43                            |
| Income tax on remeasurements of defined benefit liability / (asset)    |      | 0.31                                  | (0.95)                          |
| <b>Other comprehensive income (net of tax)</b>                         |      | <b>(0.79)</b>                         | <b>2.48</b>                     |
| <b>Total comprehensive income for the year</b>                         |      | <b>6.81</b>                           | <b>524.46</b>                   |
| <b>Profit attributable to:</b>   |      |                                       |                                 |
| Owners of the Company  |      | 53.36                                 | 521.99                          |
| Non-controlling interests  |      | (46.54)                               | -                               |
|  |      | <b>6.81</b>                           | <b>521.99</b>                   |
| <b>Other Comprehensive Income attributable to:</b>                     |      |                                       |                                 |
| Owners of the Company  |      | (0.79)                                | 2.48                            |
| Non-controlling interests  |      | -                                     | -                               |
|  |      | <b>(0.79)</b>                         | <b>2.48</b>                     |
| <b>Total comprehensive income attributable to:</b>                     |      |                                       |                                 |
| Owners of the Company  |      | 52.56                                 | 524.47                          |
| Non-controlling interests  |      | (46.54)                               | -                               |
|  |      | <b>6.02</b>                           | <b>524.47</b>                   |
| <b>Total comprehensive income attributable to owners arising from:</b> |      |                                       |                                 |
| Continuing Operations  |      | -                                     | -                               |
| Discontinued Operations  |      | -                                     | -                               |
| <b>Earnings per equity share (face value of Rs. 10 each)</b>           |      |                                       |                                 |
| Basic earnings per share   | 34   | 0.06                                  | 4.94                            |
| Diluted earnings per share   |      | 0.06                                  | 4.94                            |

Significant accounting policies

1

Notes to the financial statements

1 to 51

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

As per our report of even date attached

**For and on behalf of A D V Associates**

Chartered Accountants

Firm Registration No - 128045W

**Pratik Kabra**

Partner

Membership no - 611401

UDIN: 24611401BKCKWR2753

Place : Mumbai

Date: May 28, 2024

 For and on behalf of the board of directors of  
**Kranti Industries Limited**
**Sachin Vora**

Managing Director

DIN-02002468

Place : Pune

Date: May 28, 2024

**Sheela Dhawale**

Chief Financial Officer

Place : Pune

Date: May 28, 2024

**Sumit Vora**

Whole Time Director

DIN-02002416

Place : Pune

Date: May 28, 2024

**Shraddha Phule**

Company Secretary

Place : Pune

Date: May 28, 2024



## CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31 March, 2024

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

| Particulars  | For the period ended<br>31 March 2024 | For the period ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------------|
| <b>A. Cash flow from operating activities</b>  |                                       |                                       |
| Net Profit before extraordinary items and tax  | (100.14)                              | 686.95                                |
| <b>Adjustments for:</b>  |                                       |                                       |
| Interest received  | (12.93)                               | (2.49)                                |
| Dividend received  | (0.98)                                | (0.33)                                |
| Profit on sale of Assets   | 2.39                                  | (405.72)                              |
| Interest paid  | 386.26                                | 249.70                                |
| Depreciation and amortisation  | 667.88                                | 414.24                                |
| Commission income on corporate guarantee   | -                                     | (1.55)                                |
| Remeasurements of defined benefit liability / (asset)  | (1.10)                                | -                                     |
| Fair valuation gain/loss on instruments measured at fair value through profit and loss account | 51.20                                 | -                                     |
|  | 1092.72                               | 253.84                                |
| <b>Operating profit before working capital changes</b>   | <b>992.58</b>                         | <b>940.79</b>                         |
| Changes in working capital:  |                                       |                                       |
| (Increase) in other non-current liabilities  | 3.52                                  | 0.21                                  |
| (Increase) / Decrease in other non-current financial assets                                    |                                       | (20.70)                               |
| Decrease in other non-current assets   | (80.56)                               | 5.82                                  |
| Decrease / (Increase) in inventories   | (312.49)                              | (86.34)                               |
| (Increase) in trade receivables  | (533.75)                              | (195.75)                              |
| (Increase)/ Decrease in Bank Balances  | -                                     | -                                     |
| (Increase) in current financial loans  | (1.37)                                | -                                     |
| Decrease / (Increase) in other current financial assets  | (0.24)                                | 1.54                                  |
| Decrease in other current assets   | 40.03                                 | (84.15)                               |
| Increase / (Decrease) in trade payables  | (82.07)                               | 165.77                                |
| Increase in other current financial liabilities  | (23.75)                               | (21.75)                               |
| (Decrease) / Increase in other current liabilities   | (74.74)                               | (50.24)                               |
| Increase in current provisions   | 9.55                                  | 1.81                                  |
|  | <b>(1,055.85)</b>                     | <b>(283.78)</b>                       |
| Cash generated from operations   | (63.27)                               | 657.01                                |
| Net income tax (paid)  | 8.65                                  | (95.94)                               |
| <b>Net cash flow generated from operating activities</b>                                       | <b>(54.62)</b>                        | <b>561.07</b>                         |
| <b>B. Cash flow from investing activities</b>  |                                       |                                       |
| Purchase of property, plant and equipment, intangible assets and capital work-in-progress      | (705.69)                              | (1,158.85)                            |
| Sale proceeds of property, plant and equipment   | 12.25                                 | 614.66                                |
| Bank deposits placed / matured during the year   |                                       | -                                     |
| Investment in subsidiary   | -                                     | -                                     |
| Purchase/Sale of non-current investments   | (65.46)                               | 0.06                                  |
| Proceeds from sale of investments  |                                       | -                                     |
| Dividend received  | 0.98                                  | 0.33                                  |
| Interest received  | 12.93                                 | 2.49                                  |
| <b>Net cash flow (used in) investing activities</b>  | <b>(744.99)</b>                       | <b>(541.30)</b>                       |

## CONSOLIDATED STATEMENT OF CASH FLOW (Contd.)

for the year ended 31 March, 2024

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

| Particulars   | For the period ended<br>31 March 2024 | For the period ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------------|
| <b>C. Cash flow from financing activities</b>   |                                       |                                       |
| Long-term borrowings (repaid) during the year   | 311.12                                | 598.87                                |
| (Repayment) / Proceeds of short-term borrowings (net)                                       | (146.95)                              | (21.53)                               |
| Interest paid   | (359.92)                              | (215.05)                              |
| Leases  |                                       | -                                     |
| Principal   | (70.20)                               | (77.79)                               |
| Interest  | (26.34)                               | (34.65)                               |
| Share Capital Raised during the year  | 856.48                                |                                       |
| Transaction costs on issue of shares  | (74.21)                               |                                       |
| Tax on dividend paid during the year  |                                       | -                                     |
| <b>Net cash flow (used in) financing activities</b>   | <b>489.98</b>                         | <b>249.87</b>                         |
| <b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>                                  | <b>(309.62)</b>                       | <b>269.64</b>                         |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents |                                       |                                       |
| Cash and cash equivalents at the beginning of the year                                      | 320.99                                | 1.14                                  |
| <b>Cash and cash equivalents at the end of the year</b>                                     | <b>11.37</b>                          | <b>270.78</b>                         |

### Notes to cash flow statement

- The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.
- For the purpose of cash flow, Cash and cash equivalents comprise :

| Particulars        | For the period ended<br>31 March 2024 | For the period ended<br>31 March 2023 |
|--------------------|---------------------------------------|---------------------------------------|
| Cash on hand       | 5.13                                  | 0.46                                  |
| Balances with bank | -                                     | -                                     |
| - Current accounts | 6.23                                  | 270.30                                |
|                    | <b>11.36</b>                          | <b>270.76</b>                         |

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

As per our report of even date attached  
**For and on behalf of A D V Associates**  
 Chartered Accountants  
 Firm Registration No - 128045W  
**Pratik Kabra**  
 Partner  
 Membership no - 611401  
 UDIN: 24611401BKCKWR2753

Place : Mumbai  
 Date: May 28, 2024

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

**Sachin Vora**  
 Managing Director  
 DIN-02002468  
 Place : Pune  
 Date: May 28, 2024  
**Sheela Dhawale**  
 Chief Financial Officer  
 Place : Pune  
 Date: May 28, 2024

**Sumit Vora**  
 Whole Time Director  
 DIN-02002416  
 Place : Pune  
 Date: May 28, 2024  
**Shraddha Phule**  
 Company Secretary  
 Place : Pune  
 Date: May 28, 2024

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2024

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

### (a) Equity share capital

| Particulars  | As at 31 March 2024 |                 | As at 31 March 2023 |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | No. of Shares       | Amount          | No. of Shares       | Amount          |
| <b>Balance at the beginning of the reporting year</b>          | 1,05,62,400         | 1,056.24        | 1,05,62,400         | 1,056.24        |
| Changes in equity share capital due to prior period errors     | -                   | -               | -                   | -               |
| <b>Restated balance at the beginning of the reporting year</b> | 1,05,62,400         | 1,056.24        | 1,05,62,400         | 1,056.24        |
| Changes in equity share capital during the year                | 8,48,000            | 84.80           | -                   | -               |
| <b>Balance at the end of the reporting year</b>                | <b>1,14,10,400</b>  | <b>1,141.04</b> | <b>1,05,62,400</b>  | <b>1,056.24</b> |

### (b) Other equity

| Particulars  | Reserves and Surplus |                    |                 | Other equity                          | Total other equity | Non controlling interests | Total other equity including NCI |
|--|----------------------|--------------------|-----------------|---------------------------------------|--------------------|---------------------------|----------------------------------|
|  | Retained Earnings    | Securities Premium | General reserve | Equity contribution from shareholders |                    |                           |                                  |
| <b>Balance at 01 April 2023</b>                                    | <b>877.24</b>        | <b>154.18</b>      | <b>30.00</b>    | <b>100.41</b>                         | <b>1,161.82</b>    | -                         | <b>1,161.82</b>                  |
| <b>Total comprehensive income for the Year ended 31 March 2023</b> |                      |                    |                 |                                       |                    |                           |                                  |
| <b>Add/(Less):</b>   |                      |                    |                 |                                       |                    |                           |                                  |
| Profit for the year  | 521.99               | -                  | -               | -                                     | 521.99             | -                         | 521.99                           |
| Other comprehensive income (net of tax)                            |                      |                    |                 |                                       |                    |                           |                                  |
| - Remeasurements of post employment benefit obligations            | 2.48                 | -                  | -               | -                                     | 2.48               | -                         | 2.48                             |
| Proposed dividend  |                      |                    |                 |                                       |                    |                           |                                  |
| Income tax of earlier years  |                      |                    |                 |                                       |                    |                           |                                  |
| Transaction costs on issue of shares                               | -                    | -                  | -               | -                                     | -                  | -                         | -                                |
| Transfer from / (to) other reserves                                | -                    | -                  | -               | -                                     | -                  | -                         | -                                |
| Additions during the year  | -0.46                | -                  | -               | -                                     | -0.46              | -                         | -0.46                            |
| <b>Total comprehensive income</b>                                  | <b>524.01</b>        | -                  | -               | -                                     | <b>524.01</b>      | -                         | <b>524.01</b>                    |
| <b>Balance at 31 March 2023</b>                                    | <b>1,401.25</b>      | <b>154.18</b>      | <b>30.00</b>    | <b>100.41</b>                         | <b>1,685.83</b>    | -                         | <b>1,685.83</b>                  |
| <b>Appropriations</b>  |                      |                    |                 |                                       |                    |                           |                                  |
| <b>Total comprehensive income for the Year ended 31 March 2024</b> |                      |                    |                 |                                       |                    |                           |                                  |
| <b>Add/(Less):</b>   |                      |                    |                 |                                       |                    |                           |                                  |
| Profit for the year  | 53.36                | -                  | -               | -                                     | 53.36              | -46.54                    | 6.81                             |
| Other comprehensive income (net of tax)                            |                      |                    |                 |                                       |                    |                           |                                  |
| - Remeasurements of post employment benefit obligations            | -                    | -                  | -               | -                                     | -                  | -                         | -                                |
| - Equity instruments designated through other comprehensive income | -                    | -                  | -               | -                                     | -                  | -                         | -                                |
| Issue of bonus shares  | -                    | -                  | -               | -                                     | -                  | -                         | -                                |
| Issue of Shares  |                      | 771.68             |                 |                                       | 771.68             | -                         | 771.68                           |
| Transaction costs on issue of shares                               |                      | -74.21             |                 |                                       | -74.21             | -                         | -74.21                           |
| Income tax of earlier years  |                      |                    |                 |                                       |                    |                           |                                  |
| Transfer from / (to) other reserves                                |                      |                    |                 | 6.78                                  | 6.78               | -                         | 6.78                             |
| Dividend Paid  |                      |                    |                 |                                       |                    | 5.55                      | 5.55                             |
| Tax on dividend paid   |                      |                    |                 |                                       |                    |                           |                                  |
| <b>Additions during the year</b>                                   |                      |                    |                 |                                       |                    | <b>44.10</b>              | <b>44.10</b>                     |
| <b>Total comprehensive income</b>                                  | <b>53.36</b>         | <b>697.47</b>      | -               | <b>6.78</b>                           | <b>757.61</b>      | <b>3.11</b>               | <b>760.71</b>                    |
| <b>Balance at 31 March 2024</b>                                    | <b>1,454.60</b>      | <b>851.64</b>      | <b>30.00</b>    | <b>107.19</b>                         | <b>2,443.44</b>    | <b>3.11</b>               | <b>2,446.54</b>                  |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Contd.)

for the year ended 31 March, 2024

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

### Nature and purpose of reserves

#### i) Securities premium

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

#### ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

#### iii) General reserve

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

#### iv) Equity contribution from shareholders

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

#### For and on behalf of A D V Associates

Chartered Accountants

Firm Registration No - 128045W

#### Pratik Kabra

Partner

Membership no - 611401

UDIN: 24611401BKCKWR2753

Place : Mumbai

Date: May 28, 2024

For and on behalf of the board of directors of

#### Kranti Industries Limited

#### Sachin Vora

Managing Director

DIN-02002468

Place : Pune

Date: May 28, 2024

#### Sheela Dhawale

Chief Financial Officer

Place : Pune

Date: May 28, 2024

#### Sumit Vora

Whole Time Director

DIN-02002416

Place : Pune

Date: May 28, 2024

#### Shraddha Phule

Company Secretary

Place : Pune

Date: May 28, 2024

## NOTES

to the consolidated financial statements (contd.)

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

#### Corporate overview

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

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

Preciso Metall Private Limited ('PMPL' or the Company') was incorporated on 16 May 2017. It is a closely held company with the object of manufacturing cast iron parts that mainly includes automobile parts. The company has a state-of-the-art facility in the Shell moulding casting industry with the latest equipment and complementing technologies.

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

### 1. Significant accounting policies

#### 1.1. Basis of preparation of financial statements:

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

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

The financial statements were authorised for issue by the Board of Directors on May 28, 2024

- **Functional and presentation currency**

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

#### 1.2. Basis of measurement

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

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

#### 1.3. Use of judgements estimates and assumptions.

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

#### Judgements

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

## NOTES

to the consolidated financial statements (contd.)

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

#### Assumptions and estimation uncertainties

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

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

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

The group classifies all other liabilities as non-current.

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

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

#### 1.5. Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



## NOTES

to the consolidated financial statements (contd.)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company. The subsidiaries considered in the consolidated financial statements are summarized below.

| Sr. No. | Name of the Company              | Country of Incorporation | Proportion of Ownership Interest |
|---------|----------------------------------|--------------------------|----------------------------------|
| 1.      | Wonder Precision Private Limited | India                    | 100%                             |
| 2.      | Preciso Metall Private Limited   | India                    | 55%                              |

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.
- Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

### 1.6. Property, plant and equipment:

#### • Recognition and measurement

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

## NOTES

to the consolidated financial statements (contd.)

The group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

#### • Subsequent costs

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

#### • Disposal

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

#### • Depreciation

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

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

### 1.7. Intangible assets:

#### • Recognition and measurement

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

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

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

## NOTES

to the consolidated financial statements (contd.)

- **Subsequent measurement**

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

- **Amortisation**

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

- **Disposal**

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

### 1.8. Borrowing costs:

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

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

### 1.9. Impairments of non-financial assets:

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

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

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

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

### 1.10. Inventories:

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

### 1.11. Revenue recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and that the revenue can be reliably measured. The group collects excise duty, service tax, value added taxes (VAT) and Goods and service tax GST as applicable on behalf of the government and therefore, these are not economic benefits flowing to the group. Hence, they are excluded from revenue. Revenue is disclosed, net of trade discounts and excise duty.

#### Sale of goods

Sales are recognized when products are delivered to the customer and there is no unfulfilled obligation that could

## NOTES

to the consolidated financial statements (contd.)

affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the group has objective evidence that all criteria for acceptance have been satisfied. Due from customers if any are measured at the selling price of the work performed. Prepayments from customers are recognized as liabilities.

#### Sale of services

- Timing of recognition Revenue from rendering of services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Job-work revenues are accounted as and when such services are rendered.
- Measurement of revenue estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

#### Recognition of dividend income, interest income:

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

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

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

### 1.12. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### 1.13. Employee benefits:

- **Short-term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

- **Post-employment benefits**

#### Defined contribution plans

Contributions to the provident fund which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

## NOTES

to the consolidated financial statements (contd.)

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### Defined benefit plans

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

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

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

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

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

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### 1.14. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

## NOTES

to the consolidated financial statements (contd.)

- **Deferred tax**

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

### Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### 1.15. Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 1.16. Provision and contingent liabilities / assets:

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.



## NOTES

to the consolidated financial statements (*contd.*)

### Contingent liability is disclosed in case of:

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

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 1.17. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

### 1.18. Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

### 1.19. Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the

## NOTES

to the consolidated financial statements (*contd.*)

lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Group as a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 1.20. Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best

## NOTES

to the consolidated financial statements (*contd.*)

use or by selling it to another.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 1.21. Financial instruments

#### 1.21.1. Financial assets

##### Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

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

##### (a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

## NOTES

to the consolidated financial statements (*contd.*)

### (b) Financial assets classified as measured at FVOCI

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

### (c) Financial assets classified as measured at FVTPL

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

### De-recognition of financial asset

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

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

### Impairment of financial assets

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

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

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

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

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

### 1.21.2. Financial liabilities

#### Initial recognition and measurement

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

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

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group

## NOTES

to the consolidated financial statements (contd.)

that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

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

### (a) Financial liabilities at amortised cost

This is the most relevant category to the Group. The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

### De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting of financial instruments

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

### Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

## NOTES

to the consolidated financial statements (contd.)

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

### 2. Property, plant and equipment

| Description                                  | Freehold land | Buildings       | Plant and equipment | Furniture and fittings | Vehicles - Others | Office Equipments | Computers    | Tools and Fixtures | Total Owned assets | Right-of-use assets | Total Owned + Right-of-use assets |
|--|---------------|-----------------|---------------------|------------------------|-------------------|-------------------|--------------|--------------------|--------------------|---------------------|-----------------------------------|
|  |               |                 |                     |                        |                   |                   |              |                    |                    | Plant and equipment |                                   |
| <b>Gross block</b>                           |               |                 |                     |                        |                   |                   |              |                    |                    |                     |                                   |
| Balance as at 01st April 2023                | 638.03        | 1,474.56        | 6,055.80            | 72.11                  | 66.11             | 38.89             | 12.04        | 191.27             | 8,548.82           | 520.28              | 9,069.10                          |
| Assets Acquired on Acquisition of Subsidiary | 97.54         | 218.30          | 354.43              | 14.40                  |                   | 2.78              | 9.42         | 105.27             | 802.14             | -                   | 802.14                            |
| Additions                                    | -             | 66.49           | 717.67              | 4.27                   | -                 | 48.77             | 9.08         | 154.25             | 1,000.52           | -                   | 1,000.52                          |
| <b>Disposals</b>                             | -             | -               | <b>(15.47)</b>      | <b>(4.11)</b>          | -                 | <b>(9.47)</b>     | -            | -                  | <b>(29.05)</b>     | <b>(71.34)</b>      | <b>(100.40)</b>                   |
| <b>Balance as at 31 March 2024</b>           | <b>735.57</b> | <b>1,759.35</b> | <b>7,112.43</b>     | <b>86.67</b>           | <b>66.11</b>      | <b>80.97</b>      | <b>30.54</b> | <b>450.79</b>      | <b>10,322.43</b>   | <b>448.93</b>       | <b>10,771.37</b>                  |
| <b>Accumulated depreciation</b>              |               |                 |                     |                        |                   |                   |              |                    |                    |                     |                                   |
| Balance as at 01st April 2023                | -             | 414.68          | 3,950.48            | 63.73                  | 27.57             | 17.75             | 9.80         | 81.73              | 4,565.73           | 44.68               | 4,610.41                          |
| On Acquisition of Subsidiary                 |               | 53.39           | 171.55              | 5.29                   |                   | 1.64              | 7.38         | 41.45              | 280.70             | -                   | 280.70                            |
| Depreciation for the year                    | -             | 107.82          | 429.07              | 4.57                   | 12.03             | 22.64             | 4.02         | 54.70              | 634.87             | 23.39               | 658.26                            |
| Depreciation on disposals                    | -             | -               | (1.43)              | (3.94)                 | -                 | (9.04)            | -            | -                  | (14.41)            | (12.63)             | (27.03)                           |
| <b>Balance as at 31 March 2024</b>           | <b>-</b>      | <b>575.89</b>   | <b>4,549.67</b>     | <b>69.65</b>           | <b>39.61</b>      | <b>33.00</b>      | <b>21.20</b> | <b>177.89</b>      | <b>5,466.90</b>    | <b>55.44</b>        | <b>5,522.34</b>                   |
| <b>Net block</b>                             |               |                 |                     |                        |                   |                   |              |                    |                    |                     |                                   |
| <b>As At 31st March 2024</b>                 | <b>735.57</b> | <b>1,183.47</b> | <b>2,562.76</b>     | <b>17.02</b>           | <b>26.50</b>      | <b>47.97</b>      | <b>9.34</b>  | <b>272.91</b>      | <b>4,855.54</b>    | <b>393.49</b>       | <b>5,249.03</b>                   |
| <b>As At March 2023</b>                      | <b>638.03</b> | <b>1,059.88</b> | <b>2,105.33</b>     | <b>8.38</b>            | <b>38.54</b>      | <b>21.14</b>      | <b>2.25</b>  | <b>109.55</b>      | <b>3,983.08</b>    | <b>475.60</b>       | <b>4,458.69</b>                   |

### Title deeds of Immovable Properties not held in name of the Company:

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

### 3. Capital work-in-progress

#### 31-03-2023

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

#### 31-03-2024

| Description                           | Factory Building | Capital Work in progress | Total        |
|---------------------------------------|------------------|--------------------------|--------------|
| Balance as at 01st April 2023         | -                | 286.76                   | 286.76       |
| Acquired on acquisition of Subsidiary |                  |                          | -            |
| Additions                             | -                | 49.80                    | 49.80        |
| Capitalised during the year           | -                | (319.76)                 | (319.76)     |
|                                       | -                | <b>16.80</b>             | <b>16.80</b> |
| <b>Net block</b>                      | <b>-</b>         | <b>16.80</b>             | <b>16.80</b> |



## NOTES

to the consolidated financial statements (contd.)

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

### Capital work-in-progress aging schedule

| Capital work-in-progress           | Amount in capital work-in-progress for a period of |           |           |                   | Total*        |
|------------------------------------|--|-----------|-----------|-------------------|---------------|
|                                    | Less than 1 year                                   | 1-2 years | 2-3 years | More than 3 years |               |
| Projects in progress               |  |           |           |                   |               |
| Balance as at 31 March 2024        | 16.80  | -         | -         | -                 | 16.80         |
| <b>Balance as at 31 March 2023</b> | <b>276.76</b>                                      | -         | -         | -                 | <b>276.76</b> |

There are no projects which are suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

### 4. Other Intangible assets

#### F.Y 22-23

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

#### F.Y 23-24

| Description                          | Trade Mark  | Softwares    | Total Owned assets |
|--------------------------------------|-------------|--------------|--------------------|
| <b>Gross block</b>                   |             |              |                    |
| Balance as at 01 April 2023          | 0.30        | 40.29        | 40.59              |
| Acquisition of Subsidiary            | -           | 5.20         | 5.20               |
| Additions                            | -           | 28.64        | 28.64              |
| Disposals                            | -           | -            | -                  |
| <b>Balance as at 31 March 2024</b>   | <b>0.30</b> | <b>74.14</b> | <b>74.43</b>       |
| <b>Amortisation</b>                  |             |              |                    |
| Balance as at 01 April 2023          | 0.27        | 18.72        | 18.99              |
| Depreciation for the year            | 0.01        | 9.62         | 9.62               |
| Depreciation on disposals            | -           | -            | -                  |
| <b>Balance as at 31 March 2024</b>   | <b>0.28</b> | <b>28.34</b> | <b>28.61</b>       |
| <b>Net Block as at 31 March 2024</b> | <b>0.02</b> | <b>45.80</b> | <b>45.82</b>       |

## NOTES

to the consolidated financial statements (contd.)

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

### 5. Non-current investments

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Investments in subsidiaries at cost</b>  |                        |                        |
| <b>Investments in equity accounted investees</b>  |                        |                        |
| 1,50,000 (31 March 2023 : 1,50,000) Investment in equity shares of Kranti SFCI Private Limited of Rs. 10/- each                                     | -                      | -                      |
| <b>Investment in equity shares - Unquoted</b>   |                        |                        |
| (31 March 2023 : 1100000) Investment in equity shares of Investments -Shares Preciso Metall Pvt Ltd at Rs. 3.12/- each (Face value Rs 10 per share) | -                      | 34.32                  |
| 100 (31 March 2023 : 100) Investment in equity shares of The Shamrao Vitthal Co Operative Bank Ltd of Rs. 100 each                                  | 0.10                   | 0.10                   |
|   | <b>0.10</b>            | <b>34.42</b>           |
| <b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>  |                        |                        |
| <b>Investment in equity shares - Unquoted</b>   |                        |                        |
| 8,200 (31 March 2023 : 8,200) Investment in equity shares of Cosmos Co-operative Bank Limited of Rs. 100/- each                                     | 8.20                   | 8.20                   |
|   | <b>8.20</b>            | <b>8.20</b>            |
| Investments carried at fair value through profit and loss (FVTPL)   |                        |                        |
| Investment in Mutual funds - Quoted   | -                      | -                      |
|   | <b>8.30</b>            | <b>42.62</b>           |
| (a) Aggregate amount of quoted investments  |                        | -                      |
| (b) Aggregate market value of quoted investments  |                        | -                      |
| (a) Aggregate amount of unquoted investments  | 8.30                   | 42.62                  |
| (b) Aggregate amount of impairment in value of investments  |                        | -                      |

### 6. Non-current financial assets - Others

|                              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------|------------------------|------------------------|
| (Unsecured, considered good) |                        |                        |
| Security deposits            | 34.81                  | 34.82                  |
| Fixed Deposit In - Bank      | 55.30                  | 18.38                  |
|                              | <b>90.10</b>           | <b>53.20</b>           |

## NOTES

to the consolidated financial statements (contd.)

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

### 7. Other non-current assets

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| (Unsecured, considered good)                        |                        |                        |
| Balance with government authorities                 | 2.35                   | -                      |
| Deposits  | 22.51                  | -                      |
| Development Charges (To the extent not written off) | 14.88                  | -                      |
|   | <b>39.74</b>           | -                      |

### 8. Inventories

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Stores and spares                      |                        |                        |
| Raw Materials, Components, Consumables | 1,452.70               | 722.51                 |
| Work-in-progress, Stores and Spares    | 177.75                 | 201.70                 |
|  | <b>1,630.45</b>        | <b>924.21</b>          |

### 9. Trade receivables

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| (Unsecured, considered good)  |                        |                        |
| From related parties*   |                        |                        |
| Trade receivables   | 1,404.63               | 847.84                 |
|   | <b>1,404.63</b>        | <b>847.84</b>          |
| (Outstanding from due date of payment / from date of transaction)                         |                        |                        |
| <b>(i) Undisputed Trade Receivables – considered good</b>                                 |                        |                        |
| Less than 6 months  | 1,385.33               | 847.84                 |
| 6 months - 1 year   | 0.50                   | -                      |
| 1-2 years   | 18.79                  | -                      |
| 2-3 years   | -                      | -                      |
| More than 3 years   | -                      | -                      |
|   | <b>1,404.63</b>        | <b>847.84</b>          |
| <b>(ii) Undisputed Trade Receivables – which have significant increase in credit risk</b> |                        |                        |
| Less than 6 months  | -                      | -                      |
| 6 months - 1 year   | -                      | -                      |
| 1-2 years   | -                      | -                      |
| 2-3 years   | -                      | -                      |
|   | -                      | -                      |

## NOTES

to the consolidated financial statements (contd.)

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

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>(iii) Undisputed Trade Receivables – credit impaired</b>                            |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
|  | -                      | -                      |
| <b>(iv) Disputed Trade Receivables – considered good</b>                               |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
| More than 3 years  | -                      | -                      |
|  | -                      | -                      |
| <b>(v) Disputed Trade Receivables – which have significant increase in credit risk</b> |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
| More than 3 years  | -                      | -                      |
|  | -                      | -                      |
| <b>(vi) Disputed Trade Receivables – credit impaired</b>                               |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
| More than 3 years  | -                      | -                      |
|  | -                      | -                      |
| <b>(vii) Unbilled dues</b>   |                        |                        |
| Less than 6 months   | -                      | -                      |
| 6 months - 1 year  | -                      | -                      |
| 1-2 years  | -                      | -                      |
| 2-3 years  | -                      | -                      |
| More than 3 years  | -                      | -                      |
|  | -                      | -                      |
| Less: Provision for doubtful receivables   | -                      | -                      |
|  | <b>1,404.63</b>        | <b>847.84</b>          |
|  | <b>(0.00)</b>          | -                      |

## NOTES

to the consolidated financial statements (contd.)

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

### 10. Cash and cash equivalents

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Cash-in-hand                                   | 5.13                   | 0.46                   |
| Current accounts                               | 6.23                   | 270.30                 |
| Bank deposits with maturity less than 3 Months | -                      | -                      |
|  | <b>11.36</b>           | <b>270.76</b>          |

### 11. Other current financial assets

|                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------|------------------------|------------------------|
| Interest receivable | 1.83                   | 0.82                   |
| Security deposits   | -                      | -                      |
|                     | <b>1.83</b>            | <b>0.82</b>            |

### 12. Other current assets

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Advance to creditors                   | 51.50                  | 41.13                  |
| Advance to employees                   | 1.04                   | 0.69                   |
| Prepaid expenses                       | 6.45                   | 5.13                   |
| Loans and Advances Repayable on Demand | 1.62                   | 80.00                  |
| GST Liability paid Under Protest       | 11.11                  | -                      |
| Deposits                               | -                      | -                      |
| Balances with Statutory Authorities    | 170.35                 | -                      |
|  | <b>242.08</b>          | <b>126.95</b>          |

### 13. Share capital

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Authorised :</b>   |                        |                        |
| 1,50,00,000 (31 March 2023 : 1,50,00,000 ) equity shares of Rs.10 each.             | 1,500.00               | 1,500.00               |
| <b>TOTAL</b>  | <b>1,500.00</b>        | <b>1,500.00</b>        |
| <b>Issued, subscribed and paid-up:</b>  |                        |                        |
| 1,14,10,400 (31 March 2023 : 1,05,62,400) equity shares of Rs.10 each fully paid-up | 1,141.04               | 1,056.24               |
|   | <b>1,141.04</b>        | <b>1,056.24</b>        |

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

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

## NOTES

to the consolidated financial statements (contd.)

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

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

| Particulars                              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Equity shares :</b>                   |                        |                        |
| Outstanding at the beginning of the year | 1,05,62,400            | 1,05,62,400            |
| Equity shares issued during the year*    | 8,48,000               | -                      |
| Outstanding at the end of the year       | <b>1,14,10,400</b>     | <b>1,05,62,400</b>     |

\*The company has done the Preferential issue of shares during the year

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

| Equity shares of Rs. 10 each fully paid | As at 31 March 2024 |                 | As at 31 March 2023 |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | No. of Shares       | No. of Shares % | No. of Shares       | No. of Shares % |
| Mrs. Indubala S. Vora                   | 23,20,604           | 20.34%          | 23,05,253           | 21.83%          |
| Mr. Sachin S. Vora                      | 19,55,710           | 17.14%          | 19,52,200           | 18.48%          |
| Mr. Sumit S. Vora                       | 18,54,137           | 16.25%          | 18,54,037           | 17.55%          |

### Disclosures of Shareholdings of Promoters is set out below:

#### Equity shares of Rs. 10 each fully paid

| Equity shares of Rs. 10 each fully paid | As at 31 March 2024 |                 |          | As at 31 March 2023 |                 |          |
|---|---------------------|-----------------|----------|---------------------|-----------------|----------|
|   | No. of Shares       | No. of Shares % | % change | No. of Shares       | No. of Shares % | % change |
| Name of the Promoter                    |                     |                 |          |                     |                 |          |
| Mrs. Indubala S. Vora                   | 23,20,604           | 20.34%          | -1.49%   | 23,05,253           | 21.83%          | 2.19%    |
| Mr. Sachin S. Vora                      | 19,55,710           | 17.14%          | -1.34%   | 19,52,200           | 18.48%          | 0.01%    |
| Mr. Sumit S. Vora                       | 18,54,137           | 16.25%          | -1.30%   | 18,54,037           | 17.55%          | 0.00%    |

### Disclosures of Shareholdings of Promoters is set out below:

| Equity shares of Rs. 10 each fully paid | As at 31 March 2022 |                 |
|---|---------------------|-----------------|
|   | No. of Shares       | No. of Shares % |
| Name of the Promoter                    |                     |                 |
| Mrs. Indubala S. Vora                   | 20,74,441.00        | 19.64%          |
| Mr. Sachin S. Vora                      | 19,51,208.00        | 18.47%          |
| Mr. Sumit S. Vora                       | 18,54,036.00        | 17.55%          |



## NOTES

to the consolidated financial statements (contd.)

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

### 14. Other equity

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| A. Retained earnings                                  | 1,454.60               | 1,401.25               |
| B. Securities premium                                 | 851.64                 | 154.18                 |
| C. General reserve                                    | 30.00                  | 30.00                  |
| D. Equity contribution from shareholders              | 107.19                 | 100.41                 |
|   | <b>2,443.44</b>        | <b>1,685.83</b>        |
| <b>Retained earnings</b>                              |                        |                        |
| Opening balance                                       | 1,401.25               | 877.24                 |
| <b>Add/(Less):</b>                                    |                        |                        |
| Profit for the year                                   | 53.36                  | 521.99                 |
| Remeasurements of defined benefit liability / (asset) | -                      | 2.48                   |
| Transfer from / (to) other reserves                   | -                      | -                      |
| Ind AS adjustments                                    | -                      | (0.46)                 |
| <b>Closing balance</b>                                | <b>1,454.60</b>        | <b>1,401.25</b>        |
| <b>Securities premium</b>                             |                        |                        |
| Opening balance                                       | 154.18                 | 154.18                 |
| Changes during the year                               | 771.68                 | -                      |
| Transaction costs on issue of shares                  | (74.21)                | -                      |
| <b>Closing balance</b>                                | <b>851.64</b>          | <b>154.18</b>          |
| <b>General Reserve</b>                                |                        |                        |
| Opening balance                                       | 30.00                  | 30.00                  |
| Changes during the year                               | -                      | -                      |
| <b>Closing balance</b>                                | <b>30.00</b>           | <b>30.00</b>           |
| <b>Equity contribution from shareholders</b>          |                        |                        |
| Opening Balance                                       | 100.41                 | 100.41                 |
| Transfer from/ to reserves                            | 6.78                   | -                      |
| <b>Closing Balance</b>                                | <b>107.19</b>          | <b>100.41</b>          |

### 15. Non-Controlling Interest

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Opening Balance                          | -                      | -                      |
| On Acquisition of Preciso Metall Pvt Ltd | 44.10                  | -                      |
| <b>Add/(Less):</b>                       |                        |                        |
| Profit for the year                      | (46.54)                | -                      |
| Transfer from/ to reserves               | 5.55                   | -                      |
| <b>Closing Balance</b>                   | <b>3.11</b>            | <b>-</b>               |

## NOTES

to the consolidated financial statements (contd.)

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

### 16. Non-current financial liabilities - borrowings

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Term loans from banks and financials institutions | 1,960.45               | 1,179.85               |
| Loans from related parties Directors              | 612.12                 | 467.00                 |
|   | <b>2,572.57</b>        | <b>1,646.85</b>        |

- Term Loan availed from HDFC bank for Plant and Machinery. secured by way of first mortgage /charge on the plant and machinery and mortgage of immovable property situated at Gat No. 267/B/1, Pirangut, Pune.
- Vehicle Loan availed from HDFC bank for Purchase of Vehicle secured by way of first mortgage /charge on the Vehicle purchased.
- Term Loan availed from Standard Chartered bank as working capital requirement This loan is secured by way of first mortgage /charge on Flat owned by Director Situated at Isha Pearl, Kodhwa, Pune.
- Term loan availed from TATA Capital for Machinery. This loan is secured by way of first mortgage /charge on the machinery Purchased.
- ABFL : These loans are availed under Guaranteed Emergency Credit Line (GECL) as made available during COVID-19 crisis to augment their net-working capital.
- Loan from Aditya Birla is availed for the Purchase of Industrial Land at Gat no 1121, Pirangut Pune. This loan is secured by way of first mortgage / charge on the Land Purchased.
- EFL This Credit is availed from Electronica Finance Limited for purchase of Machinery The Loan is secured by Mortgage of Machinery.
- Supplier Credit availed from YES Bank for purchase of Machinery The Loan is secured by Mortgage of Machinery, The supplier credit maturity is in Mar 2021 and on maturity will be converted to Term Loan.

#### Subsidiary Loans Security details

##### Primary Security

Cash Credit : Hypothecation first charge of Stock of RM, SIP and FG, Receivables and Book Debts and other current assets of the company.

##### Term Loan I :

- Hypothecation first charge of Plant and Machinery (present and future)
- Equitable Mortgage 1st charge on all the piece and parcel of Factory Land & Buildings bearing D-136, Five Star Kagal MIDC, village, Hupari, Tal Hatkanangle, Dist Kolhapur pin 416003 admeasuring land area of 2153 sq mtrs and construction thereon.

##### Collateral Security

Equitable Mortgage 1st charge on all the piece and parcel of residential flat bearing Flat no. 901, 9th floor, E Building, Gloria Grace Apartment S No. 47, Village Bavdhan Khurd, Tal Haveli Dist Pune, admeasuring Total Area 98.40 sq. mtrs Owned by Shri Nitin Mokashi and Rutuja Mokashi.

Equitable Mortgage 1st charge on all the piece and parcel of residential flat bearing Flat no. 301, 3rd Floor, D Cinnamon, Amit's Bloomfield, S No. 59, Ambegaon Bk, Tal Haveli, Dist. Pune, Pin 411046, Admeasuring Total Area 105.75 sq. ft Owned by Shri Vivek N Deshmukh and Sunil V Deshmukh.

## NOTES

to the consolidated financial statements (contd.)

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

### 17. Lease liabilities - Non-current

|                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------|------------------------|------------------------|
| Lease liabilities | 125.85                 | 200.19                 |
|                   | <b>125.85</b>          | <b>200.19</b>          |

### 18. Other non-current liabilities

|                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------|------------------------|------------------------|
| Provision for Gratuity Non Current | 4.27                   | 0.75                   |
|                                    | <b>4.27</b>            | <b>0.75</b>            |

### 19. Borrowings - Current

|                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| <b>Secured</b>                        |                        |                        |
| Cash-credit from bank*                | 955.06                 | 897.34                 |
| Bill discounting from banks           |                        |                        |
| Current maturities of long-term debts | 319.86                 | 429.43                 |
| Loans from related parties            | 51.13                  | -                      |
|                                       | <b>1,326.04</b>        | <b>1,326.77</b>        |

\*Cash Credit Facility from HDFC Bank and HSBC Bank and for Subsidiary from State Bank of India Secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment.

### 20. Lease liabilities - Current

|                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------|------------------------|------------------------|
| Lease liabilities | 74.34                  | 70.20                  |
|                   | <b>74.34</b>           | <b>70.20</b>           |

### 21. Trade payables

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Total outstanding dues to micro enterprises and small enterprises                      | 509.72                 | 267.82                 |
| Total outstanding dues to creditors other than micro enterprises and small enterprises | 643.50                 | 737.91                 |
|  | <b>1,153.22</b>        | <b>1,005.73</b>        |

## NOTES

to the consolidated financial statements (contd.)

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

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| (Outstanding from due date of payment / from date of transaction) |                        |                        |
| <b>(i) MSME</b>   |                        |                        |
| Less than 1 year  | 450.66                 | 267.82                 |
| 1-2 years   | 21.27                  | -                      |
| 2-3 years   | 37.50                  | -                      |
| More than 3 years   | -                      | -                      |
|   | <b>509.43</b>          | <b>267.82</b>          |
| <b>(ii) Others</b>  |                        |                        |
| Less than 1 year  | 622.31                 | 737.91                 |
| 1-2 years   | 18.22                  | -                      |
| 2-3 years   | 3.26                   | -                      |
| More than 3 years   | -                      | -                      |
|   | <b>643.79</b>          | <b>737.91</b>          |
| <b>(iii) Disputed dues - MSME</b>                                 |                        |                        |
| Less than 1 year  | -                      | -                      |
| 1-2 years   | -                      | -                      |
| 2-3 years   | -                      | -                      |
| More than 3 years   | -                      | -                      |
|   | -                      | -                      |
| <b>(iv) Disputed dues - Others</b>                                |                        |                        |
| Less than 1 year  | -                      | -                      |
| 1-2 years   | -                      | -                      |
| 2-3 years   | -                      | -                      |
| More than 3 years   | -                      | -                      |
|   | -                      | -                      |
| <b>(v) Accruals</b>   |                        |                        |
| Less than 1 year  | -                      | -                      |
| 1-2 years   | -                      | -                      |
| 2-3 years   | -                      | -                      |
| More than 3 years   | -                      | -                      |
|   | -                      | -                      |
|   | <b>1,153.22</b>        | <b>1,005.73</b>        |

## NOTES

to the consolidated financial statements (contd.)

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

### 22. Other current financial liabilities

|                              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------|------------------------|------------------------|
| Employee benefits payable    | 102.16                 | 69.68                  |
| Audit fees payable           | 1.65                   | 0.90                   |
| Legal fees payable           | 2.17                   | 2.17                   |
| Electricity expenses payable | 26.39                  | 28.24                  |
| Expenses payable             | 1.79                   | 46.56                  |
| Interest payable             | 10.50                  | 8.33                   |
|                              | <b>144.67</b>          | <b>155.88</b>          |

### 23. Other current liabilities

|  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Statutory dues payable                 | 63.84                  | 26.17                  |
| Advance received from customers        | 8.55                   | -                      |
| Loans and Advances Repayable on Demand | 24.29                  | -                      |
|  | <b>96.68</b>           | <b>26.17</b>           |

### 24. Provisions - Current

|                                | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------|------------------------|------------------------|
| Provision for gratuity         | 10.85                  | 9.67                   |
| Provision for leave encashment | 12.01                  | 9.97                   |
| Provision for Income Tax       | 9.46                   | 2.91                   |
| Other Provisions               | 30.21                  | 1.80                   |
|                                | <b>62.53</b>           | <b>24.35</b>           |

### 25. Revenue from operations

|                                   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|-----------------------------------|---------------------------------------|---------------------------------|
| <b>Sales of goods</b>             | 8,005.97                              | 8,355.18                        |
| Sale of services (Labour charges) | 543.70                                | 564.17                          |
| <b>Other non operating income</b> |                                       |                                 |
| Sale of Scrap                     | 439.53                                | 366.64                          |
| Cash discount received            | 39.34                                 | 37.75                           |
|                                   | <b>9,028.54</b>                       | <b>9,323.74</b>                 |

## NOTES

to the consolidated financial statements (contd.)

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

### 26. Other income

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| <b>Interest</b>  |                                       |                                 |
| Interest on Deposits   | 0.75                                  | 2.31                            |
| Others   | 1.94                                  | 0.18                            |
| Profit on Sale of Assets   | -                                     | 405.72                          |
| Commision income on corporate guarantee  | -                                     | 1.55                            |
| Fair valuation gain/loss on instruments measured at fair value through profit and loss | -                                     | -                               |
| Dividend on shares   | 0.98                                  | 0.33                            |
| Interest accrued income- IND AS notional   | 10.41                                 | -                               |
| Exchange Gain  | 1.26                                  | -                               |
| Incentives and Export Duty Draw Back (DBK Recd)  | 46.48                                 | -                               |
| Others   | 0.68                                  | (0.01)                          |
|  | <b>62.51</b>                          | <b>410.08</b>                   |

### 27. Cost of materials consumed

|                           | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---------------------------|---------------------------------------|---------------------------------|
| Opening inventory         | 956.46                                | 668.51                          |
| Purchases during the year | 5,874.37                              | 6,170.23                        |
| Freight & Octroi          | 31.60                                 | 34.67                           |
| Closing inventory         | (1,452.70)                            | (722.51)                        |
|                           | <b>5,409.72</b>                       | <b>6,150.90</b>                 |

### 28. Changes in inventories of finished goods and work-in-progress

|                          | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--------------------------|---------------------------------------|---------------------------------|
| Opening Work-in-Progress | 361.50                                | 169.37                          |
| Closing Work-in-Progress | (177.75)                              | (201.70)                        |
|                          | <b>183.76</b>                         | <b>(32.33)</b>                  |



## NOTES

to the consolidated financial statements (contd.)

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

### 29. Employee benefits expense

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| Salaries and Wages                               | 1,067.96                              | 963.02                          |
| Bonus and Incentives                             | 62.40                                 | 39.68                           |
| Gratuity paid                                    | 11.37                                 | 7.24                            |
| Employer's Contribution & Administrative Charges | 43.21                                 | 34.56                           |
| Esic : Employer's Contribution                   | 5.16                                  | 4.75                            |
| Welfare Fund Deducted                            | 0.11                                  | 0.08                            |
| Staff Welfare                                    | 15.38                                 | 9.79                            |
| Leave Encashment                                 | 4.77                                  | 3.25                            |
| Directors Remuneration                           | 34.02                                 | 34.05                           |
| Employee Mediciam Policy                         | -                                     | 0.24                            |
|  | <b>1,244.39</b>                       | <b>1,096.65</b>                 |

### 30. Finance costs

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| Interest on Term Loan                                  | 152.45                                | 70.38                           |
| Interest on Cash Credit, Bill Discounting              | 145.50                                | 84.68                           |
| Interest on Unsecured Loans and Deposits               | 27.32                                 | 39.92                           |
| Interest on corporate guarantee                        | -                                     | 1.43                            |
| Interest on unwinding lease liabilities                | 26.34                                 | 34.65                           |
| Bank Charges   | 10.32                                 | 17.87                           |
| Interest on Income Tax                                 | 0.17                                  | 0.76                            |
| Fair value adjustments through Profit and Loss account | 24.17                                 | -                               |
|  | <b>386.27</b>                         | <b>249.69</b>                   |

### 31. Depreciation and amortisation

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| Depreciation of property, plant and equipment (refer note 2) | 642.36                                | 382.80                          |
| Depreciation of intangible assets (refer note 4)             | -                                     | 5.08                            |
| Depreciation of right-of-use asset (refer note 2)            | 23.39                                 | 26.36                           |
|  | <b>665.75</b>                         | <b>414.24</b>                   |

## NOTES

to the consolidated financial statements (contd.)

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

### 32. Other expenses

|   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| <b>Manufacturing Expenses</b>                               |                                       |                                 |
| Power and Fuel  | 407.71                                | 366.09                          |
| Repairs to Machinery  | 167.48                                | 203.22                          |
| Job work and labour charges                                 | 279.90                                | 208.49                          |
| Lease Rental  | 4.71                                  | 4.95                            |
| Packing Material  | 122.13                                | 144.66                          |
| <b>Water Charges</b>  | 1.83                                  |                                 |
| Sales, administration and other expenses                    |                                       |                                 |
| Advertisement   | 1.95                                  | 1.57                            |
| Audit Fees  | 4.55                                  | 2.02                            |
| Conveyance and Travelling                                   | 24.19                                 | 13.47                           |
| Insurance   | 14.11                                 | 13.52                           |
| Interest paid on Govt. Dues                                 | 2.05                                  | -                               |
| Custom Clearing Charges                                     | 3.19                                  | -                               |
| Legal and Professional Fees                                 | 29.39                                 | 37.48                           |
| Legal Expenses  | 5.30                                  | 10.83                           |
| Office Expenses   | 57.72                                 | 34.54                           |
| Postage and Courier   | 0.20                                  | 0.09                            |
| Printing and Stationary                                     | 8.59                                  | 7.32                            |
| Profession Tax  | 0.05                                  | 0.05                            |
| Rates and Taxes   | 7.16                                  | 3.92                            |
| Repairs and Maintenance                                     | 13.28                                 | 11.38                           |
| Sales Promotion, entertainment and Ceremony expenditure     | 1.83                                  | 0.45                            |
| Security Charges  | 35.51                                 | 23.81                           |
| Housekeeping Expenses                                       | 31.24                                 | 21.72                           |
| Subscription and contribution                               | 7.80                                  | 4.97                            |
| Transport Charges   | 51.72                                 | 29.58                           |
| Round Off   | 0.00                                  | 0.02                            |
| Telephone Expenses  | 1.52                                  | 1.78                            |
| Water Charges   | 10.72                                 | 9.53                            |
| Foreign Currency Gain/Loss                                  | (5.95)                                | (0.76)                          |
| Accounts / Liability Written Back                           | 0.84                                  | 4.98                            |
| Donations   | 0.03                                  | -                               |
| Director Sitting Fees                                       | 1.60                                  | 4.60                            |
| Loss on Sell of Asset                                       | 2.39                                  | -                               |
| Service Charges   | 4.41                                  | -                               |
|   | <b>1,299.18</b>                       | <b>1,164.28</b>                 |
| <b>Payment to auditor (excluding goods and service tax)</b> |                                       |                                 |
| <b>As auditor</b>   |                                       |                                 |
| Statutory audit fees and Tax audit Fees                     | 4.25                                  | 2.02                            |
|   | <b>4.25</b>                           | <b>2.02</b>                     |

## NOTES

to the consolidated financial statements (contd.)

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

### 33. Taxes

#### a) Statement of profit or loss

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| <b>Current tax:</b>  |                                       |                                 |
| Current income tax charge                                      | 19.94                                 | 108.57                          |
| Tax in respect of earlier years                                | -                                     | -                               |
| Deferred tax   | (105.65)                              | 43.01                           |
| MAT credit entitlement AND Utilisation                         | (22.05)                               | 13.39                           |
| Income tax expense reported in the statement of profit or loss | <b>(107.75)</b>                       | <b>164.97</b>                   |

#### b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the year

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| <b>Current tax:</b>  |                                       |                                 |
| Taxes on equity instruments through other comprehensive income |                                       |                                 |
| <b>Deferred tax</b>  |                                       |                                 |
| Remeasurements gains and losses on post employment benefits    | 0.31                                  | (0.95)                          |
| Taxes on equity instruments through other comprehensive income |                                       |                                 |
| Income tax recognised in OCI                                   | <b>0.31</b>                           | <b>(0.95)</b>                   |

#### c) Balance sheet

Tax assets

|                         | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------|------------------------|------------------------|
| Non-current tax assets  | 27.29                  | 15.31                  |
| Current tax assets      | -                      | -                      |
| <b>Total tax assets</b> | <b>27.29</b>           | <b>15.31</b>           |

Current tax liabilities

|                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Income tax (net of provision)        | -                      | 1.78                   |
| <b>Total current tax liabilities</b> | <b>-</b>               | <b>1.78</b>            |

## NOTES

to the consolidated financial statements (contd.)

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

### d) Deferred tax

|   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Deferred tax liability (DTL)</b>   |                        |                        |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | 151.69                 | 175.42                 |
| Tax law over depreciation / amortisation provided in books of account                     | -                      | -                      |
| Goodwill  | -                      | -                      |
| Borrowings  | 3.68                   | 3.74                   |
| Unsecured borrowings  | 0.00                   | 0.00                   |
| Mutual Funds  |                        |                        |
| Leases  | 55.67                  | 44.60                  |
|   | <b>211.04</b>          | <b>223.76</b>          |
| <b>Deferred tax asset (DTA)</b>   |                        |                        |
| MAT credit entitlement  | (81.20)                | (59.15)                |
| Transaction costs   |                        |                        |
| Gratuity  | (4.21)                 | (2.90)                 |
| Deferred tax on brought forward losses  | (137.65)               | 0.00                   |
| Leave encashment  | (3.34)                 | (2.77)                 |
| Corporate guarantee   | 0.00                   | 0.00                   |
| Borrowings  | -                      | -                      |
| Dissallowance of PT   | 0.06                   |                        |
|   | (226.34)               | (64.82)                |
| <b>Net deferred tax liability/(asset)</b>   | <b>(15.30)</b>         | <b>158.94</b>          |

### e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| Accounting profit before tax   | (100.14)                              | 686.96                          |
| <b>Tax as per IT Act on above @ 27.82% (Prev. year - 27.82%) (A)</b> | <b>(27.86)</b>                        | <b>191.11</b>                   |
| <b>Tax expenses</b>  |                                       |                                 |
| (i) Current tax  | 19.94                                 | 108.57                          |
| (ii) Deferred tax  | (105.65)                              | 43.01                           |
| (iii) MAT credit entitlement   | (22.05)                               | 13.39                           |
| (iv) Taxation in respect of earlier years                            | -                                     | -                               |
|  | <b>(107.75)</b>                       | <b>164.97</b>                   |
| <b>Difference (B)</b>  | <b>(107.75)</b>                       | <b>164.97</b>                   |
| <b>Difference (C)</b>  | <b>79.89</b>                          | <b>26.14</b>                    |

## NOTES

to the consolidated financial statements (contd.)

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

|  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| <b>Tax reconciliation</b>  |                                       |                                 |
| <b>Adjustments:</b>  |                                       |                                 |
| Ind AS transition impacts on MAT computations (1/5th)                      | 7.58                                  | 7.58                            |
| MAT credit written off   |                                       |                                 |
| Set-off of brought forward losses  | -                                     | (15.95)                         |
| Tax expenses accounted as no effect of Timing differences on MAT liability |                                       |                                 |
| Tax rate difference on book profit as per Minimum Alternate Tax            | -                                     | 7.76                            |
| Corporate Guarantee  |                                       |                                 |
| Others   | (87.46)                               | (25.53)                         |
|  | 0.00                                  | 0.00                            |

### f) Movement in temporary differences:

|   | 01 April<br>2022 | Recognised<br>in profit or<br>loss during<br>the year | Recognised<br>in OCI<br>during<br>the year | 31 March<br>2023 | Recognised<br>in profit or<br>loss during<br>the year | Recognised<br>in OCI<br>during<br>the year | Movement<br>in Balance<br>sheet | 31 March<br>2024 |
|---|------------------|---|--|------------------|---|--|---------------------------------|------------------|
| <b>Deferred tax liability (DTL)</b>   |                  |   |  |                  |   |  |                                 |                  |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | 166.99           | 8.44  | -  | 175.68           | 22.52   | -  | 46.25                           | 151.69           |
| Tax law over depreciation / amortisation provided in books of account                     | -                | -   | -  | -                | -   | -  | -                               | -                |
| Borrowings  | (0.22)           | 3.95  | -  | 3.74             | (0.06)  | -  | -                               | 3.68             |
| Gratuity  | (3.31)           | (0.55)  | 0.95                                       | (2.90)           | (1.31)  | -  | -                               | (4.21)           |
| Deferred Tax Asset B/ F Loss (Asset)  | (23.45)          | 23.45   | -  | 0.00             | (137.65)  | -  | -                               | (137.65)         |
| Leave Encashment Provision  | (2.59)           | (0.18)  | -  | (2.77)           | (0.57)  | -  | -                               | (3.34)           |
| Borrowings  | -                | -   | -  | -                | -   | -  | -                               | -                |
| Unsecured borrowings  | 10.38            | (10.17)   | -  | -                | 0.00  | -  | -                               | 0.00             |
| Mutual Funds  | -                | -   | -  | -                | 0.31  | (0.31)                                     | -                               | -                |
| Leases  | 25.87            | 18.73   | -  | 44.60            | 11.06   | -  | -                               | 55.67            |
| Equity accounting for associate   | -                | -   | -  | -                | -   | -  | -                               | -                |
| MAT credit entitlement  | (71.87)          | 12.72   | -  | (59.15)          | (22.05)   | -  | -                               | (81.20)          |
| Corporate guarantee   | (0.01)           | 0.01  | -  | -                | -   | -  | -                               | -                |
| Remeasurements gains and losses on post employment benefits                               | -                | -   | -  | -                | -   | -  | -                               | -                |
| Taxes on equity instruments through other comprehensive income                            | -                | -   | -  | -                | -   | -  | -                               | -                |
| Dissallowance on PT   | -                | -   | -  | -                | 0.06  | -  | -                               | 0.06             |
|   | <b>101.79</b>    | <b>56.41</b>  | <b>0.95</b>                                | <b>159.20</b>    | <b>(127.69)</b>                                       | <b>(0.31)</b>                              | <b>46.25</b>                    | <b>(15.30)</b>   |
|   |                  | 56.41   | 0.95                                       | 159.20           | (127.69)  | (0.31)                                     | -                               | (15.31)          |
|   |                  | 0.00  | -  | (0.00)           | 0.01  | -  | -                               | 0.01             |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the

## NOTES

to the consolidated financial statements (contd.)

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

deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry - forwards become deductible. The Company considers the expected reversal of deferred tax assets, projected future taxable income including COVID - 19 in making this assessment.

### 34. Earnings Per Share

| Particulars   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| Profit / (Loss) attributable to equity shareholders                   | 6.81                                  | 521.98                          |
| Basic Earnings Per Share  |                                       |                                 |
| Weighted average number of equity shares outstanding during the year* | 1,09,89,885                           | 1,05,62,400                     |
| Basic EPS (Rs.)   | 0.062                                 | 4.94                            |
| Diluted Earnings Per Share  |                                       |                                 |
| Weighted average number of equity shares outstanding for diluted EPS* | 1,09,89,885                           | 1,05,62,400                     |
| Diluted EPS (Rs.)   | 0.06                                  | 4.94                            |

### 35. Contingent liabilities:

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Pending litigation under Income Tax Act                      | 14.42                  | 14.42                  |
| Pending Appeal before GST appeals against E Way Bill Penalty | 11.11                  | -                      |
|  | <b>25.53</b>           | <b>14.42</b>           |

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

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| The amount remaining unpaid to micro and small suppliers as at the end of each accounting year  |                        |                        |
| - Principal   | 509.72                 | 267.82                 |
| - Interest  | Nil                    | Nil                    |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006   | Nil                    | Nil                    |
| The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.  | Nil                    | Nil                    |
| The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.  | Nil                    | Nil                    |
| The amount of interest accrued and remaining unpaid at the end of the accounting year.  | Nil                    | Nil                    |
| The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | Nil                    | Nil                    |

### 37. Corporate social responsibility

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



## NOTES

to the consolidated financial statements (contd.)

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

### 38. Related Party Disclosures

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

|   |                                  |
|---|----------------------------------|
| <b>Subsidiary company</b>                   | Wonder Precision Private Limited |
|   | Preciso Metall Private Limited   |
| <b>Associate company</b>                    | Kranti SFCI Private Limited      |
| <b>Key Management Personnel (KMP)</b>       | Mr. Sachin Vora                  |
|   | Mr. Sumit Vora                   |
|   | Mrs. Sheela Dhawale              |
|   | Mr. Bhavesh Selarka              |
| <b>Relative of Key Management Personnel</b> | Smt. Indubala Vora               |
|   | Mrs. Sarika Sachin Vora          |
|   | Mrs. Lushita Sumit Vora          |
| <b>Other relative parties</b>               | Kranti Industries EGGLAS         |
|   | Suparsh Engineering              |

#### (b) Related party transactions:

| Sr. No. | Nature of Transaction                                      | 31 March 2024  |              |                       |               | 31 March 2023  |              |                       |               |
|---------|--|--|--------------|-----------------------|---------------|--|--------------|-----------------------|---------------|
|         |  | Key Management Personnel (KMP)/ Relative of Key Management Personnel | Associates   | Other related parties | Total         | Key Management Personnel (KMP)/ Relative of Key Management Personnel | Associates   | Other related parties | Total         |
|         | Remuneration to Key Managerial persons                     |  |              |                       |               |  |              |                       |               |
|         | Short-term employee benefits                               | 66.93  |              |                       | 66.93         | 75.10  | -            | -                     | 75.10         |
|         | Post employment benefits                                   |  |              |                       | -             | -  | -            | -                     | -             |
|         | Other long-term employee benefits                          |  |              |                       | -             | -  | -            | -                     | -             |
|         | Termination benefits                                       |  |              |                       | -             | -  | -            | -                     | -             |
|         | Share based payments                                       |  |              |                       | -             | -  | -            | -                     | -             |
|         | Purchase of material & job charges                         |  | 18.99        | 61.46                 | 80.45         | -  | 9.31         | 60.49                 | 69.80         |
|         | Purchase of Fixed Assets                                   |  |              |                       | -             | -  | -            | -                     | -             |
|         | Advances given to the Associates Company                   |  |              |                       | -             | -  | 20.00        |                       | 20.00         |
|         | Loans amount accepted from related parties during the year |  | 20.00        |                       | 20.00         | 142.00   | -            |                       | 142.00        |
|         | Sale of machines   |  |              |                       | -             | -  | -            | -                     | -             |
|         | Gratuity premium paid                                      |  |              |                       | -             | -  | 0.35         |                       | 0.35          |
|         | Director Sitting Fees Paid to Directors                    |  |              |                       | -             | -  | -            | -                     | -             |
|         | Loans amount repaid to the related parties during the year | 13.00  |              |                       | 13.00         |  |              |                       |               |
|         | Interest Paid  | 35.84  |              |                       | 35.84         |  |              |                       |               |
|         | Gratuity premium paid                                      |  |              | 5.00                  | 5.00          |  |              |                       |               |
|         |  | <b>115.77</b>  | <b>38.99</b> | <b>66.46</b>          | <b>221.22</b> | <b>217.10</b>  | <b>29.31</b> | <b>60.85</b>          | <b>307.26</b> |

## NOTES

to the consolidated financial statements (contd.)

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

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

| Particulars                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| a. Loans taken from related parties         | 454.00                 | 467.00                 |
| b. Trade Payables as on date Related Party  | 5.55                   | 2.43                   |
| c. Advances given to the Associates Company | -                      | 20.00                  |

### 39. Financial risk management

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

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

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

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

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

#### (a) Credit risk

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

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

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

#### (b) Liquidity risk

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

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

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

## NOTES

to the consolidated financial statements (contd.)

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

| Particulars                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------|------------------------|------------------------|
| Total current assets (A)      | 3,290.34               | 2,170.58               |
| Total current liabilities (B) | 2,857.48               | 2,609.10               |
| <b>Working capital (A-B)</b>  | <b>432.86</b>          | <b>-438.52</b>         |

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

|                   | 31 March 2024          |                  |                  |          |
|-------------------|------------------------|------------------|------------------|----------|
|                   | Contractual cash flows |                  |                  |          |
|                   | Carrying value         | Less than 1 year | More than 1 year | Total    |
| Borrowings        | 3,898.61               | 1,326.04         | 2,572.57         | 3,898.61 |
| Trade payables    | 1,153.22               | 1,072.98         | 80.25            | 1,153.22 |
| Lease liabilities | 200.19                 | 74.34            | 125.85           | 200.19   |
| Other liabilities | 245.62                 | 241.35           | 4.27             | 245.62   |

|                   | 31 March 2023          |                  |                  |          |
|-------------------|------------------------|------------------|------------------|----------|
|                   | Contractual cash flows |                  |                  |          |
|                   | Carrying value         | Less than 1 year | More than 1 year | Total    |
| Borrowings        | 2,973.62               | 1,326.77         | 1,646.85         | 2,973.62 |
| Trade payables    | 1,005.73               | 1,005.73         | -                | 1,005.73 |
| Lease liabilities | 270.39                 | 70.20            | 200.19           | 270.39   |
| Other liabilities | 182.80                 | 182.05           | 0.75             | 182.80   |

### (c) Interest rate risk:

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

### (d) Market risk

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

## 40. Capital management

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

The Company's objectives when managing capital are to :

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

## NOTES

to the consolidated financial statements (contd.)

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

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

| Particulars                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Total liabilities                                 | 5,560.17               | 4,616.09               |
| Less: cash and cash equivalents and bank balances | 11.36                  | 270.76                 |
| <b>Net debt</b>                                   | <b>5,548.81</b>        | <b>4,345.33</b>        |
| <b>Total equity</b>                               | <b>3,584.48</b>        | <b>2,742.07</b>        |
| <b>Debt-equity ratio</b>                          | <b>154.80%</b>         | <b>158.47%</b>         |

## 41. Fair value measurements

### (a) Categories of financial instruments -

| Nature of Transaction              | 31 March 2024 |             |                | 31 March 2023 |              |                |
|------------------------------------|---------------|-------------|----------------|---------------|--------------|----------------|
|                                    | FVTPL         | FVTOCI      | Amortised cost | FVTPL         | FVTOCI       | Amortised cost |
|                                    | Level 1       | Level 3     | Level 2        | Level 1       | Level 3      | Level 2        |
| <b>Financial assets</b>            |               |             |                |               |              |                |
| Investment                         | 0.00          | 8.30        | 0.00           | 0.00          | 42.62        | 0.00           |
| Trade receivables                  | 0.00          | 0.00        | 1404.63        | 0.00          | 0.00         | 847.84         |
| Cash and cash equivalents          | 0.00          | 0.00        | 11.36          | 0.00          | 0.00         | 270.76         |
| <b>Total financial assets</b>      | <b>-</b>      | <b>8.30</b> | <b>1416.81</b> | <b>0.00</b>   | <b>42.62</b> | <b>1118.60</b> |
| <b>Financial liabilities</b>       |               |             |                |               |              |                |
| Borrowings                         | 0.00          | 0.00        | 3898.61        | 0             | 0.00         | 2973.62        |
| Lease liabilities                  | 0.00          | 0.00        | 74.34          | 0             | 0.00         | 270.38         |
| Trade payables                     | 0.00          | 0.00        | 1153.22        | 0             | 0.00         | 1005.73        |
| Other financial liabilities        | 0.00          | 0.00        | 144.67         | 0             | 0.00         | 155.88         |
| <b>Total financial liabilities</b> | <b>0.00</b>   | <b>0.00</b> | <b>5270.83</b> | <b>0.00</b>   | <b>0.00</b>  | <b>4405.62</b> |

### (b) Fair value hierarchy:

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

(c) Investment in subsidiaries and associates is accounted at cost in accordance with Ind AS 27 - "Separate financial statements". Accordingly such investments are not recorded at fair value.

## 42. Post-employment benefit plans

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

### A. Defined Contribution Plans

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

| Particulars  | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|--|---------------------------------------|---------------------------------|
| Employer's contribution to provident fund and ESIC | 48.38                                 | 39.31                           |

## NOTES

to the consolidated financial statements (contd.)

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

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

### B. Defined Benefit Plans

#### Gratuity

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

#### Liability Risks

- Asset-Liability mismatch risk-** Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.
- Discount rate risk-** Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.
- Future salary escalation and inflation risk -** Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

#### Net employee benefit expense on account of gratuity recognised in employee benefit expenses

| Particulars                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------|------------------------|------------------------|
| Current service cost           | 10.08                  | 9.03                   |
| Net interest (Income)/ Expense | 0.42                   | 0.38                   |
| <b>Net benefit expense</b>     | <b>10.50</b>           | <b>9.41</b>            |

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

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Projected benefit obligation at the beginning of the year | 78.61                  | 73.91                  |
| Interest cost   | 5.79                   | 5.28                   |
| Current service cost                                      | 10.08                  | 9.03                   |
| Actuarial (gain)/ loss on obligations                     | 0.17                   | (4.68)                 |
| Benefits paid   | (6.17)                 | (4.93)                 |
| <b>Present value of obligation at the end of the year</b> | <b>88.49</b>           | <b>78.61</b>           |

## NOTES

to the consolidated financial statements (contd.)

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

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

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Fair value of plan assets at the beginning of the year</b>                         | <b>68.19</b>           | <b>64.19</b>           |
| Interest income   | 5.37                   | 4.90                   |
| Contributions   | 5.35                   | 0.35                   |
| Mortality charges and taxes   | -                      | -                      |
| Benefits paid   | (4.60)                 | -                      |
| Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | (0.93)                 | (1.26)                 |
| <b>Fair value of Plan assets at end of the year</b>                                   | <b>73.37</b>           | <b>68.19</b>           |
| Actual return on plan assets  | 4.44                   | 3.65                   |

#### Amount recognised in the statement of other comprehensive income

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Re-measurement for the year - obligation (gain) / loss   | 1.10                   | (3.43)                 |
| Re-measurement for the year - plan assets (gain) / loss  | -                      | -                      |
| <b>Total re-measurements cost / (credit) for the year recognised in other comprehensive income</b> | <b>1.10</b>            | <b>(3.43)</b>          |

#### Net Defined Benefit Liability/(Asset) for the year

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Defined benefit obligation                           | 88.49                  | 78.61                  |
| Fair value of plan assets                            | 73.37                  | 68.19                  |
| <b>Closing net defined benefit liability/(asset)</b> | <b>15.12</b>           | <b>10.42</b>           |
| Current  | 10.85                  | 9.67                   |
| Non-Current  | 4.27                   | 0.75                   |

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

| Nature of plan assets    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------|------------------------|------------------------|
| Funds managed by insurer | 100%                   | 100%                   |



## NOTES

to the consolidated financial statements (contd.)

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

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

### Assumptions

| Particulars  | As at           | As at           |
|--|-----------------|-----------------|
|  | 31 March 2024   | 31 March 2023   |
|  | %               | %               |
| Mortality table  | IALM (2012- 14) | IALM (2012- 14) |
| Discount rate  | 7.20%           | 7.50%           |
| Rate of increase in compensation levels                          | 5.00%           | 5.00%           |
| Expected rate of return on plan assets                           | 7.30%           | 7.50%           |
| Withdrawal rate #  |                 |                 |
| Age 25 & below 25  | 3.00%           | 3.00%           |
| Age 25- 35 years   | 2.00%           | 2.00%           |
| Age 35 - 45 years  | 1.00%           | 1.00%           |
| Age 45 - 55 years  | 1.00%           | 1.00%           |
| Age 55 years & Above   | 1.00%           | 1.00%           |
| Expected average remaining working lives of employees (in years) | 15.97*          | 16.55 *         |

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

# Assumption has been revised by the Company based on their past experience and future expectations

**A quantitative sensitivity analysis for significant assumption is as shown below:**

| Assumptions                                | Defined benefit obligation |                 |                 |                 |
|--|----------------------------|-----------------|-----------------|-----------------|
|  | 31 March 2024              |                 | 31-Mar-23       |                 |
|  | Increase by 1 %            | Decrease by 1 % | Increase by 1 % | Decrease by 1 % |
| <b>Discount Rate</b>                       |                            |                 |                 |                 |
| Discount Rate                              | 8.20%                      | 6.50%           | 8.50%           | 6.50%           |
| Amount                                     | 77                         | 103             | 68              | 91              |
| <b>Salary increment Rate</b>               |                            |                 |                 |                 |
| Salary increment Rate                      | 6.00%                      | 4.00%           | 6.00%           | 4.00%           |
| Amount                                     | 102                        | 77              | 90              | 69              |
| <b>Impact of change in withdrawal Rate</b> |                            |                 |                 |                 |
| Withdrawal Rate                            | 4.00%                      | 2.00%           | 4.00%           | 2.00%           |
| Amount                                     | 89                         | 88              | 79              | 79              |

**Expected contribution for the next Annual reporting period.**

The Company intends to contribute Rs. 10,84,619 (Last Year 9,67,162) towards its gratuity fund in next year.

## NOTES

to the consolidated financial statements (contd.)

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

**Expected future benefit payments (Undiscounted)**

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

| Year ending 31 March 2024 | Expected benefit payment rounded of to nearest thousand |
|---------------------------|---|
| 0 to 1 Year               | 3   |
| 1 to 2 Year               | 2   |
| 2 to 3 Year               | 2   |
| 3 to 4 Year               | 5   |
| 4 to 5 Year               | 2   |
| 6 to 10 Year              | 20  |

**43. Revenue from contracts with customers**

### A. Revenue streams

| Particulars                       | For the period ended 31 March 2024 | For Year ended 31 March 2023 |
|-----------------------------------|------------------------------------|------------------------------|
| <b>Revenue from operations</b>    |                                    |                              |
| Sales of goods                    | 8,005.97                           | 8,355.18                     |
| Sale of services (Labour charges) | 543.70                             | 564.17                       |
| <b>Other non operating income</b> |                                    |                              |
| Sale of Scrap                     | 439.53                             | 366.64                       |
| Cash discount received            | 39.34                              | 37.75                        |
| Transport Charges Recovered       | -                                  | -                            |
|                                   | <b>9,028.54</b>                    | <b>9,323.74</b>              |

| Particulars                          | For the period ended 31 March 2024 | For Year ended 31 March 2023 |
|--------------------------------------|------------------------------------|------------------------------|
| <b>Timing of revenue recognition</b> |                                    |                              |
| At point in time                     | 8,484.84                           | 8,759.57                     |
| Over the period in time              | 543.70                             | 564.17                       |
| <b>Total revenue</b>                 | <b>9,028.54</b>                    | <b>9,323.74</b>              |

**44. Leases**

### A. As a lessee

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

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

### B. As a lessor

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

## NOTES

to the consolidated financial statements (contd.)

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

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

### C. Impacts on financial statements

#### A1. Lease liabilities

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------|------------------------|------------------------|
| Current      | 74.34                  | 70.20                  |
| Non Current  | 125.85                 | 200.19                 |
| <b>Total</b> | <b>200.19</b>          | <b>270.39</b>          |

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Maturity Analysis - Contractual undiscounted cash flow</b> |                        |                        |
| Less than 1 Year  | 74.34                  | 70.20                  |
| More than 1 Year  | 125.85                 | 200.19                 |
| <b>Total</b>  | <b>200.19</b>          | <b>270.39</b>          |

#### A2. Amount recognised in statement of profit & loss

| Particulars                                   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| <b>Interest expenses on lease liabilities</b> |                                       |                                 |
| Interest on lease liabilities                 | 26.34                                 | 34.65                           |

| Particulars   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| <b>Expenses on short-term leases / low value assets</b> |                                       |                                 |
| Short-term lease  | 4.71                                  | 4.95                            |
| Low value assets  | -                                     | -                               |

| Particulars   | For the period ended<br>31 March 2024 | For Year ended<br>31 March 2023 |
|---|---------------------------------------|---------------------------------|
| <b>Amounts recognised in the statement of cash flow</b> |                                       |                                 |
| Principle Amount  | (70.20)                               | (77.79)                         |
| Unwinding of interest on lease liabilities              | (26.34)                               | (34.65)                         |
| Total cash outflow for leases                           | (96.54)                               | (112.44)                        |

## NOTES

to the consolidated financial statements (contd.)

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

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

| Name of the entity                            | Net Assets, i.e. total assets minus total liabilities |                 | Share of profit or loss             |              | Share in other comprehensive income             |               | Share in total comprehensive income             |              |
|---|---|-----------------|-------------------------------------|--------------|---|---------------|---|--------------|
|   | As % of consolidated net assets                       | Amount          | As % of consolidated profit or loss | Amount       | As % of consolidated other comprehensive income | Amount        | As % of consolidated total comprehensive income | Amount       |
| <b>Parent</b>                                 |   |                 |                                     |              |   |               |   |              |
| Kranti Industries Limited                     | 90.32%  | 3,288.79        | 135.42%                             | 76.14        | 100.00%   | (0.79)        | 135.93%   | 75.35        |
| <b>Subsidiaries</b>                           |   |                 |                                     |              |   |               |   |              |
| <b>Indian</b>                                 |   |                 |                                     |              |   |               |   |              |
| Wonder Precision Private Limited              | 8.42%   | 306.74          | 65.76%                              | 36.97        | 0.00%   | -             | 66.70%  | 36.97        |
| Preciso Metall Private Limited                | 1.26%   | 45.77           | -101.18%                            | (56.89)      | 0.00%   | -             | -102.63%  | (56.89)      |
| <b>Associates</b>                             |   |                 |                                     |              |   |               |   |              |
| Kranti SFCI Private Limited                   | 0.00%   | -               | 0.00%                               | -            | 0.00%   | -             | 0.00%   | -            |
| Non-controlling interests in all subsidiaries | 0.00%   |                 | 0.00%                               |              | 0.00%   | -             | 0.00%   | -            |
| <b>Total</b>                                  | <b>100.00%</b>  | <b>3,641.29</b> | <b>100.00%</b>                      | <b>56.23</b> | <b>100.00%</b>                                  | <b>(0.79)</b> | <b>100.00%</b>                                  | <b>55.43</b> |
| Adjustments arising out of consolidation      |   | (53.71)         |                                     | (49.41)      |   | -             |   | (49.41)      |
| <b>As at 31 March 2024</b>                    |   | <b>3,587.58</b> |                                     | <b>6.81</b>  |   | <b>(0.79)</b> |   | <b>6.02</b>  |

| Name of the entity                            | Net Assets, i.e. total assets minus total liabilities |                 | Share of profit or loss             |               | Share in other comprehensive income             |             | Share in total comprehensive income             |               |
|---|---|-----------------|-------------------------------------|---------------|---|-------------|---|---------------|
|   | As % of consolidated net assets                       | Amount          | As % of consolidated profit or loss | Amount        | As % of consolidated other comprehensive income | Amount      | As % of consolidated total comprehensive income | Amount        |
| <b>Parent</b>                                 |   |                 |                                     |               |   |             |   |               |
| Kranti Industries Limited                     | 90.01%  | 2,431.17        | 40.70%                              | 206.38        | 99.60%  | 2.48        | 40.99%  | 208.86        |
| <b>Subsidiaries</b>                           |   |                 |                                     |               |   |             |   |               |
| <b>Indian</b>                                 |   |                 |                                     |               |   |             |   |               |
| Wonder Precision Private Limited              | 9.99%   | 269.76          | 59.30%                              | 300.68        | 0.00%   | -           | 59.01%  | 300.68        |
| <b>Associates</b>                             |   |                 |                                     |               |   |             |   |               |
| Kranti SFCI Private Limited                   | 0.00%   |                 | 0.00%                               |               | 0.00%   | -           | 0.00%   | -             |
| Non-controlling interests in all subsidiaries | 0.00%   |                 | 0.00%                               |               | 0.00%   | -           | 0.00%   | -             |
| <b>Total</b>                                  | <b>100.00%</b>  | <b>2,700.93</b> | <b>100.00%</b>                      | <b>507.05</b> | <b>99.60%</b>                                   | <b>2.49</b> | <b>100.00%</b>                                  | <b>509.54</b> |
| Adjustments arising out of consolidation      |   | 41.14           |                                     | 14.94         |   | (0.01)      |   | 14.93         |
| <b>As at 31 March 2023</b>                    |   | <b>2,742.07</b> |                                     | <b>521.99</b> |   | <b>2.48</b> |   | <b>524.47</b> |

## NOTES

to the consolidated financial statements (contd.)

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

### 46. Investment in Equity accounted - Investees

Set out below are the associates of the group.

| Name of the company                | Relation  | Country of incorporation | % of ownership interest as on 31 March 2024 | % of ownership interest as on 31 March 2023 |
|------------------------------------|-----------|--------------------------|---|---|
| <b>Kranti SFCI Private Limited</b> | Associate | India                    | 30%   | 30%   |

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

#### Kranti SFCI Private Limited

| Summarised Balance Sheet                     | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| <b>Current asset</b>                         |               |               |
| Financial assets                             | 12.59         | 20.11         |
| Inventories                                  | 21.85         | 17.10         |
| Other current assets                         | 23.72         | 33.36         |
| <b>Total Non-current asset</b>               | <b>243.95</b> | <b>260.08</b> |
| <b>Current liabilities</b>                   |               |               |
| Total financial liabilities                  |               | 317.43        |
| Other current liabilities                    | 0.28          | 0.15          |
| Provisions                                   |               | -             |
| <b>Total Non-current liabilities</b>         | <b>284.28</b> | <b>289.09</b> |
| Equity                                       | (23.83)       | (33.30)       |
| Proportion of the group's ownership interest | (7.15)        | (9.99)        |
| Carrying amount of the group's interest      | -             | -             |

#### Reconciliation to carrying amounts

| Summarised Balance Sheet                              | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| <b>Opening carrying value</b>                         | -             | 4.95          |
| Profit for the year                                   | 2.84          | (4.95)        |
| OCI for the year                                      | -             | -             |
| Investment in additional equity issued / (Stake sale) | -             | -             |
| Closing carrying amount                               | -             | -             |

## NOTES

to the consolidated financial statements (contd.)

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

| Summarised statement of profit and loss                       | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| <b>Revenue</b>  | 403.43        | 177.40        |
| Other income  | 0.07          | 0.07          |
| Cost of material consumed                                     | 26.64         | 91.38         |
| Changes in inventories of finished goods and work-in-progress |               | -             |
| Employee benefit expenses                                     | 50.97         | 48.61         |
| Finance cost  | 13.69         | 23.83         |
| Depreciation and amortisation                                 | 26.02         | 29.42         |
| Other expenses  | 43.49         | 29.61         |
| <b>Profit before tax</b>                                      | 2.94          | (45.39)       |
| Deferred tax (income)/Expense                                 | (6.53)        | (24.49)       |
| <b>Profit/Loss for the year</b>                               | 9.47          | (20.90)       |
| Other comprehensive (income)/Loss                             | -             | -             |
| <b>Total comprehensive income/(loss)</b>                      | 9.47          | (20.90)       |
| Group's share of total comprehensive income for the year      | 2.84          | (6.27)        |

### 47. Ratios analysis & it's elements

| Particulars                      | 31 March 2024 | 31 March 2023 | % change from 31 March 2023 to 31 March 2024 | Reasons if % change is 25% or more  |
|----------------------------------|---------------|---------------|--|---|
| Current Ratio                    | 115%          | 83%           | -28%   | Company Acquired new subsidiary during this financial year, hence the comparison with previous year is not practical, Hence there are changes in ratios |
| Debt-Equity Ratio                | 109%          | 108%          | 0%   | Changes is less than 25%  |
| Debt Service Coverage Ratio      | 1.54          | 1.58          | 3%   | Changes is less than 25%  |
| Return on Equity Ratio           | 0%            | 19%           | 8870%  | Company Acquired new subsidiary during this financial year, hence the comparison with previous year is not practical, Hence there are changes in ratios |
| Inventory turnover ratio         | 438%          | 694%          | 59%  | Company Acquired new subsidiary during this financial year, hence the comparison with previous year is not practical, Hence there are changes in ratios |
| Trade Receivables turnover ratio | 802%          | 1253%         | 56%  | Company Acquired new subsidiary during this financial year, hence the comparison with previous year is not practical, Hence there are changes in ratios |



## NOTES

to the consolidated financial statements (contd.)

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

| Particulars                   | 31 March 2024 | 31 March 2023 | % change from 31 March 2023 to 31 March 2024 | Reasons if % change is 25% or more   |
|-------------------------------|---------------|---------------|--|--|
|                               |               |               |  |  |
| Trade payables turnover ratio | 501%          | 667%          | 33%  | Company Aquired new subsidiary during this financial year, hence the comparison with previous year is not practical, Hence there are changes in ratios   |
| Net capital turnover ratio    | 2086%         | -2126%        | -202%  | Company Aquired new subsidiary during this financial year , hence the comparison with previous year is not practical, Hence there are changes in ratios as the losses of aquired subsidiary are there in Current financial amounts |
| Net profit ratio              | 0%            | 6%            | 6545%  | Company Aquired new subsidiary during this financial year , hence the comparison with previous year is not practical, Hence there are changes in ratios as the losses of aquired subsidiary are there in Current financial amounts |
| Return on Capital employed    | 4%            | 16%           | 317%   | Company Aquired new subsidiary during this financial year , hence the comparison with previous year is not practical, Hence there are changes in ratios as the losses of aquired subsidiary are there in Current financial amounts |
| Return on investment          | 0%            | 19%           | 9964%  | Company Aquired new subsidiary during this financial year , hence the comparison with previous year is not practical, Hence there are changes in ratios as the losses of aquired subsidiary are there in Current financial amounts |

## NOTES

to the consolidated financial statements (contd.)

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

| Ratios                           | Numerator  | Denominator  | 31 March 2024 |             | 31 March 2023 |             |
|----------------------------------|--|--|---------------|-------------|---------------|-------------|
|                                  |  |  | Numerator     | Denominator | Numerator     | Denominator |
| Current Ratio                    | <b>Current assets</b>  | <b>Current liabilities</b>   | 3,290.34      | 2,857.48    | 2,170.58      | 2,609.10    |
| Debt-Equity Ratio                | <b>Debt :-</b> long term borrowings + short term borrowings  | <b>Equity :-</b> Total Equity  | 3,898.61      | 3,584.48    | 2,973.62      | 2,742.07    |
| Debt Service Coverage Ratio      | <b>Earning available for debt services :-</b> net profit before tax + non cash expenses tax (Depreciation and Amortisation) + interest expense on borrowings | <b>Interest + Installment :-</b> interest expenses on borrowings and current maturities                | 1,022.23      | 665.59      | 855.79        | 541.14      |
| Return on Equity Ratio           | Total Profit / (loss) for the period / year  | Total Equity   | 7.61          | 3,584.48    | 521.98        | 2,742.07    |
| Inventory turnover ratio         | <b>Cost of good sold :-</b> Cost of material, operation and incidental cost+ changes in inventories of stock-in-trade  | Average Inventory  | 5,593.47      | 1,277.33    | 6,118.57      | 881.05      |
| Trade Receivables turnover ratio | Revenue from operations  | Average Trade Receivables  | 9,028.54      | 1,126.23    | 9,323.74      | 744.20      |
| Trade payables turnover ratio    | Total Purchase   | Average Trade Payables   | 5,409.72      | 1,079.48    | 6,150.90      | 921.53      |
| Net capital turnover ratio       | Revenue from operations  | Working capital  | 9,028.54      | 432.86      | 9,323.74      | (438.52)    |
| Net profit ratio                 | Profit / (loss) after tax  | Revenue from operations  | 7.61          | 9,028.54    | 521.98        | 9,323.74    |
| Return on Capital employed       | <b>Earning before interest &amp; taxes (EBIT) :-</b> profit / (loss) before tax + interest expenses on financial liabilities carried at amortised cost       | <b>Capital Employed :-</b> total equity (parent+ non controlling interest) + borrowings + deferred tax | 286.12        | 7,483.08    | 936.65        | 5,874.89    |
| Return on investment             | Profit / (loss) after tax attributable to owners of the company  | Equity shareholders' fund  | 6.81          | 3,584.48    | 524.46        | 2,742.07    |

The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.

## NOTES

to the consolidated financial statements (contd.)

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

### 48. Additional Regulatory Information

#### Details of Benami Property held

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

#### Details of Loans and advances

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

#### Wilful Defaulter

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

#### Relationship with Struck off Companies

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

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

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

#### Compliance with number of layers of companies

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

#### Compliance with approved Scheme(s) of Arrangements

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

#### Discrepancy in utilization of borrowings

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

#### Utilisation of Borrowed funds and share premium:

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- 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 to or on behalf of the Ultimate Beneficiaries;

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## NOTES

to the consolidated financial statements (contd.)

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

### 49. Additional Information

#### Undisclosed income

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

#### Details of Crypto Currency or Virtual Currency

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

### 50. Operating Segment

#### A. Description of segments and principal activities

The Company's is engaged in the field of engineering products and caters to the needs of the Automobile manufacturing companies. This is considered as the single reportable segment.

#### B. Information about major customers

Revenues from two customers of the Company's automobile segments represented approximately Rs.4811.35 Lakhs (31 March 2023: Rs. 6446.96 lakhs) of the Company's total revenues.

51. Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation.

#### For and on behalf of A D V Associates

Chartered Accountants  
Firm Registration No - 128045W  
**Pratik Kabra**  
Partner  
Membership no - 611401  
UDIN: 24611401BKCKWR2753

Place : Mumbai  
Date: May 28, 2024

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

**Sachin Vora**  
Managing Director  
DIN-02002468  
Place : Pune  
Date: May 28, 2024  
**Sheela Dhawale**  
Chief Financial Officer  
Place : Pune  
Date: May 28, 2024

**Sumit Vora**  
Whole Time Director  
DIN-02002416  
Place : Pune  
Date: May 28, 2024  
**Shraddha Phule**  
Company Secretary  
Place : Pune  
Date: May 28, 2024

## NOTICE

Dated: August 16, 2024

Dear Member,

You are cordially invited to attend the 29<sup>th</sup> Annual General Meeting of the members of Kranti Industries Limited ('the Company') to be held on Thursday, September 12, 2024 at 11:30 A.M. IST at the registered office of the company situated at Gat No. 267/B/1, at Post Pirangut, Taluka-Mulshi, Pune - 412115, Maharashtra, India.

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

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

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

Sd/-  
**SHRADDHA NANDKUMAR PHULE**  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(MEMBERSHIP NO.: A67126)

Enclosures-

1. Notice of the 29th AGM along with Notes
2. Instructions for E-voting
3. Explanatory Statements
4. Form MGT-11 Proxy Form
5. Attendance Slip
6. Road Map of the Venue

## NOTICE (Contd.)

**NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINETH (29<sup>TH</sup>) ANNUAL GENERAL MEETING OF KRANTI INDUSTRIES LIMITED ("THE COMPANY") WILL BE HELD ON THURSDAY, SEPTEMBER 12, 2024 AT 11:30 A.M. (IST) AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 'GAT NO. 267/B/1, AT POST PIRANGUT, TAL. MULSHI, PUNE – 412115, MAHARASHTRA INDIA', TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS:

**ITEM NO. 1:** To receive, consider and adopt the Audited **Standalone** Financial Statements of the Company for the financial year ended **March 31, 2024** together with the Reports of Board of Directors ('the Board') and the Auditors' thereon.

**"RESOLVED THAT** the Audited **Standalone** Financial Statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

**ITEM NO. 2:** To receive, consider and adopt the Audited **Consolidated** Financial Statements of the Company for the financial year ended **March 31, 2024** together with the Report of Auditors' thereon.

**"RESOLVED THAT** the Audited **Consolidated** Financial Statements of the Company for the financial year ended March 31, 2024 and the reports of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

### ITEM NO. 3: Re-appointment of Smt. Indubala Subhash Vora (DIN: 02018226), who retires by rotation, as a Director:

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Smt. Indubala Subhash Vora (DIN: 02018226), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment, be and is hereby re-appointed as Non-Executive Director of the Company."

### ITEM NO. 4: Appointment of the Statutory Auditors of the Company:

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], as amended from time to time, and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, **M/s. GMCS & Co.**, Chartered Accountants, (Firm Registration No. 141236W) be and are hereby appointed as the Statutory Auditors of the Company for the first term of five (5) consecutive years to hold office from the conclusion of this Twenty-Ninth Annual General Meeting ('AGM') until the conclusion of the Thirty-Fourth Annual General Meeting of the Company, at such remuneration (exclusive of applicable taxes and reimbursement of out of pocket expenses), as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, from time to time."

### SPECIAL BUSINESS:

### ITEM NO. 5: Increase in Authorised Share Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company:

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

**"RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed thereunder by the Members of the Company, the consent of the Members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing ₹15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) equity shares of ₹ 10/- (Rupees Ten only) each to ₹ 25,00,00,000/- (Rupees Twenty-Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakh) equity shares of ₹ 10/- (Rupees Ten only) each, ranking *pari passu* in all respect with the existing Equity Shares of the Company as per the Memorandum of Association and Articles of Association of the Company.

**RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder, the consent of the Members of the Company be and is hereby accorded, for alteration of Capital Clause (Clause 5<sup>th</sup>) of the Memorandum of Association of the Company by substituting in its place, the following:

*"Clause 5<sup>th</sup>: The Authorised Share Capital of the Company is ₹ 25,00,00,000/- (Rupees Twenty-Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakh) shares of ₹ 10/- (Rupees Ten only) each."*

**RESOLVED FURTHER THAT** Mr. Sachin Subhash Vora (DIN: 02002468), Chairman & Managing Director and/or Mr. Sumit Subhash Vora (DIN: 02002416), Whole Time Director and/or Ms. Shraddha Nandkumar Phule, Company Secretary and



**NOTICE** (Contd.)

Compliance Officer of the Company be and are/is hereby authorised to do all such other acts, deeds, matters and things as may be considered necessary, desirable or expedite in the better interest of the Company including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

**ITEM NO. 6: Alteration in the Articles of Association of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with (including any amendment thereto or re-enactment thereof) and the Rules framed thereunder, consent of the members of the Company be and is hereby accorded for the addition of the following Article as Article Clause II (8) (A) to the Articles of Association of the Company:

*"Clause II (8) (A): The Company shall have the power, subject to the provisions of the Act and the guidelines as may be prescribed, to issue and allot warrants or other securities convertible or non-convertible into equity shares."*

**RESOLVED FURTHER THAT** Mr. Sachin Subhash Vora (DIN: 02002468), Chairman & Managing Director and/or Mr. Sumit Subhash Vora (DIN: 02002416), Whole Time Director and/or Ms. Shraddha Nandkumar Phule, Company Secretary and Compliance Officer of the Company be and are/is hereby authorised to do all such other acts, deeds, matters and things as may be considered necessary, desirable or expedite in the better interest of the Company including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

**ITEM NO. 7: Issue of Fully Convertible Warrants on Preferential Basis to certain identified persons/ entities other than promoters & promoter group:**

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

**"RESOLVED THAT** pursuant to Sections 23(1)(b), section 42, section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (**"the Act"**) and in accordance with the Foreign Exchange Management Act, 1999, read with the rules and regulations framed thereunder and as amended or restated (**"FEMA"**) and the provisions of the Memorandum of the Association and the Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (**"SEBI ICDR Regulations"**), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the **"SEBI Listing Regulations"**) and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the Ministry of Corporate Affairs, the Reserve bank of India, Securities and Exchange Board of India (**"SEBI"**) and/ or any other competent authorities (including Stock Exchanges of India), (hereinafter referred to as **"Applicable Regulatory Authorities"** and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (**"the Board"**) (which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution), the consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue, and allot on a preferential basis, in one or more tranches, up to 16,00,000 (Sixteen Lakh) Fully Convertible Warrants (hereinafter referred to as **"Warrants"**) each carrying an entitlement to subscribe to an equivalent number of Equity Shares having Face value of ₹10/- (Rupees Ten only) each at an issue price of ₹ 80/- (Rupees Eighty only) to the proposed allottee(s) as mentioned below on a preferential basis for cash in such form and manner and in accordance with the provisions of SEBI ICDR Regulations, and at a price being not less than the price determined in accordance with Chapter V of the SEBI ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval and consent from the members:

| Sr. No | Name of Applicant (Proposed Allottees)              | Number of Fully Convertible Warrants | Category of Shareholder |
|--------|---|--------------------------------------|-------------------------|
| 1      | Evolution Capital Advisory Services Private Limited | 15,00,000 (Fifteen Lakh)             | Non-Promoter/ Public    |
| 2      | Ms. Premlata Dinesh Solanki                         | 1,00,000 (One Lakh)                  | Non-Promoter/ Public    |

**RESOLVED FURTHER THAT** in accordance with SEBI ICDR Regulations, the **"Relevant Date"** for determination of the floor price of the Warrants to be issued in terms hereof, shall be, August 13, 2024, being the date 30 (Thirty) days prior to the date on which resolution is deemed to be passed in accordance with SEBI ICDR Regulations.

**NOTICE** (Contd.)

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Warrants to be allotted under the Preferential Allotment shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- Fully Convertible Warrants' subscription price equivalent to 25% of the Warrant price will be payable at the time of subscription of Warrants, as prescribed by the SEBI (ICDR) Regulations, which would be adjusted by the Company and appropriated against the Warrant price of the Equity Shares. Convertible Warrant exercise price equivalent to the 75% of the Warrant price of the equity shares shall be payable by the warrant holder(s) at the time of exercising conversion of Warrants;
- The Warrants shall be allotted within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of Warrants is subject to receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions;
- The Warrants and the Equity Shares being allotted pursuant to exercise of such Warrants shall be subject to a lock-in for such period as specified under applicable provisions of SEBI (ICDR) Regulations;
- Each Warrant is convertible into one/ equivalent Equity Share and the conversion can be exercised by warrant holder(s) at any time during the period of Eighteen (18) months from the date of allotment of Warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable;
- The Warrants proposed to be issued shall be subject to appropriate adjustment, if during the interim period, the Company makes any issue of equity shares by way of capitalization of profits or reserves, upon demerger / realignment, rights issue or undertakes consolidation / sub-division / re-classification of equity shares or such other similar events or circumstances requiring adjustments as permitted under SEBI (ICDR) Regulations and all other applicable regulations from time to time;
- The Company shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such warrant Holder to the Company in accordance with the provisions of SEBI (ICDR) Regulations;
- The Warrant holder(s) shall be entitled to exercise the option of exercising Warrants in one or more tranches by way of a written notice which shall be given to the Company, specifying the number of Warrants proposed to exercise along with the aggregate amount payable thereon, prior to or at the time of conversion. The Company shall accordingly, without any further approval from the Members of the Company, issue and allot the corresponding number of Equity Shares and perform such actions as required to credit the Equity Shares to the depository account and entering the name of allottee in the records of the Company as the registered owner of such Equity Shares;
- In the event the Warrant holder(s) does not exercise the Warrants within Eighteen (18) months from the date of allotment of the Warrants, then such Warrants shall lapse, and the amount paid to the Company at the time of subscription of Warrants shall stand forfeited;
- Upon exercise of the option to convert the Warrants within the tenure specified above, the Company shall ensure that the allotment of Equity Shares pursuant to exercise of the Warrants is completed within 15 days from the date of such exercise by the allottee of such Warrants;
- The Equity Shares to be so allotted on exercise of Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing equity shares of the Company;
- Apart from the said right of adjustment, the Warrants do not give any rights/entitlements to the Warrant holder as a shareholder of the Company;
- The Equity Shares arising from the exercise of the Warrants will be listed on Stock Exchange(s) where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be and shall inter-alia be governed by the regulations and guidelines issued by SEBI or any other statutory authority.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants and all such Equity Shares that are being allotted shall rank *pari-passu* with the existing Equity Shares of the

## NOTICE (Contd.)

Company in all respects.

**RESOLVED FURTHER THAT** Equity Shares having Face value of ₹ 10/- (Rupees Ten Only) each proposed to be allotted to the Warrant Holders, upon conversion of the Warrants, be listed on the BSE Limited ("**BSE**"), and that the Board be and is hereby authorized to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of such Equity Shares proposed to be allotted to the Warrant Holder, upon conversion of the Warrants, and for the admission of the Warrants and Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of the Warrants and Equity Shares allotted, upon conversion of the Warrants, to the Warrant Holder's dematerialized securities account.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as stock exchanges and other appropriate authority may impose at the time of their approval and as agreed to by the Board other appropriate authority may impose at the time of their approval and as agreed to by the Board.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable to give effect to the aforesaid resolution, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), make applications to regulatory authorities for their approval, wherever required, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of Warrants and the Equity Shares to be issued upon conversion of the Warrants without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to its director(s) and/or any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter in Form PAS-4, making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution."

### **ITEM NO. 8: Revision in the remuneration payable to Mr. Sachin Subhash Vora (DIN: 02002468), Chairman & Managing Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) and Schedule V of the Act, and pursuant to recommendation of the Nomination and Remuneration Committee ('NRC') and the approval of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Sachin Subhash Vora, Chairman & Managing Director (DIN: 02002468) with effect from October 01, 2024 for the remaining period of his present term of appointment upto November 25, 2025, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Sachin Subhash Vora within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary, as may be prescribed by the Central Government and agreed to between the Board of Directors and as may be acceptable to Mr. Sachin Subhash Vora.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, Mr. Sachin Subhash Vora shall be entitled to receive remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration.

**RESOLVED FURTHER THAT** the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** in the event of any statutory amendments, modifications or relaxation by the Central

## NOTICE (Contd.)

Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. Sachin Subhash Vora be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things arising out of and incidental thereto as may be deemed necessary, proper, expedient, or incidental to give effect to this resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs or submission of necessary documents with any other concerned Authorities in connection with this resolution."

### **ITEM NO. 9: Revision in the remuneration payable to Mr. Sumit Subhash Vora (DIN: 02002416), Whole-Time Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) and Schedule V of the Act, and pursuant to recommendation of the Nomination and Remuneration Committee ('NRC') and the approval of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Sumit Subhash Vora, Whole-Time Director (DIN: 02002416) with effect from October 01, 2024 for the remaining period of his present term of appointment upto November 25, 2025, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Sumit Subhash Vora within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary, as may be prescribed by the Central Government and agreed to between the Board of Directors and as may be acceptable to Mr. Sumit Subhash Vora.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, Mr. Sumit Subhash Vora shall be entitled to receive remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration.

**RESOLVED FURTHER THAT** the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. Sumit Subhash Vora be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things arising out of and incidental thereto as may be deemed necessary, proper, expedient, or incidental to give effect to this resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs or submission of necessary documents with any other concerned Authorities in connection with this resolution."

By order of the Board of Directors

**KRANTI INDUSTRIES LIMITED**

Sd/-

**SHRADDHA NANDKUMAR PHULE**

COMPANY SECRETARY AND COMPLIANCE OFFICER  
(MEMBERSHIP NO.: A67126)

DATE: AUGUST 16, 2024

PLACE: PUNE



**NOTICE** (Contd.)

**NOTES**

1. A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder are also annexed.
2. Pursuant to Companies Act, 2013 a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and vote on a poll instead of himself/herself and the proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) members and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person only as a proxy and such person shall not act as proxy for other shareholder.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is annexed hereto.
4. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the 29<sup>th</sup> Annual General Meeting along with the Annual Report Financial Year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website at [www.krantiindustries.com](http://www.krantiindustries.com) under 'Investor' section and also can accessed on the website of Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participant.
5. For receiving all communication (including Annual Report) from the Company electronically: Members holding shares in dematerialized mode are requested to register /update their email addresses with the relevant Depository Participants.
6. Remote e-Voting before/during the AGM: Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard-2 on General Meetings issued by ICSI and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, read with MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted as mentioned in the Notice at the AGM. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as authorized agency. The facility for casting votes by a member using remote e-Voting system as well as e-Voting at the venue on the date of the AGM will be provided by NSDL. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if they have been passed at the AGM.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and relevant documents referred to in the Notice of this AGM and explanatory statement, will be available for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM.
8. Register of Members and Share Transfer Books will remain closed from September 06, 2024 to September 12, 2024 (both days inclusive) for the purpose of 29th Annual General Meeting.
9. Members seeking any information with regard to the accounts or any matter to be placed at the 29th AGM, are requested to write to the Company on or before 1 week in advance through email on [cs@krantiindustries.com](mailto:cs@krantiindustries.com). The same will be replied by the Company suitably.
10. The members are requested to notify change of address, if any, to the Company's Registrar and Transfer Agent.
11. Investor Grievance Redressal: The Company has designated an exclusive e-mail id viz. [investor@krantiindustries.com](mailto:investor@krantiindustries.com) to enable Investors to register their complaints, if any.
12. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/ transposition of shares. Members holding shares in dematerialized mode are requested to submit PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar & Transfer Agent.
13. The Board of Directors of the Company have appointed Mr. Siddharth Bogawat, Chartered Accountant (ICAI Membership No. 134134) as Scrutinizer to scrutinize the remote e-voting process as in a fair and transparent manner, and he has

**NOTICE** (Contd.)

communicated his willingness to be appointed and will be available for the said purpose. After the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), the Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, and RTA and will also be displayed on the Company's website at [www.krantiindustries.com](http://www.krantiindustries.com).

14. The Company has made special arrangement with the RTA and NSDL for registration of email addresses in terms of the MCA Circulars for Members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically.
15. Nomination facility: As per the provisions of Section 72 of the Act and the aforementioned SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form SH-14 as the case may be. The said forms can be downloaded from the website of the RTA at [www.linkintime.co.in](http://www.linkintime.co.in). Members are requested to submit the said form to their DP for shares are held in electronic form.
16. Members may contact their DPs for any assistance relating to the shares of the Company.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

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

The remote e-voting period begins on Tuesday, September 09, 2024 at 09:00 A.M. and ends on Thursday, September 11, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 05, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 05, 2024.

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

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

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

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

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

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

| Type of shareholders  | Login Method   |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDEAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> |



**NOTICE** (Contd.)

| Type of shareholders   | Login Method   |
|--|--|
|  | <p>2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>3. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <p> </p>   |
| Individual Shareholders holding securities in demat mode with CDSL                                     | <p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.  |

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

**NOTICE** (Contd.)

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

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000  |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911 |

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

- Your User ID details are given below :

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

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

## NOTICE (Contd.)

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@krantiindustries.com](mailto:cs@krantiindustries.com).

## NOTICE (Contd.)

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@krantiindustries.com](mailto:cs@krantiindustries.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.

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

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

Sd/-  
**SHRADDHA NANDKUMAR PHULE**  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(MEMBERSHIP NO.: A67126)

DATE: AUGUST 16, 2024  
PLACE: PUNE

**NOTICE** (Contd.)

**ANNEXURE TO 29TH ANNUAL GENERAL MEETING NOTICE OF THE COMPANY  
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND/OR  
REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015 AND / OR SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE  
INSTITUTE OF COMPANY SECRETARIES OF INDIA**

**ITEM NO. 3: Details of Directors retiring by rotation / seeking re-appointment at the Meeting:**

|  |   |
|--|---|
| Name of Director   | Smt. Indubala Subhash Vora  |
| Director Identification Number (DIN)   | 02018226  |
| Date of Birth  | September 25, 1961  |
| Age  | 62 years  |
| Date of Appointment on Board as Director   | December 05, 1995   |
| Date of Last Re-appointment as Director  | August 08, 2019   |
| Profile, Experience and Expertise in specific functional areas   | Since the Company's inception, she has been an integral member of the Board as well as Promoter. She brings to the table an extensive experience spanning over two decades in the business realm.<br><br>Instrumental in ensuring the seamless operation of the organization, her diverse expertise fosters cohesion within the team. |
| Qualification  | Completed her education from Khopoli Public School having a vast experience in the field of operations.   |
| Terms and conditions of re-appointment   | Director liable to retire by rotation   |
| Details of remuneration last drawn (FY 2023-24)  | Sitting Fees: ₹ 40,000/-  |
| Details of remuneration sought to be paid  | Sitting Fees as approved by the Board of Directors.   |
| Directorships in other Companies   | Wonder Precision Private Limited  |
| Chairman/Member of the Committees of the Board of Directors of the Company or other Companies in which she is a director | None  |
| Listed entities from which the Director has resigned from directorship in last three (3) years:                          | None  |
| No. of Board Meetings attended during FY 2023-24   | Attended 7 out of 7 Board Meetings held during the year.  |
| Inter-se relationship with other Directors and Key Managerial Personnel  | Mother of Mr. Sachin Subhash Vora, Chairman and Managing Director and Mr. Sumit Subhash Vora, Whole-Time Director of the Company.   |
| No. of Equity Shares held in Company   | 23,20,604 Shares (March 31, 2024)   |

**ITEM NO. 4:**

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

The Members of the Company had approved appointment of M/s A D V & Associates, Chartered Accountants (Firm Registration No. 128045W) in the Extra-Ordinary General Meeting ('EOGM') of the Company held on November 05, 2018, as the Statutory Auditors of the Company to hold such office for the Financial Year 2018-2019 i.e. till the conclusion of the Twenty-Fourth AGM of the Company to be held in the year 2019.

Further, the Members of the Company had, at Twenty-Fourth Annual General Meeting ('AGM') of the Company held on August 23, 2019, approved appointment of M/s A D V & Associates, Chartered Accountants (Firm Registration No. 128045W), as the Statutory Auditors of the Company to hold such office from the conclusion of the Twenty-Fourth AGM (2019) till the conclusion of the Twenty-Ninth AGM of the Company to be held in the year 2024.

Further to above, pursuant to the provision of Section 139 of the Companies Act, 2013 ("the Act") read with related Rule

**NOTICE** (Contd.)

made thereunder, the tenure of M/s A D V & Associates, Chartered Accountants as the Statutory Auditors of the Company shall conclude in this ensuing AGM.

However, in view of the above, it is proposed to appoint M/s. GMCS & Co., Chartered Accountants, (Firm Registration No. 141236W), as the Auditors of the Company for a period of five consecutive years commencing from the conclusion of this ensuing AGM till the conclusion of the Thirty-Fourth AGM of the Company to be held in the year 2029.

After evaluating and considering various factors such as industry experience, competency of the audit team, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the appointment of M/s GMCS & Co., Chartered Accountants, as the Statutory Auditors of the Company, for the term of five years from the conclusion of Twenty-Ninth AGM till the conclusion of Thirty-Fourth AGM of the Company to be held in the year 2029, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

M/s. GMCS & Co. is a peer reviewed Chartered Accountants Firm (Firm Registration No. 141236W) having registered head office in Mumbai and various branch offices at Hyderabad, Kolkata, Pune, Mathura, Ahmedabad and Surat. GMCS & Co. audits various companies listed on stock exchanges in India.

As per the requirement of the Act, M/s GMCS & Co., Chartered Accountants have confirmed that the appointment if made would be within the limits specified under Section 141(3)(g) of the Act and they are not disqualified to be appointed as Auditor in terms of the provisions of Section 139 and 141 of the Act and the Rules. In view of the above and pursuant to the Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s GMCS & Co., Chartered Accountants being eligible to act as Auditors of the Company and based on the recommendation of the M/s GMCS & Co., Chartered Accountants have consented to their appointment as the Statutory Auditors.

M/s A D V & Associates, Chartered Accountants was paid a fee of ₹ 1,50,000/- (Rupees One Lakhs Fifty Thousand Only) for the audit of standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024 plus applicable taxes and out-of-pocket expenses.

The fees proposed to be paid to M/s GMCS & Co., Chartered Accountants for the financial year ending March 31, 2025 will be ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) as audit fee and further revision for subsequent year will be mutually agreed on the basis the efforts involved. The Board, in consultation with the Audit Committee, shall approve revisions in the remuneration of the Statutory Auditors for the remaining part of the tenure.

Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No.4 of the accompanying Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 4 of the Notice for approval by the Members.

**ITEM NO. 5:**

In order to broad base the Capital Structure and to meet funding requirements of the Company and to enable the Company to issue further shares, it is proposed to increase the Authorised Share Capital of the Company from ₹ 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lakh) shares of ₹ 10/- (Rupees Ten Only) each to ₹ 25,00,00,000/- (Rupees Twenty-Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakh) shares of ₹ 10/- (Rupees Ten Only) each, ranking pari passu in all respect with the existing Equity Shares of the Company.

As a consequence of increase of Authorised Share Capital of the Company, the existing Capital Clause (5<sup>th</sup>) in Memorandum of Association of the Company shall be altered accordingly. The proposed increase of Authorised Share Capital requires the approval of members in general meeting u/s 13 and 61 of the Companies Act, 2013.

The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day during business hours.



## NOTICE (Contd.)

The Board of Directors recommends the above ordinary resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution

### ITEM NO. 6:

The Company is planning to raise funds for which, the Board of Directors of the Company have proposed to issue and allot fully convertible warrants into equity shares of the Company. In order to allot such share warrants, it is necessary to have an enabling article in the Articles of Association of the Company.

In accordance with the provisions of Sections 14 and other applicable provisions of the Act read with applicable rules thereto, it is mandatory to obtain the approval of the Members for such amendment / alterations in the Articles of Association by way of a special resolution as set out in the said item of the Notice.

The Board of Directors believes that the proposed issue is in the best interest of the Company. Hence the Board of Directors recommends the Special Resolution for approval by the members.

None of the Directors, Key Managerial Personnel or their respective relatives, other than the proposed allottees, are concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

### ITEM NO. 7: Issue of Fully Convertible Warrants on Preferential Basis to certain identified persons/ entities other than promoters & promoter group

The Board of Directors of the Company have, at their meeting held on August 14, 2024, subject to the approval of the members of the Company and such other approvals as may be required, approved the proposal for raising funds by way of issuance and allotment of upto 16,00,000 (Sixteen Lakh) Fully Convertible Warrants ("Warrants") carrying an entitlement to subscribe to an equivalent number of Equity Shares having face value of ₹10/- (Rupees Ten Only) at a issue price of ₹80/- (Rupees Eighty Only) per warrant (including premium of ₹70/- (Rupees Seventy Only) on preferential basis to the proposed allottees as mentioned in the resolution no. 07.

The proposed Preferential Issue of the Fully Convertible Warrants is in terms of the provisions of the Chapter V of SEBI ICDR Regulations, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any and Sections 42 and 62(1) of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014.

The information as required under SEBI ICDR Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are given below:

#### A. Objects of the Preferential Issue:

The Company proposes to raise funds through issue of Warrants on preferential basis to:

- Meet working capital requirements of the Company and for expansion of the existing business of the Company;
- General corporate purposes or such other objects, as the board may from time to time decide in the best interest of the Company.

The Company shall utilize the 75% of the proceeds (amounting to ₹ 9,60,00,000/- (Rupees Nine Crore Sixty Lakhs Only)) of the preferential issue (after meeting the expense related to this preferential issue) towards growth objective including capital expenditure in expansion of business areas, working capital and 25 % of the proceeds (amounting to ₹3,20,00,000/- (Rupees Three Crore Twenty Lakhs Only)) to be used for other general corporate purposes prior to the end of the financial year 2026.

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

#### B. Maximum Number of Specified Securities to be issued

The Board of Directors have, in their meeting held on August 14, 2024, approved the issue of Fully Convertible Warrants and accordingly it is proposed to issue and allot in aggregate upto 16,00,000 (Sixteen Lakh) Fully Convertible Warrants,

## NOTICE (Contd.)

to be converted into equivalent number of Equity Shares of ₹10/- (Rupees Ten Only) each to Non-Promoter / Public Shareholder on a Preferential Basis in compliance with applicable provisions of SEBI ICDR Regulations.

#### C. Amount which the Company intends to raise by way of such securities:

It is proposed to issue and allot 16,00,000 (Sixteen Lakh) Fully Convertible Warrants at an issue price of ₹ 80/- (Rupees Eighty Only) per warrant aggregating to a total amount of ₹12,80,00,000/- (Rupees Twelve Crore Eighty Lakhs Only).

#### D. The class or classes of persons to whom the allotment is proposed to be made

The Preferential Issue of Warrants is proposed to be made to the Proposed Allottees, who are other than promoter and promoter group entities of the Company.

#### E. Intention of the Promoters, Directors, Key Managerial Personnel or Senior Management of the issuer to subscribe to the Offer:

None of the Promoters, Directors, Key Managerial Personnel or Senior Management of the Company intends to subscribe to any shares pursuant to this Preferential Issue of Warrants.

#### F. Shareholding Pattern before and after the proposed preferential issue:

| Sr. No.  | Category  | Pre-Issue Equity Shareholding <sup>1</sup> |                   | Post-Issue Equity Shareholding <sup>2</sup> |                   |
|----------|---|--|-------------------|---|-------------------|
|          |   | No. of Shares                              | % of Shareholding | No. of Shares                               | % of Shareholding |
| <b>A</b> | <b>Promoter Holding</b>   |  |                   |   |                   |
| <b>1</b> | <b>Indian</b>   |  |                   |   |                   |
|          | Individuals / PAC   | 78,84,265                                  | 69.10             | 78,84,265                                   | 60.600            |
| <b>2</b> | <b>Foreign</b>  | -  | -                 | -   | -                 |
|          | <b>SUB-TOTAL (A)</b>  | <b>78,84,265</b>                           | <b>69.10</b>      | <b>78,84,265</b>                            | <b>60.600</b>     |
| <b>B</b> | <b>Public / Non-Promoter</b>  |  |                   |   |                   |
| <b>1</b> | <b>Institutions</b>   | -  | -                 | -   | -                 |
| <b>2</b> | <b>Central Government/ State Government/ President of India</b>           | -  | -                 | -   | -                 |
| <b>3</b> | <b>Non-Institutions</b>   |  |                   |   |                   |
| (i)      | Resident Individuals holding nominal share capital up to ₹ 2 lakhs        | 20,88,529                                  | 18.30             | 20,88,529                                   | 16.053            |
| (ii)     | Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs | 8,72,790                                   | 7.65              | 9,72,790                                    | 7.477             |
| <b>4</b> | <b>Non-Resident Indians</b>   | 1,81,830                                   | 1.59              | 1,81,830                                    | 1.398             |
| <b>5</b> | <b>Bodies Corporate</b>   |  |                   |   |                   |
| (i)      | Clearing Members  | -  | -                 | -   | -                 |
| (ii)     | Foreign Body Corporates   | -  | -                 | -   | -                 |
| (iii)    | Indian Body Corporates  | 1,90,572                                   | 1.67              | 16,90,572                                   | 12.994            |
| <b>6</b> | <b>Foreign nationals</b>  | -  | -                 | -   | -                 |
| <b>7</b> | <b>Any Other</b>  |  |                   |   |                   |
| (i)      | LLP   | 600  | 0.01              | 600   | 0.004             |
| (ii)     | HUF   | 1,91,814                                   | 1.68              | 1,91,814                                    | 1.474             |
|          | <b>SUB-TOTAL (B)</b>  | <b>35,26,135</b>                           | <b>30.9</b>       | <b>51,26,135</b>                            | <b>39.400</b>     |
|          | <b>TOTAL (A)+(B)</b>  | <b>1,14,10,400</b>                         | <b>100</b>        | <b>1,30,10,400</b>                          | <b>100</b>        |

1. Pre-Issue shareholding pattern as on June 30, 2024

2. The post issue shareholding percentage is arrived after considering all the preferential allotments of warrants proposed to be made under this notice and on fully diluted basis i.e., considering the conversion of warrants into equity shares.

#### G. Proposed time within which the allotment shall be completed:

In accordance with Regulation 170 of the SEBI ICDR Regulations, the Company shall complete the allotment of warrants as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders

## NOTICE (Contd.)

granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

The Warrants shall be converted into equivalent equity shares of ₹10/- (Rupees ten only) each within a period of 18 (eighteen) months of the date of allotment of Warrants. Further, subject to the tenure of the Warrants, the equity shares to be allotted to the Warrant holder on conversion of the Warrants into equity shares shall be completed within 15 (fifteen) days from the date of such exercise by the allottee.

### H. Principal terms of assets charged as securities

Not applicable

### I. The name of the proposed allottees, the identities of the persons who are the ultimate beneficial owners of the shares and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them:

| Sr. No | Proposed Allottee                                   | PAN        | Class of Subscriber     | Ultimate Beneficial Owner  | Pre-Issue Holding | No. of Warrants to be issued | % to post issue capital <sup>3</sup> |
|--------|---|------------|-------------------------|--|-------------------|------------------------------|--------------------------------------|
| 1.     | Evolution Capital Advisory Services Private Limited | AAHCE6309G | Non-Promoter/<br>Public | Name of Shareholders<br>1. Mr. Sameer Mukundbhai Mehta – 45%<br>2. Mrs. Jeevika Dharmendra Shah- 55% | NIL               | 15,00,000<br>(Fifteen Lakh)  | 11.529                               |
| 2.     | Ms. Premalata Dinesh Solanki                        | ACHPS8905R | Non-Promoter/<br>Public | -  | NIL               | 100,000<br>(One Lakh)        | 0.769                                |

3. The post issue shareholding percentage is arrived after considering all the preferential allotments of warrants proposed to be made under this notice and on fully diluted basis i.e., considering the conversion of warrants into equity shares.

### J. Contribution being made by the promoters or directors either as part of the Preferential Issue or separately in furtherance of objects.

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

### K. Undertakings:

In terms of SEBI ICDR Regulations, 2018, the Company hereby undertakes that:

- The Company is in compliance with the conditions for continuous listing and is eligible to make the preferential issue under Chapter V of the SEBI ICDR Regulations.
- It shall re-compute the price of the Warrants issued in terms of the provisions of SEBI ICDR Regulations, where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the underlying Warrants shall continue to be locked-in till the time such an amount is paid by the proposed allottees.
- Neither the Company, its directors nor the Promoters have been declared as willful defaulter or a fraudulent borrower or a fugitive economic offender or a fraudulent borrower.
- No person belonging to the promoters/promoter group have sold/transferred any equity shares of the Company during the 90 trading days preceding the relevant date.
- No person belonging to the promoters / promoter group has previously subscribed to any equity share / warrants of the company but failed to exercise them.

## NOTICE (Contd.)

### L. Total Number of Warrants to be issued:

The Board of Directors have, in their meeting held on August 14, 2024, approved the issue of Fully Convertible Warrants and accordingly proposes to issue and allot in aggregate upto 16,00,000 (Sixteen Lakh) Warrants to be converted into equal number of Equity Shares of ₹10/- (Rupees Ten Only) each to Non-Promoter Investors on a Preferential Basis in compliance with applicable provisions of SEBI ICDR Regulations.

### M. Listing:

The Company will make an application to BSE Limited at which the existing shares of the Company are listed, for listing of the Equity Shares to be allotted on exercise of Warrants. The Equity Shares, once allotted, shall rank *pari-passu* with the then existing Equity Shares of the Company in all respects.

### N. Terms of issue of Warrants:

- In accordance with Regulation 169(2) of the ICDR Regulations, the warrant holder shall pay an amount equivalent to at least 25% of the price fixed per warrant in terms of the SEBI (ICDR) Regulations on or before the allotment of warrants.
- Balance exercise price i.e. 75% of the issue price of the Warrants will be payable by the Warrant holders at the time of exercising the Warrants.
- The Warrants can be exercised by the Warrant Holder at any time during the period of 18 (Eighteen) Months from the date of allotment of the Warrants in one or more tranches, as the case may be and on such other terms and conditions as applicable.
- In the event the Warrant Holder does not exercise the Warrants within 18 (Eighteen) Months from the date of allotment of the Warrants, the Warrants shall lapse, and the amount paid on such Warrants shall stand forfeited by the Company.
- The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the Shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant holder and perform such actions as required to credit the Equity Shares to the depository account and entering the name of allottee in the records of the Company as the registered owner of such Equity Shares.
- The Equity Shares to be issued and allotted to the Proposed Investors as a consequence of exercise of the option under the Warrants in the manner aforesaid shall be in dematerialized form and shall rank *pari-passu* with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting rights) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.
- The Warrants proposed to be allotted shall be subject to a lock-in to be determined in accordance with the provisions of the SEBI ICDR Regulations. The lock-in on the Equity Shares resulting from the exercise of the option under the Warrants shall be reduced to the extent the Warrants have already been locked-in.
- The Company shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of ICDR Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Warrant Holder to the Company in accordance with the provisions of ICDR Regulations.
- The Warrants itself, until exercise of conversion option and allotment of Equity Shares, does not give to the Warrant holders thereof any rights with respect to that of a shareholder of the Company.

### O. Pricing of Preferential Issue:

The Board has fixed a price of ₹ 80/- (Eighty Only) per warrant in terms of Regulation 164 of SEBI ICDR Regulations.

### P. Basis on which the Price has been arrived at:

## NOTICE (Contd.)

The equity shares of the Company are listed with BSE Limited and are presently in nature of **"Frequently Traded Shares"**.

The issue price is determined in accordance with the Regulations as applicable for Preferential Issue as contained in Chapter V of the SEBI (ICDR) Regulations, 2018 as amended till date.

Further, pursuant to applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debenture) Rules, 2014, and ICDR Regulations, the Company has obtained a Valuation Report dated August 13, 2024 ("Valuation Report") from a Registered Valuer (copy enclosed and the copy of which has been uploaded on the Company website at <https://krantiindustries.com/investors/>), who have determined the fair value of the Equity Shares of the Company to be **₹ 71.96/- (Rupees Seventy-One and Ninety-Six Paise Only)** per share.

The Warrants, in compliance with Chapter V of the SEBI ICDR Regulations, is issued at higher of the following prices:

- The 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange (BSE Limited) preceding the **"Relevant Date"**; or
- The 10 trading days' volume weighted average prices of the related equity shares quoted on the recognized stock exchange (BSE Limited) preceding the **"Relevant Date"**.

There is no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the equity shares and therefore there is no requirement for a reasoned recommendation from a committee of independent directors of the issuer.

### Q. Name and address of the Registered Valuer who performed valuation:

CA Milan Rupchandani, Independent Registered Valuer (IBBI Registered Valuer No. IBBI/RV/06/2019/12563, Membership Number ICAIRVO/06/RV-P00291/2019-2020).

**Address:** 702 Impressa, Near Kamal Spacia, Plot No. 49, Near Kadbi Chowk, Nagpur- 440004

### R. Relevant Date:

In terms of the provisions of Chapter V of the ICDR Regulations, Relevant Date for determining the floor price for this Preferential Allotment of Equity Shares is August 13, 2024, being the 30 days prior to the date of the 29<sup>th</sup> Annual General Meeting of the Company, being the date on which resolution is deemed to be passed.

### S. Change in Control, if any, consequent to preferential issue:

No change in control / management is anticipated consequent to the preferential issue. The existing promoters of the Company will continue to be in control of the Company.

However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.

### T. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

The Company has not made any preferential allotment during the current Financial Year 2024-25.

However, in the financial year 2023 -24 the Company has issued 8,48,000 (Eight Lakh Forty-Eight Thousand) equity shares on preferential basis to the allottees other than promoter/ promoter group for a face value ₹10/- (Rupees Ten Only) each ("Equity Shares") for cash at a price of ₹ 101/- (Rupees Hundred and One Only) per equity shares (including a premium of ₹ 91/- (Rupees Ninety-One Only) per equity share), each ranking pari passu with the existing Equity Shares, for an aggregate amount up-to ₹ 8,56,48,000/- (Rupees Eight Crore Fifty-Six Lakhs Forty-Eight Thousand Only).

### U. Lock-In period:

The Warrants and Shares to be issued upon conversion shall be subject to Lock-in as provided under the provisions of ICDR Regulations. The entire pre preferential shareholding of the above allottees, if any, shall be locked-in from the relevant date up to the period of 90 trading days from the date of trading approval as per Regulation 167 of the ICDR Regulations.

## NOTICE (Contd.)

### V. Certificate from Practicing Company Secretaries:

A certificate from M/s. H J Patel & Co., Practicing Company Secretaries, certifying that the Preferential Issue of Warrants is being made in accordance with requirements of SEBI ICDR Regulations, shall be available for inspection by the members at the venue of the Annual General Meeting from the commencement of the Annual General Meeting till conclusion of voting period, and the same may also be accessed on the Company's website at the link: <https://krantiindustries.com/investors/>.

### W. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution:

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except to the extent of their shareholding in the Company.

### X. The current and proposed status of the allottees post the preferential issues namely promoter or non-promoter:

#### Current Status of proposed allottees:

Not Applicable since the allottee, as on date of dispatch of this Notice, is not a shareholder of the Company.

#### Proposed Status of Allottees:

Non-Promoter/Public Shareholder.

### ITEM NO. 8: Revision in remuneration payable to Mr. Sachin Subhash Vora (Din: 02002468), Chairman & Managing Director of the Company.

Mr. Sachin Subhash Vora was re-appointed as Chairman & Managing Director of the Company by the Board of Directors as recommended by the Nomination and Remuneration Committee in their meetings held on November 10, 2020, w.e.f. November 26, 2020 for a period of 5 years. The same was subsequently approved by the members at the Annual General Meeting of the Company held on August 10, 2021.

Further considering the Company's performance, the progress made and targets achieved by the Company and as per the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company have at their meeting held on August 14, 2024, approved revision of remuneration of Mr. Sachin Subhash Vora, Chairman & Managing Director with effect from October 01, 2024. The revised annual remuneration is ₹ 48,00,000/- (Rupees Forty-Eight Lakhs Only) which includes a fixed gross remuneration of ₹ 30,00,000/- and Performance Based Variable Pay of ₹ 18,00,000/-.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revision in remuneration of Mr. Sachin Subhash Vora, Chairman & Managing Director as decided by the Board of Directors is required to be approved by the Members at their meeting due to no/ inadequacy of profits.

The remuneration is in line with the Industrial Standards for managerial personnel falling under the same cadre. Thus, the Members are requested to consider revision in remuneration of Mr. Sachin Subhash Vora, Chairman & Managing Director.

Pursuant to the applicable provisions of the Companies Act, 2013, and relevant rules made thereunder, consent of the members is being sought by way of Special Resolution.

Except Mr. Sachin Subhash Vora, Mr. Sumit Subhash Vora, Smt. Indubala Subhash Vora and relatives of Mr. Sachin Subhash Vora to the extent of their shareholding in the Company, none of the promoters, directors, key managerial personnel and their relatives are concerned or interested financially or otherwise, in the Resolution.

### Disclosure as required under Schedule V of the Companies Act, 2013.

#### A. General Information:

- Nature of Industry:** Company is engaged in the business of precision machining in Auto ancillary and allied sectors.
- Date of Commercial Production:** The Commercial Production in the month of December, 1995.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.



## NOTICE (Contd.)

### IV. Financial performance based on given indicators:

(Amounts in Lakhs)

| Particulars  | FY 2023-24      | FY 2022-23      |
|--|-----------------|-----------------|
| Income from Operations                                   | 8,166.18        | 9,139.73        |
| Other Income   | 22.56           | 12.79           |
| <b>Total Revenue</b>                                     | <b>8,188.74</b> | <b>9,152.51</b> |
| Less: Total Expenses (excluding Depreciation & Interest) | 7,166.51        | 8,226.92        |
| <b>Operating Profits (PBDIT)</b>                         | <b>1022.23</b>  | <b>925.59</b>   |
| Less: Finance Cost                                       | 303.61          | 225.95          |
| Less: Depreciation                                       | 612.68          | 392.47          |
| <b>Profit Before Tax</b>                                 | <b>105.94</b>   | <b>307.17</b>   |
| Less: Taxes  | 29.80           | 100.79          |
| <b>Net Profit after Tax</b>                              | <b>76.14</b>    | <b>206.38</b>   |

**V. Export performance and net foreign exchange:** Foreign Exchange Earnings during the year under review is ₹227.41 Lakhs (Approx.)

**VI. Foreign Investment and collaborations, if any:** Not Applicable.

### B. Information about Mr Sachin Subhash Vora, Chairman and Managing Director

#### I. Background Details:

Mr. Sachin Subhash Vora is a Promoter of the Company. He has completed his Bachelor of Engineering in Industrial Electronic from Pune University. He is the Promoter and Managing Director of our Company having more than 20+ years of experience in the auto components industry. He has vast experience in the industry particularly in Planning, Finance, Production and Quality. He is involved in identifying, developing and directing the implementation of business strategy. He oversees day to day operations including manufacturing, management and finance of the company.

#### II. Past Remuneration:

##### 1. Gross Salary:

The Managing Director of the Company has withdrawn ₹ 17,02,000/- (Rupees Seventeen Lakhs Two Thousand only) during the Financial Year 2023-2024.

##### 2. Perquisites and Allowances:

Mr. Sachin Subhash Vora, was paid perquisites and allowances like HRA, medical reimbursement, travelling allowances, club fees and other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V to the Act. The perquisites shall be evaluated etc. as per the Income Tax Act, 1961 wherever applicable and in the absence of any such provision for the same, at actual cost.

##### 3. Minimum Remuneration:

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Mr. Sachin Subhash Vora shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

In the financial year 2023-24, Mr. Sachin Subhash Vora was paid total remuneration of ₹ 17,02,000/- (Rupees Seventeen Lakh Two Thousand only) as Chairman and Managing Director of the Company.

## NOTICE (Contd.)

### III. Recognition of Award: None

### IV. Job Profile and his suitability:

Considering the size and activity of the Company, the Board thinks that the Chairman and Managing Director should possess the following skills set.

- Experience of 15+ years in Managing position.
- Having sound knowledge of operational, financial and compliance related matters.

The Board, think Mr Sachin Subhash Vora, brings a strong leadership skill and will be instrumental in achieving desired vision and mission of the Company. Thus, Board has considered and placed before the members the re-appointment of Mr Sachin Subhash Vora as Chairman and Managing Director of the Company.

### V. Remuneration Proposed:

The remuneration proposed is ₹ 48,00,000/- (Rupees Forty-Eight Lakhs Only) per annum which includes a fixed gross remuneration of ₹ 30,00,000/- (Rupees Thirty Lakhs only) per annum and Performance Based Variable Pay of ₹18,00,000/- (Rupees Eighteen Lakhs only) per annum.

### VI. Comparative remuneration profile with respect to Industry, Size of the company, Profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr. Sachin Subhash Vora, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

### VII. Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel:

Mr. Sachin Subhash Vora has pecuniary relationship to the extent he is Promoter – Shareholders of the Company. Except, Mr. Sachin Subhash Vora himself, Mr. Sumit Subhash Vora, being Whole-Time Director and Smt. Indubala Subhash Vora, being Non-Executive Director and relatives of Mr. Sachin Subhash Vora to the extent of their shareholding in the Company, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested / concerned, financially or otherwise in the Resolution.

#### Other Information:

##### I. Reasons for loss or inadequate profit:

The Company has seen degrowth in revenue in previous quarters, due to bad market conditions, the market requirement of the product was lower than the previous year which resulted in inadequate profit.

##### II. Steps taken or proposed to be taken for improvement:

The Management gave immense focus upon the diversification, for increasing capacity utilization by new product development. The result of the same will reflect in subsequent quarters.

##### III. Expected increase in productivity and profits in measurable terms:

The company expects a significant increase in turnover as well as the profitability on accounts of the steps mentioned above.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

### ITEM NO. 9: Revision in Remuneration Payable to Mr. Sumit Subhash Vora (DIN: 02002416), Whole-Time Director of the Company.

Mr. Sumit Subhash Vora was appointed as Whole-Time Director of the Company by the Board of Directors as recommended by the Nomination and Remuneration Committee in their meetings held on November 10, 2020, w.e.f. November 26, 2020 for a period of 5 years. The same was subsequently approved by the members at the Annual General Meeting held on August 10, 2021.

Further considering the Company's performance, the progress made and targets achieved by the Company and as per the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August

## NOTICE (Contd.)

14, 2024 approved revision of remuneration of Mr. Sumit Subhash Vora, Whole-Time Director with effect from October 01, 2024. The revised annual remuneration is ₹ 48,00,000/- (Rupees Forty-Eight Lakhs Only) which includes a fixed gross remuneration of ₹ 30,00,000/- and Performance Based Variable Pay of ₹ 18,00,000/-.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revision in remuneration of Mr. Sumit Subhash Vora, Whole-Time Director as decided by the Board of Directors is required to be approved by the Members at their meeting due to no/ inadequacy of profits.

The remuneration is in line with the Industrial Standards for managerial personnel falling under the same cadre. Thus, the Members are requested to consider revision in remuneration of Mr. Sumit Subhash Vora, Whole-Time Director.

Pursuant to the applicable provisions of the Companies Act, 2013, and relevant rules made thereunder, consent of the members is being sought by way of Special Resolution.

Except Mr. Sumit Subhash Vora, Mr. Sachin Subhash Vora, Smt. Indubala Subhash Vora and relatives of Mr. Sumit Subhash Vora to the extent of their shareholding in the Company, none of the promoters, directors, key managerial personnel and their relatives are concerned or interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at item no. 9 of the notice.

### Disclosure as required under Schedule V of the Companies Act, 2013.

#### A. General Information:

There is no change in General Information as mentioned above in Item No 8.

#### B. Information about Mr Sumit Subhash Vora, Whole-Time Director

##### I. Background Details:

Mr. Sumit Subhash Vora is a Promoter of the Company. Diploma in Mechanical Engineering from Maharashtra State Board of Technical Education in the year 2002. He is the Promoter and Whole Time Director of our Company having more than 20+years of experience in the auto components industry. He is responsible for looking after the business administration, Develop and Implement strategic plans to increase efficiency and effectiveness within a business& organization and ensure smooth functioning of business.

##### II. Past Remuneration:

###### 1. Gross Salary:

The Whole-Time Director of the Company has withdrawn ₹17,02,000/- (Rupees Seventeen Lakhs Two Thousand only) during the Financial Year 2023-2024.

###### 2. Perquisites and Allowances:

Mr. Sumit Subhash Vora, was paid perquisites and allowances like HRA, medical reimbursement, travelling allowances, club fees and other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V to the Act. The perquisites shall be evaluated etc. as per the Income Tax Act, 1961 wherever applicable and in the absence of any such provision for the same, at actual cost.

###### 3. Minimum Remuneration:

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Mr. Sumit Subhash Vora shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

In the financial year 2023-24, Mr. Sumit Subhash Vora was paid total remuneration of ₹17,02,000/- (Rupees Seventeen Lakh Two Thousand only) as Chairman and Managing Director of the Company.

##### III. Recognition of Award: None

## NOTICE (Contd.)

#### IV. Job Profile and his suitability:

Considering the size and activity of the Company, the Board thinks that the Whole-Time Director should possess the following skills set.

- Experience of 15+ years in Company as an Operation-Director.
- Having sound knowledge of operational, strategic planning, budgets, analysing of overheads, marketing, monitoring inventory, human resources.
- Develop & Execute long-term Business Strategies, Growth Plan, Marketing Strategies, Guide all the Support Functions for other departments such as human resources.

The Board, think Mr. Sumit Subhash Vora, brings a strong operational and marketing skill and will be instrumental in achieving desired goals of the origination

#### V. Remuneration Proposed:

The remuneration proposed is ₹ 48,00,000/- (Rupees Forty-Eight Lakhs Only) per annum which includes a fixed gross remuneration of ₹ 30,00,000/- (Rupees Thirty Lakhs only) per annum and Performance Based Variable Pay of ₹18,00,000/- (Rupees Eighteen Lakhs only) per annum.

Remuneration will be reviewed and revised on recommendation and approval of NRC based on business development and growth of Company.

#### VI. Comparative remuneration profile with respect to Industry, Size of the company, Profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr. Sumit Subhash Vora, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

#### VII. Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel:

Mr. Sumit Subhash Vora has pecuniary relationship to the extent he is Promoter – Shareholders of the Company. Except, Mr. Sumit Subhash Vora himself, Mr. Sachin Subhash Vora, being Managing Director and Mrs. Indubala Subhash Vora, being Non-Executive Director and relatives of Mr. Sumit Subhash Vora to the extent of their shareholding in the Company, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested / concerned, financially or otherwise in the Resolution.

#### C. Other Information:

There is no change in Other Information as mentioned above in Item No 8.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

By order of the Board of Directors

**KRANTI INDUSTRIES LIMITED**

Sd/-

**SHRADDHA NANDKUMAR PHULE**

COMPANY SECRETARY AND COMPLIANCE OFFICER  
(MEMBERSHIP NO.: A67126)

DATE: AUGUST 16, 2024

PLACE: PUNE

**KRANTI INDUSTRIES LIMITED**

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

**ATTENDANCE SLIP**

|  |  |
|--|--|
| Name of the Member   |  |
| Name of the proxy<br>(To be filled if the proxy attends instead of the member) |  |
| Registered Folio No.   |  |
| DP ID  |  |
| Client ID  |  |
| No. of shares held   |  |

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

I/We hereby record my/our presence at the 29<sup>th</sup> Annual General Meeting of Kranti Industries Limited to be held at the Registered Office of the company situated at Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune - 412108, Maharashtra, India. on Thursday, September 12, 2024 at 11:30 AM.

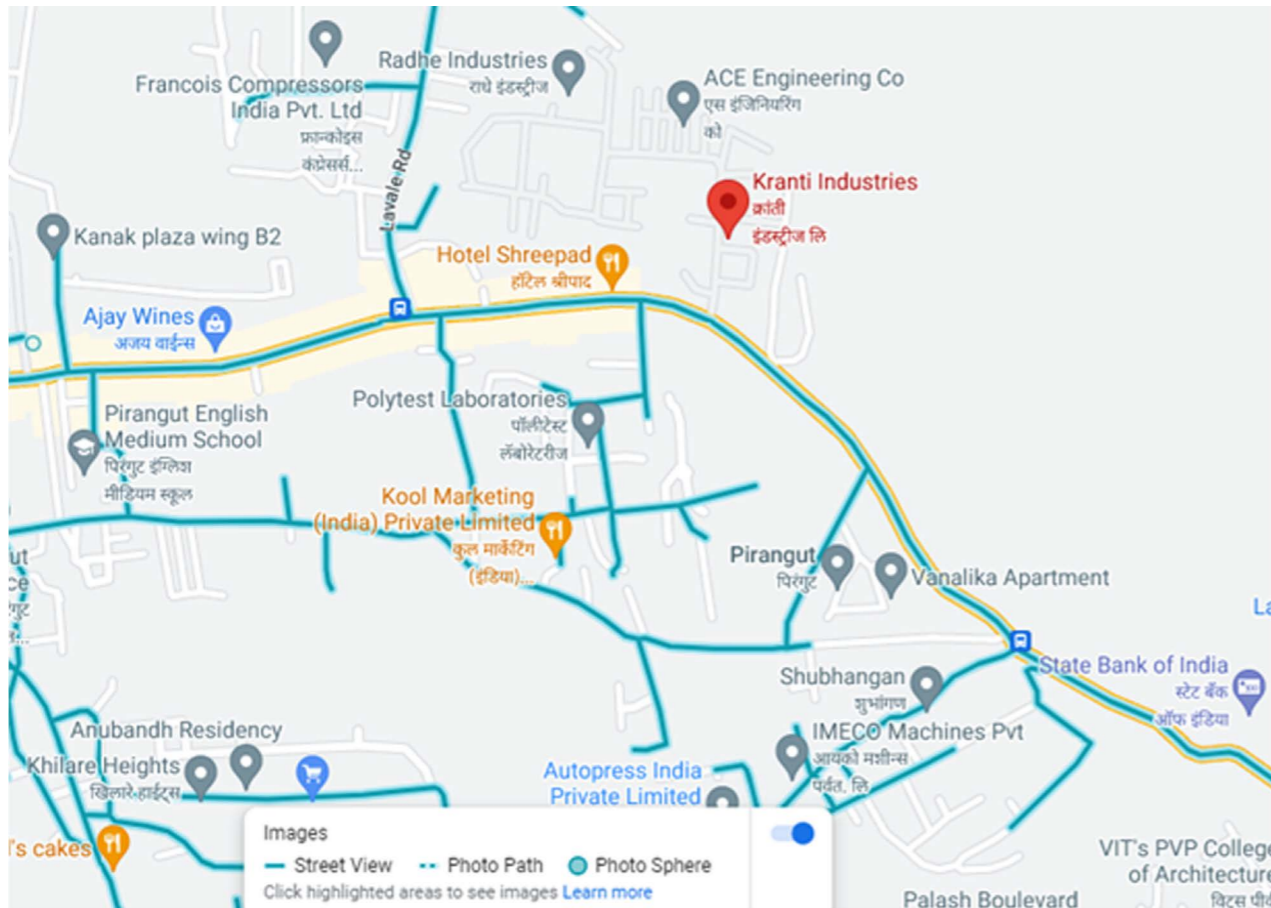
Place: Pune  
Date: September 12, 2024

(Member's/Proxy's Signature)  
(To be signed at the time of handing over the slip)

**Note:**

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

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



**Kranti Industries Limited**

At the Registered Office of the company situated at Gat No. 267/B/1,  
At Post Pirangut, Tal. Mulshi, Pune - 412115, Maharashtra, India.  
Tel: +91-20-66755676, CIN: L29299PN1995PLC095016;  
Email: cs@krantiindustries.com; Website: www.krantiindustries.com



**KRANTI INDUSTRIES LIMITED**

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

**Form MGT-11 PROXY FORM**

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No / Client ID:

DP ID:

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

1. Name: ..... Address: .....  
 E-mail Id: ..... Signature: ....., or failing him
2. Name: ..... Address: .....  
 E-mail Id: ..... Signature: ....., or failing him
3. Name: ..... Address: .....  
 E-mail Id: ..... Signature: ....., or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 29th Annual General Meeting of Kranti Industries Limited to be held at the Registered Office of the company situated at Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune - 412108, Maharashtra, India. on Thursday, September 12, 2024 at 11:30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

- Item No. 1:** To receive, consider and adopt the Audited **Standalone** Financial Statements of the Company for the financial year ended **March 31, 2024** together with the Reports of Board of Directors ('the Board') and the Auditors' thereon.
- Item No. 2:** To receive, consider and adopt the Audited **Consolidated** Financial Statements of the Company for the financial year ended **March 31, 2024** together with the Report of Auditors' thereon.
- Item No. 3:** Re-appointment of Smt. Indubala Subhash Vora (DIN: 02018226), who retires by rotation, as a Director.
- Item No. 4:** Appointment of the Statutory Auditors of the Company.
- Item No. 5:** Increase in Authorised Share Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company.
- Item No. 6:** Alteration in the Articles of Association of the Company
- Item No. 7:** Issue of Fully Convertible Warrants on Preferential Basis to certain identified persons/ entities other than promoters & promoter group.
- Item No. 8:** Revision in the remuneration payable to Mr. Sachin Subhash Vora (DIN: 02002468), Chairman & Managing Director of the Company.
- Item No. 9:** Revision in the remuneration payable to Mr. Sumit Subhash Vora (DIN: 02002416), Whole-Time Director of the Company.

Signed this ..... day of ..... 2024.

Signature of Shareholder(s) .....

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

THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK

Please affix  
Revenue  
Stamp



