



KRANTI INDUSTRIES LIMITED

Date: August22, 2020

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai- 400001
Script Code: 542459
Script Symbol: KRANTI

Subject: Annual Report for the Financial Year 2019-2020.

Dear Sir/Madam,

With regards to captioned subject, and pursuant to Regulation 34(1) of Securities Exchange board of India (Listing Obligations and Disclosures requirements) Regulations, 2015, we hereby enclose herewith Annual Report for the F.Y 2019-20.

You are requested to take the same on your record.

Thanking You.

Sincerely,

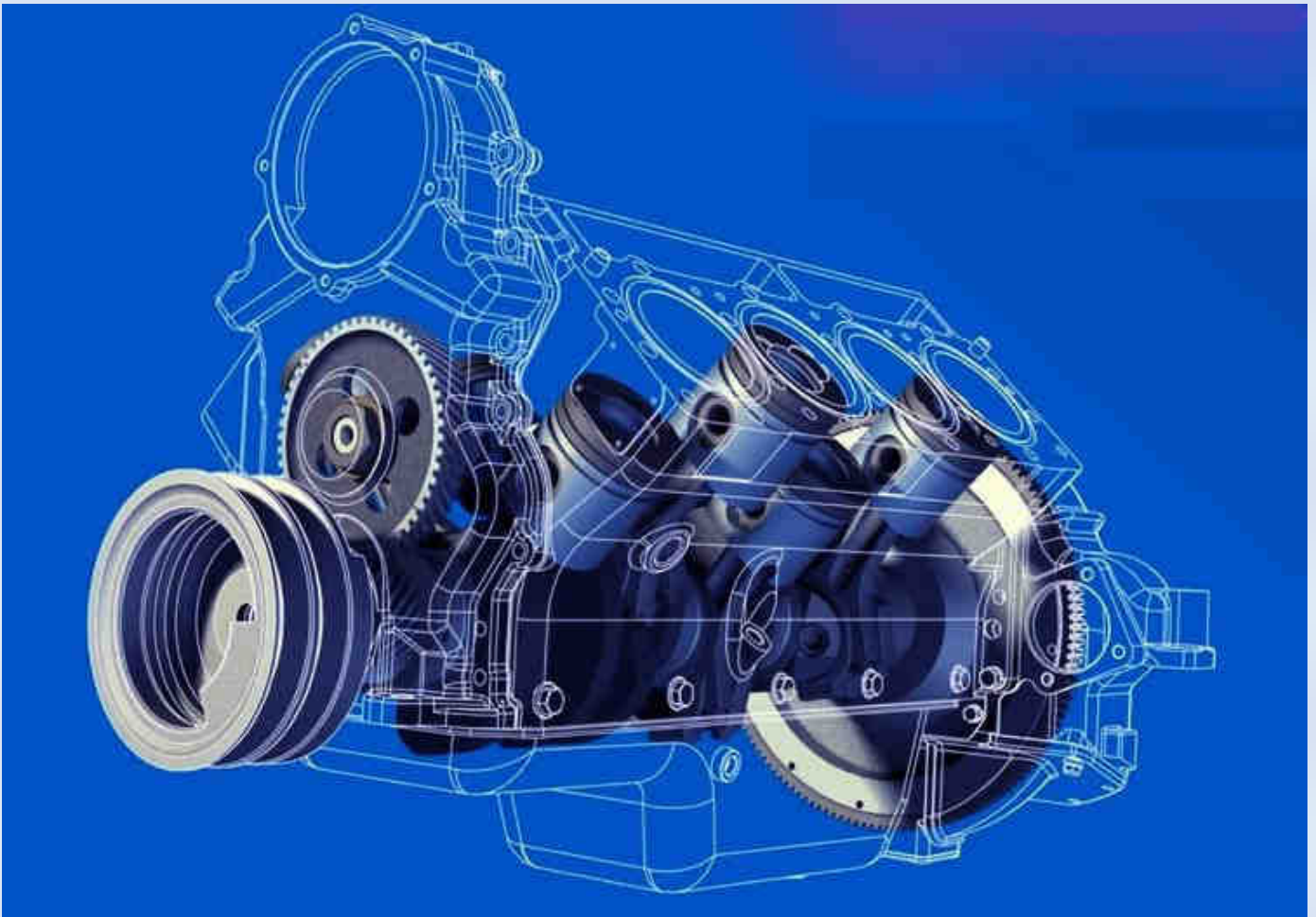
For and on behalf of
KRANTI INDUSTRIES LIMITED



Bhavesh Selarka
(Company Secretary & Compliance officer)
Membership No: A42734



a **revolution** in accuracy...
driven by perfection!!



25th

ANNUAL REPORT 2019-20

KRANTI INDUSTRIES LIMITED

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

CIN : L29299PN1995PLC095016 Tel No: 020- 66755676,

Email : investor@krantiindustries.com, Web : www.krantiindustries.com

Founder :



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

*“ Work hard with Honesty & Commitment,
Growth will follows... ”*

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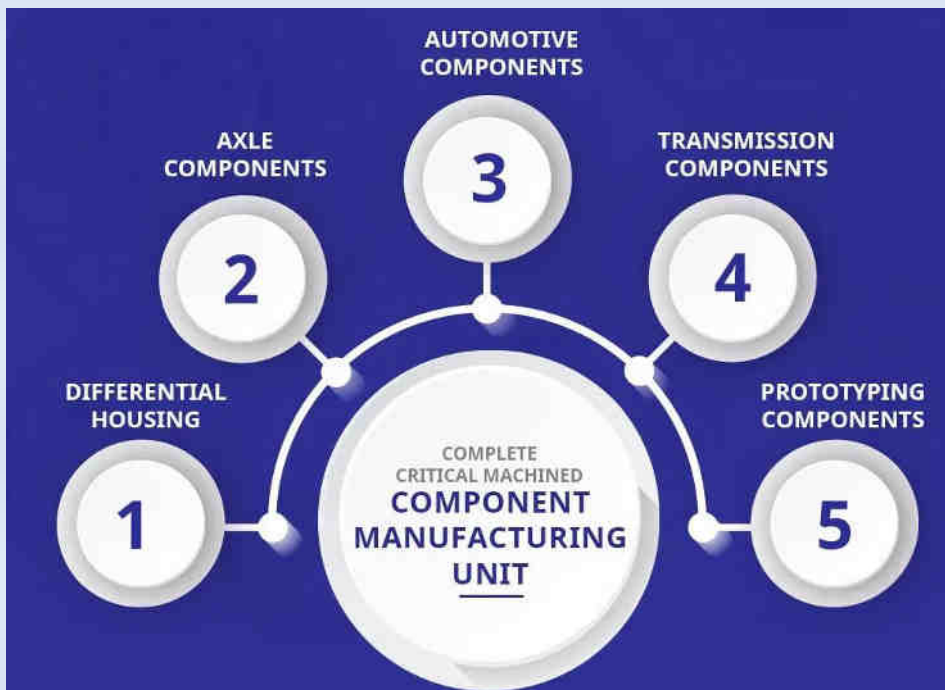


Reaping the benefits of TechKnowlogy

Technology has touched every aspect of life, making it easier, better, and different. Technology is equally important in the automotive industry to deliver the most advanced parts and vehicles. The industry is undergoing a profound technology-driven transformation.

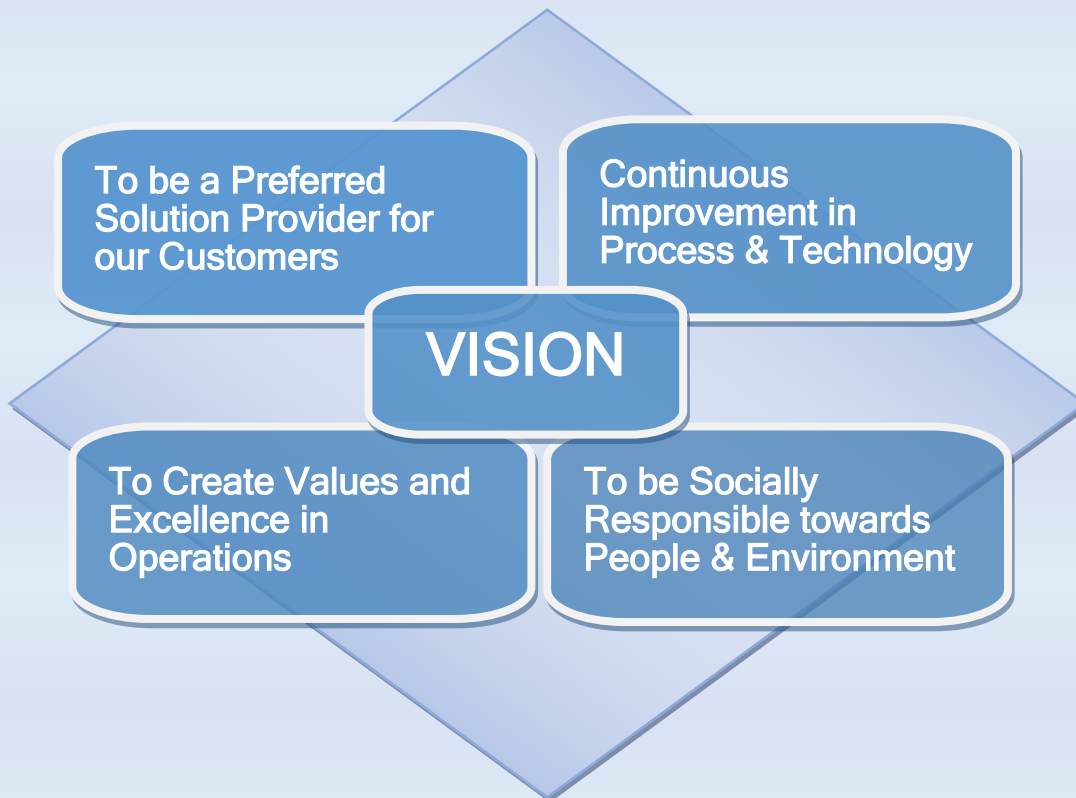
At KRANTI, our technology capabilities in product development as well as production processes give us a significant advantage in attaining competitiveness and increasing value addition. For us, technology is not limited to shop-floor; it is an all-pervasive approach that impacts the value we create as we supply high-performance products and create an innovation-led strategic product pipeline. Our technology prowess has been recognized by all major OEMs operating in India.

“Our domain expertise benefits us with shorter lead time in manufacturing and operational efficiencies and economies of scale.”



Understanding KRANTI

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



OUR VALUE PILLARS

QUALITY

Build robust Process and systems to exceed customer expectations

INTEGRITY

Be Honest and Honor all interactions

TEAMWORK

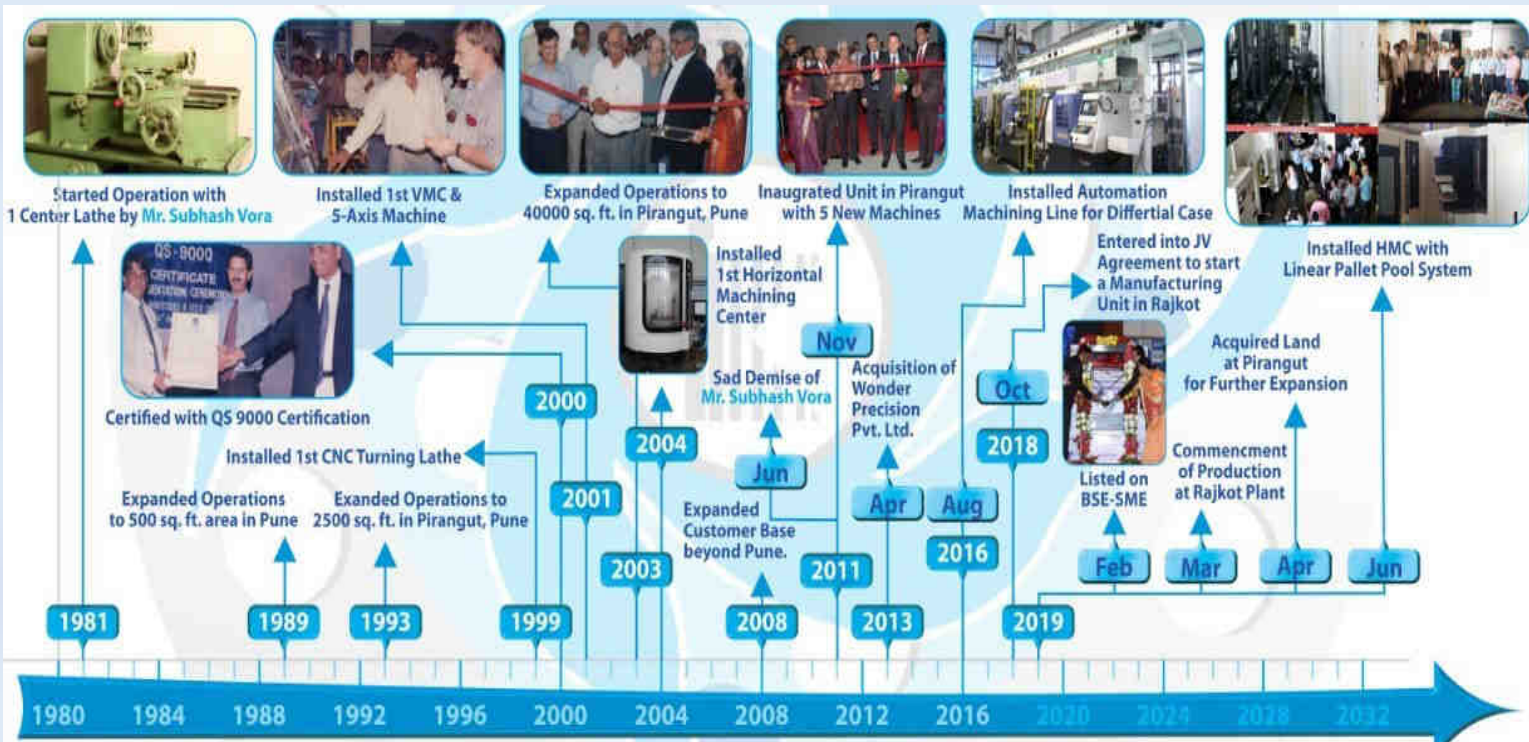
Embrace unity and collaboration while working

INNOVATION

Creative thinking with the latest technology

BUILDING RELATIONS

Human and Professional respect while dealing with all stakeholders



Understanding KRANTI

Tier 1

Supplier to major OEM's

03

Manufacturing plants in Pune

55+

Hi-Tech Production Machines

200+

Workforce

Who are We?

- Brand with four decades of expertise
- Manufacturing Excellence with 'State of Art' Machine Shop Facility
- A prominent player in India's auto component industry
- A supplier of precision machined products for major automotive and Off-Highway vehicle manufacturers
- End-to-End Solution Provider



Note : Figures Shown are on Consolidated Basis in INR Lakh

Company Profile

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

We develop innovative, lean and cost competitive production processes using our technological edge.

With close to four decades of experience in precision machining, currently **KRANTI** has successfully placed the cornerstones of three units across Pune and a joint venture at Rajkot. Starting

as a small machining unit, the Company has expanded its horizons to around 7,000 Sq. Mtrs. backed by state-of-art infrastructure. The Company stands tall in being a single source supplier to most of the world-renowned OEMs in its respective industries.

We undertake structured product development to create “First Time Right” products resulting in shorter turnaround time.

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

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

Company Profile

Contd...

Living by 'Time is Money', the Company dedicatedly meets the customer requirements and provides them with quality deliverables on-time. Building long-lasting relationships with the customers is strictly followed under KRANTI's roof. Since initial days, the Company is focusing on rolling out customer-centric solutions by:

- State of Art Machining Facility
- Appropriate HR policies to Train & Sustain Team Members
- Respecting Brand Image & continuous efforts to further increase the Benchmark
- Developing & Strengthening Relationship with all stakeholders
- Optimum utilization of all Resources
- Continuing to expand and increase production capacity with latest Technology
- Continuing to improve operational efficiencies
- Focusing on consistently meeting the quality standards

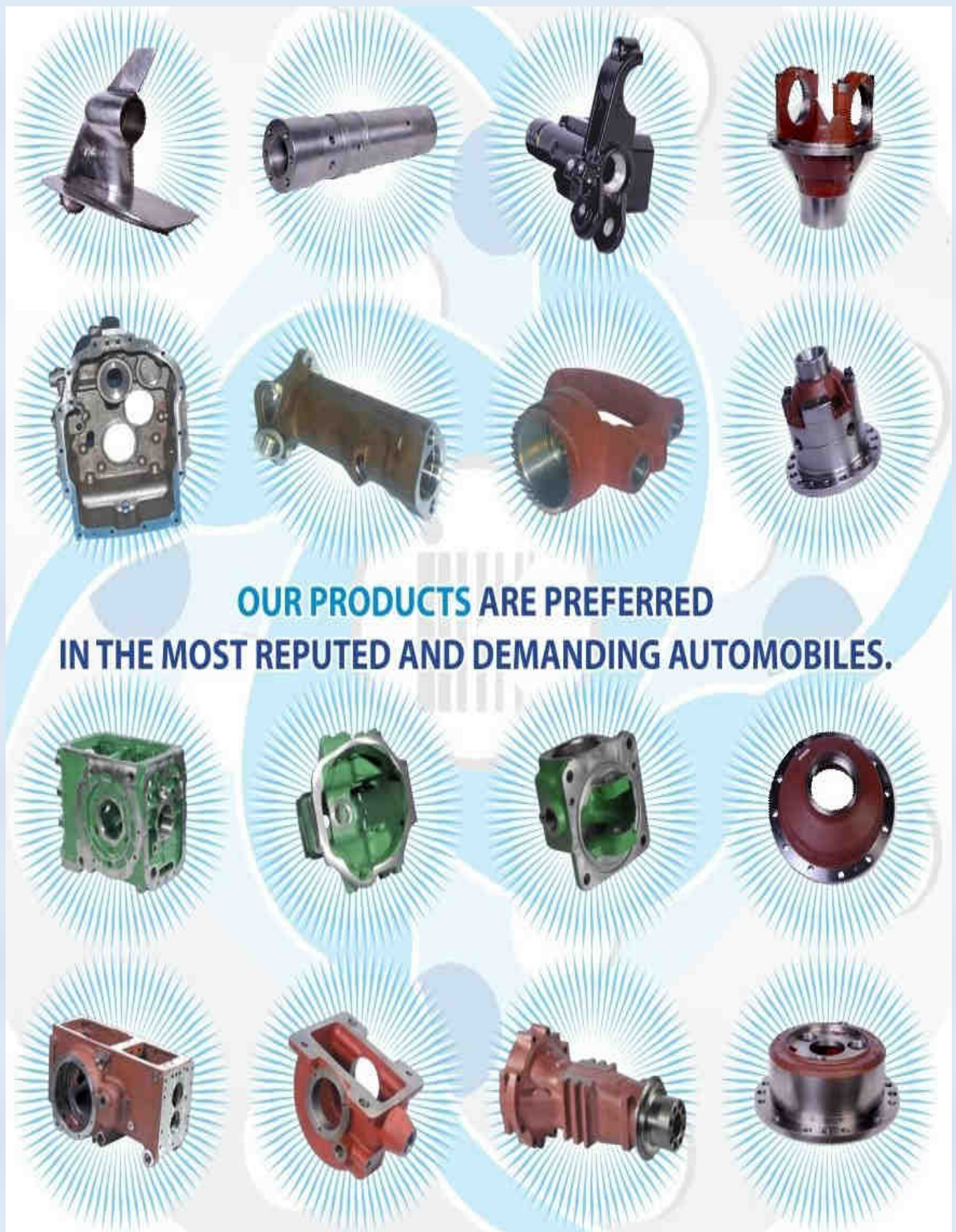
We use "State-Of-The-Art" machinery and processes to manufacture wide range of products to service diverse customer requirements.

The Company have a full-fledged ERP system since last 10 years. Looking ahead of future company have already taking steps in Industry 4.0 and have started online OEE and production monitoring system on some machines and have plans to implement this full-fledged across all the production lines in coming years. The Company

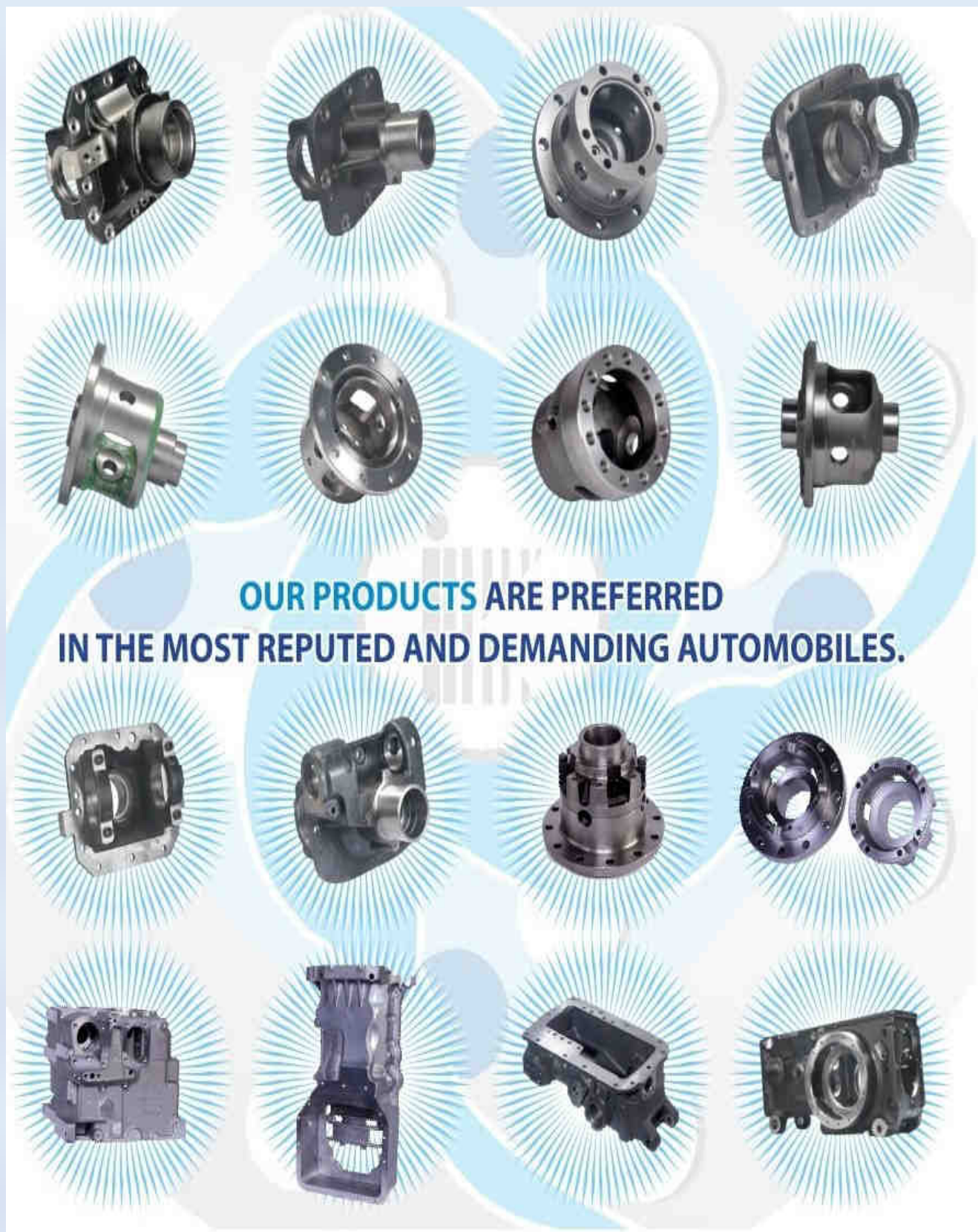
have also Implemented Online & Realtime MIS reports, so the business KPI's are monitored well.



Our Product Portfolio



Our Product Portfolio



Our Customer Portfolio

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

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



Our Manufacturing Facilities

We have two units located in Pirangut Pune, Maharashtra and are equipped with various machines and suitable infrastructure and quality control setup to handle the product portfolio. The manufacturing process provides us with the flexibility of manufacturing any part of our products at a short notice and delivered within a short lead time. Both the units are located just opposite to each other thereby increasing the flexibility and reducing the overheads and costs. In these two units there are 55+ production machines installed. We have a wide range of CNC turning center, Vertical Machining center (VMC), Vertical Turret Lathe (VTL) Horizontal Machining Centre (HMC) and Multi-Axis Hi-tech Machines from the globally renowned manufacturers.

Infrastructure & Facilities :

- 5-Axis Turn Mill Machining Centers
- Inverted Vertical 5-Axis with Auto Pick-N-Place Station
- Turning Centers
- Vertical Turret Lathes
- Vertical Machining Centers
- 5-Axis Horizontal Machining Centers
- Horizontal Machining Centers
- Co-Ordinate Measuring Machines



HIGHTECH MACHINES
AND EYE FOR QUALITY HAVE LEAD US AHEAD OF TIME



Our Corporate Information

REGISTERED OFFICE & WORKS	SUBSIDIARY & ASSOCIATE COMPANIES
<p>KRANTI INDUSTRIES LIMITED Gat No 267/B/1, At Post Pirangut, Taluka- Mulshi , District- Pune -412 115 CIN : L29299PN1995PLC095016 SCRIPT: 542459 ISIN: INE911T01010 s LISTED ON : BSE SME OFFICE NO.: 020- 66755676 EMAIL ID: investor@krantiindustries.com</p>	<p>WONDER PRECISION PRIVATE LIMITED (SUBSIDIARY COMPANY) At J-63, Midc Bhosari Pune- 411026. CIN : U27109PN1986PTC039913</p> <p>KRANTI SFCI PRIVATE LIMITED (ASSOCIATE COMPANY) At Plot No. 104A, GIDC, BAMANBORE, Surendranagar, Gujarat, India, 360003 CIN : U29113GJ2018PTC105630</p>

BOARD OF DIRECTORS & KMP	ASSOCIATES
<p>Indubala Subhash Vora Non-Executive Director</p> <p>Sachin Subhash Vora Chairman & Managing Director</p> <p>Sumit Subhash Vora Executive Director</p> <p>Prakash Vasant Kamat Non Executive & Independent Director</p> <p>Shashikant Vishnupant Bugde Non Executive & Independent Director</p> <p>Pramod Vinayak Apshankar Non Executive & Independent Director</p> <p>Sheela Kailash Dhawale Chief Financial Officer</p> <p>Bhavesh Subhash Selarka Compliance officer & Company Secretary</p>	<p>M/S A.D.V. & ASSOCIATES STATUTORY AUDITOR</p> <p>M/S H. J. PATEL & CO . SECRETARIAL AUDITOR</p> <p>Mr. DILIP DESHPANDE FINANCIAL CONSULTANT</p> <p>CA SIDDHARTH BOGAWAT FINANCIAL CONSULTANT</p>
	REGISTRAR AND TRANSFER AGENT
	<p>M/S SHAREX INDIA DYNAMIC (INDIA) PRIVATE LIMITED Mumbai</p>
	BANKERS
	<p>HDFC BANK LIMITED</p>



Message from The Promoters



Mr. Sachin Subhash Vora
Chairman & Managing Director

Late Shri Subhash K. Vora
Founder & Chief Promoter

Mr. Sumit Subhash Vora
Executive Director

Dear Shareowners,

It is a pleasure to share our Annual Report for FY 2019-20

During the year, we continued with our focus on growth. We concentrated on reaping the benefits of our technological capabilities to strengthen portfolio and improve market share. We also maintained our focus on enhancing customer base and refining our products and processes.

Leveraging Tech**Know**logy

There is an inherent bias to knowledge and development in growth, particularly in automotive components industry. It is this “Knowledge” that helps us in different facets of our business. Today, technology is not limited to just manufacturing, but extends well beyond this to quality control and customer care. It is all pervasive and impacts everything we do. Our technical know-how relationships in each of our product segments enables us to offer the best technology to our discerning customers.

Our Enduring Endeavors

Our capabilities are helping us provide competitive end-to-end solutions, increase the range of products with each customer to upsurge our wallet share. Cutting-edge process approach makes us the preferred supplier to OEMs.

“During the year we have started our production operations at our JV unit at Rajkot Gujrat. Also, in the year under review we have acquired a land admeasuring 3837.50 Sq mtrs in Pirangut Pune. All the necessary pre-construction approval has been received and we are about to begin the construction of new manufacturing plant. The plant is expected to be operational by 2021-2022.”

As we prepare ourselves for our next leg of growth, we are taking strategic steps to achieve size and scale. We focus on continuous improvement in operational efficiencies, reducing costs and ensuring that growth is profitable.

Industry Performance

Today, we are in the middle of the biggest crisis we have seen in our lifetime, the COVID-19 pandemic. So far, it has created unprecedented socioeconomic disruption, fear and the tragic loss of human life. The collapse in economic activity this time is likely at a level unseen in previous recessions. The exit path remains a vaccine and till then it is likely to be a bumpy ride with a continuous stop-start rhythm and strict health protocols. Having said that, most of us have lived through economic crises before. Each time the agony has been different but each time we have adapted and bounced back. We are confident that like all previous crises, the COVID-19 calamity will also pass and in time, a fresh wave of business energy will be unleashed. The next few months will be critical for organizations as they build their resilience in order to persist, resurrect their businesses and master the new business environment.

“As companies focus on resilience to survive and thrive, one trend that we see accelerating is the rapid adoption of technology. Businesses across the world were undertaking large changes, even before the outbreak, but this crisis now provides an opportunity to hasten the transformation which will be imperative to the existence of many.”

The year 2019-20 marked another downswing in the Indian economy with GDP growth rate slashing to 4.2% as compared to 6.1% a year earlier. The decline in GDP growth rate was underpinned by number of factors such as growing unemployment rate, farmers indebtedness and rising cost of living, affecting the overall demand. This slow pace was

passed down to supply side of the market when trade volumes and investment started to contract, leading to low manufacturing capacity utilization. In view of these pressures, the Government announced a slew of measures such as increasing the Minimum Support Price (MSP) for farmers and reducing the Corporate, GST, and income tax rate cuts, with the hope of reviving the consumer sentiments to push business activities. Before, we could see the positive impact of these actions going into next fiscal year, the Covid-19-induced lockdown suspended economic activity. In response, the Government and RBI announced combination of measures like fiscal stimulus, reforms, and monetary policy support to bring some relief.

In the year gone by, domestic automobile industry faced a series of challenges such as liquidity crunch, rising costs of inputs for vehicles, and regulatory changes, among others. All these factors caused a severe drop in the sales across all the vehicles' segments. The repercussion of this was felt across the domestic auto component industry orders.

The sales of passenger cars, commercial vehicles and 2-wheelers stood at 2.78 million, 0.72 million and 17.42 million units respectively compared to 3.38 million, 1.01 million and 21.18 million units in FY 2018- 19. As a result, the domestic auto component industry suffered a revenue decline of 10% to ₹ 1.79 Lakhs Crores in H1 FY 2019-20 from the previous year. Even the H2 FY 2019-20, which was expected to be smooth, continued with the downside trend. Reason being, subdued vehicle demand, liquidity crunch, lack of clarity on regulation and lastly COVID-19 outbreak in the 2nd half of March FY 2019-20.

Business Review

To share with you an update on your Company's performance for 2019-20. The year saw a challenging business environment with lower GDP growth and slowdown in consumption. This resulted into a weakening consumer sentiment and lower demand for the segment in which we operate. The novel coronavirus has affected not just human health but severely impacted businesses and the society at large. Against this backdrop, your Company's total revenue from operations stood at ₹ 47.54 Crores as compared to ₹ 57.88 Cr in the previous financial year which is a decline of around 22%.

Moving Ahead

The next few months will be difficult, but your company is strong with deep relationships with customers and partners, with a diversified business mix. It is well positioned to weather the storms ahead and take advantage of opportunities that come up during the downturn to

acquire new capabilities and gain market share. In the post pandemic world, technology will play an even larger role in helping enterprises adapt to the new normal and differentiate themselves. Your company is well poised to take the lead in partnering customers to recover and rebound on to their growth and transformation journeys.

In the coming years, our priority areas comprise:

- Continuous improvement in safety, manufacturing processes and quality systems.
- Operational excellence and focus on Industry 4.0
- Enhanced engagement with existing and new customers
- Growth in revenue and profitability
- Focus on new product development
- Employee engagement and talent management
- Completion of capacity expansion and setting up proposed manufacturing facility.

Before we conclude, we would like to take this opportunity to put forward that we as a team stand together during this challenging phase of **COVID-19**. We look to fully cooperate with the public authorities in these trying times with due-diligence and compliance.

Further, we thank all our colleagues, Board Members, Management, Regulatory authorities, and the stakeholders for their continued support as we pursue these endeavors going forward. We stand firm in our commitment to achieve sustainable growth and deliver value to all our stakeholders.

We finally urge everyone to stay safe and healthy.

With warm regards,

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

**Sd/-
SACHIN VORA
DIN: 02002468
CHAIRMAN & MANAGING DIRECTOR
Date: August 17, 2020**

**Sd/-
SUMIT VORA
DIN: 02002416
EXECUTIVE DIRECTOR**

Our Board of Directors



Mr. Sachin Subhash Vora is a **Chairman & Managing Director** 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 15 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 the cost and general accounting, accounts receivables/collection and payroll and risk management. He also guide for taking financial decisions by establishing, monitoring, and enforcing the policies and procedures. Mr Sachin Vora brings a strong leadership skill in the management of the Company which leads to the better management and achieving desired goals and objective.



Mr. Sumit Subhash Vora is the **Whole Time Director** of our Company having more than 15 years of experience in auto components industry. He is diploma in Mechanical Engineering from Maharashtra State Board of Technical Education in the year 2002. 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. Specialised in Leading Team, Drive for Continuous Improvement in each function / department for increasing the profitability of the business. Involved in Planning, Budgets, reviewing expenses, Cutting manufacturing costs, monitoring inventory, human resources, and looking for new ways to increase profitability. Develop & Execute long-term Business Strategies, Growth Plan, Marketing Strategies, Guide all the Support Functions for other departments such as human resources. Researching and implementing new directives for business growth and prosperity Monitoring employee productivity. Developing and implementing guidelines for employee evaluations, recruitment and promotion



Mrs. 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. Prakash Vasant Kamat is the **Non-Executive Independent Director** of our Company having diversified experience of more than 4 decades in the field of engineering, technology and supply chain operations. He has completed his bachelor's 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.



Mr. Shashikant Vishnupant Bugde, is the **Non-Executive Independent Director** of our Company. He has experience of more than 4 decades in the field of finance and banking. He has completed his G.D.C & A. He was in the past associated with Cosmos Bank and was appointed as the Managing Director of Cosmos Bank in 1980 and continued as the Managing Director until 2010. He was instrumental behind the growth of Cosmos Bank.



Mr. Pramod Vinayak Apshankar, is the **Non-Executive Independent Director** of our Company, Chairman of the Stakeholders Committee and Nomination and Remuneration Committee with more than 4 decades of experience in manufacturing sector. He has completed his bachelor's 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.

Our Business Model

Our technology driven approach and the endeavor to get things “FIRST TIME RIGHT” supports us in developing high-tech and competitive processes suited to evolving customer requirements. We are leveraging our strategy on cost, adding more customers, increasing the range of high-precision products and operational efficiency.

Today, we have emerged as a prominent player in India’s auto component segment, with a satisfied and diversified customer base. We are in a strong position to benefit from the ever-growing global opportunities in automotive components, with a diversified revenue base in products, customers, and geographies.

Outpacing Industry Growth

We are constantly outpacing industry growth by leveraging our operational strategy with focus on new product development, enhancing original equipment efficiency, cost optimization, low cost automation and component cost reduction. We have taken several strategic initiatives over the past few years, including the use of advanced technology in products and processes.

THE QCDDM MATRIX

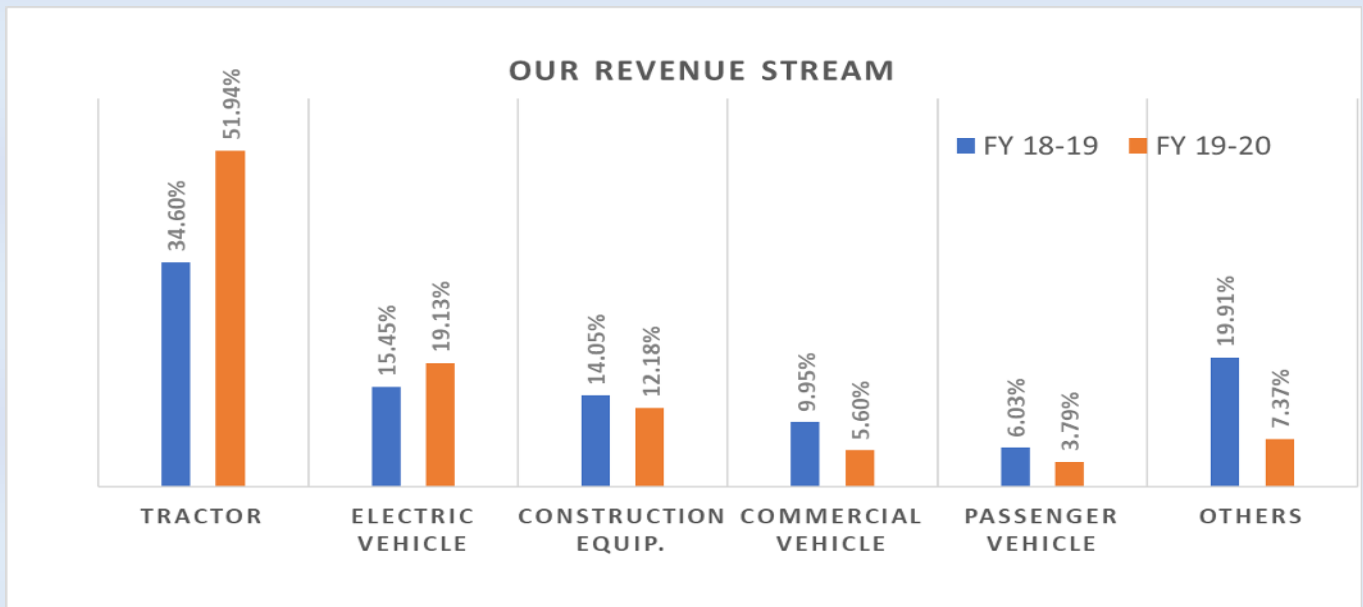
We satisfy our customers based on the strategy of QCDDM (Quality, Cost, Delivery, Development and Management). Our clear strategy on product development, marketing, operations, sourcing technology and people enables us to deliver this strategy across all the metrics to satisfy our customers. We are gradually increasing our wallet share with each customer. We derive value from this strategy for product development as well as process technology and operations.

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

Our Revenue Streams

DIVERSE REVENUE STREAMS

We are a strong auto component supplier with significantly diversified revenue streams. Our multi-solutions and varied product portfolio to OEMs enables us to provide a revenue stream spread across sectors. While we benefit from the presence of key anchor customers, we also take pride in becoming important links in the supply chain of multiple customers. Our wide range of products provided under a single umbrella de-risks the portfolio.



Our Business Drivers

Our HR policies are aimed towards promoting a culture of innovation and hiring the right people. It endeavors to empanel people who can align with our Company's culture and leadership and ensure longevity. We work together with our employees for their personal and professional development. Training and employee motivation are also an integral part of our philosophy.

At KRANTI, we have inculcated the right values that guide us towards realizing our purpose of continuous value creation. Our constant objective is to transform the employees of today into the business drivers of tomorrow. We encourage people with strong domain knowledge to move to tactical or strategic roles and embark on leadership positions. As both technical and domain expertise are critical, we are striving to develop critical mass of domain, by moving tech-oriented people with readiness for domain to Development Centre to build competencies. Based on competencies and employee's understanding of new technology, we provide opportunities to assume strategic roles.

We have a high retention rate as our capable employees are provided with ample growth opportunities and rewards to climb the corporate ladder. Our recruitment process enables diversity at the workplace. We encourage individuals following organizational goals of creating a healthy and competitive work environment. Employees are motivated to project right information.

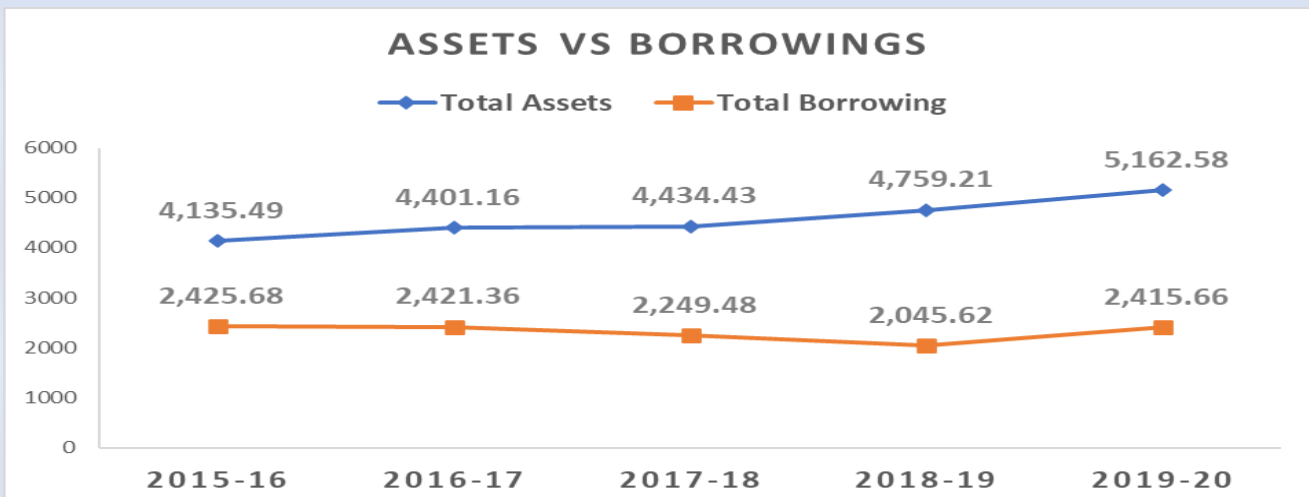
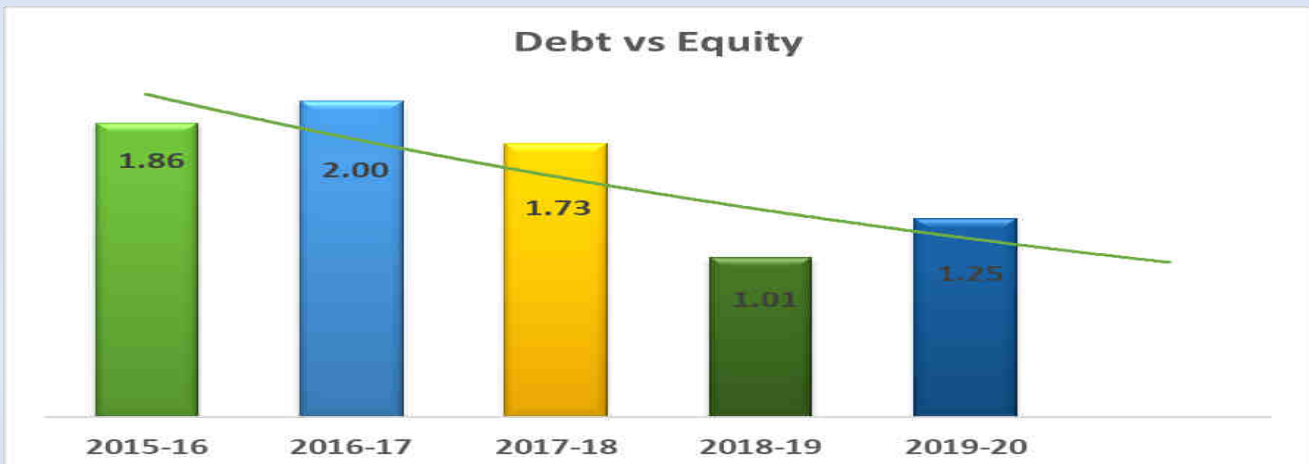


Our Financial Summary

ASSETS LIABILITIES STATEMENT

(On Consolidated basis In INR Lakh)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Share Capital	705.00	705.00	705.00	880.20	880.20
Reserves & Surplus	609.96	508.99	597.77	1,153.04	1,047.86
Net Worth	1,314.96	1,213.99	1,302.77	2,033.24	1,928.06
Long term Borrowing	1821.58	1806.86	1660.53	1552.14	2,060.45
Short-Term Borrowing	604.10	614.50	588.95	493.48	355.21
Total Borrowing	2,425.68	2,421.36	2,249.48	2,045.62	2,415.66
Current Liability	301.9	694.37	804.31	562.31	734.66
Deferred Tax Liability	124.85	107.16	77.83	118.57	84.20
Total Capital Employed	4,167.39	4,436.88	4,434.39	4,759.74	5,162.58
Gross Block	6,278.00	6,370.59	6,445.63	7,004.56	7,774.66
Depreciation Block	3,703.89	4,007.09	4,273.19	4,523.58	4,403.86
Net Block	2,574.11	2,363.50	2,172.44	2,480.98	3,370.80
Investments (inclusive of Goodwill)	328.53	328.53	328.63	343.63	394.59
Current Assets	1016.79	1458.57	1638.52	1579.20	1137.95
Other NON-Current Assets	247.93	286.27	294.84	355.95	259.24
Total Capital Deployed	4,167.36	4,436.87	4,434.43	4,759.76	5,162.58



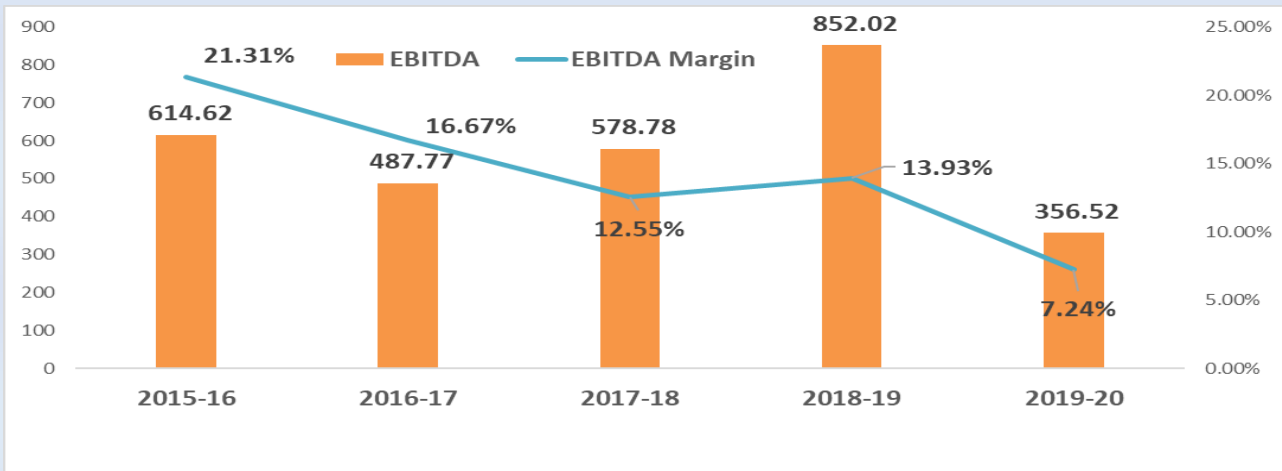
Our Financial Summary

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INCOME EXPENDITURE STATEMENT

(On Consolidated basis In INR Lakh)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Total Revenue	2,884.41	2,909.15	4,610.92	6,117.94	4,925.48
COGS	1,732.54	1,826.99	3,194.92	4,306.02	3,594.33
Gross Profits	1,151.87	1,082.16	1,416.00	1,811.92	1,331.15
GP %	39.93%	37.20%	30.71%	29.62%	27.03%
Employee Expenses	435.10	504.97	676.57	758.96	727.25
Other Cost	102.13	100.08	160.63	200.94	247.38
EBITDA	614.64	477.11	578.80	852.02	356.52
EBITDA Margin	21.31%	16.40%	12.55%	13.93%	7.24%
Depreciation Cost	366.95	336.07	298.63	307.66	315.55
EBIT	247.69	141.04	280.17	544.36	40.97
Interest/Finance Cost	261.35	252.49	219.52	238.58	170.97
PBT	-13.66	-111.45	60.65	305.78	-130.00
Tax Expenses	7.85	17.69	-28.16	93.82	-33.63
Minority Interest	0.22	0.26	-0.63	0.28	-0.74
PAT	-21.73	-94.02	89.44	211.68	-95.63

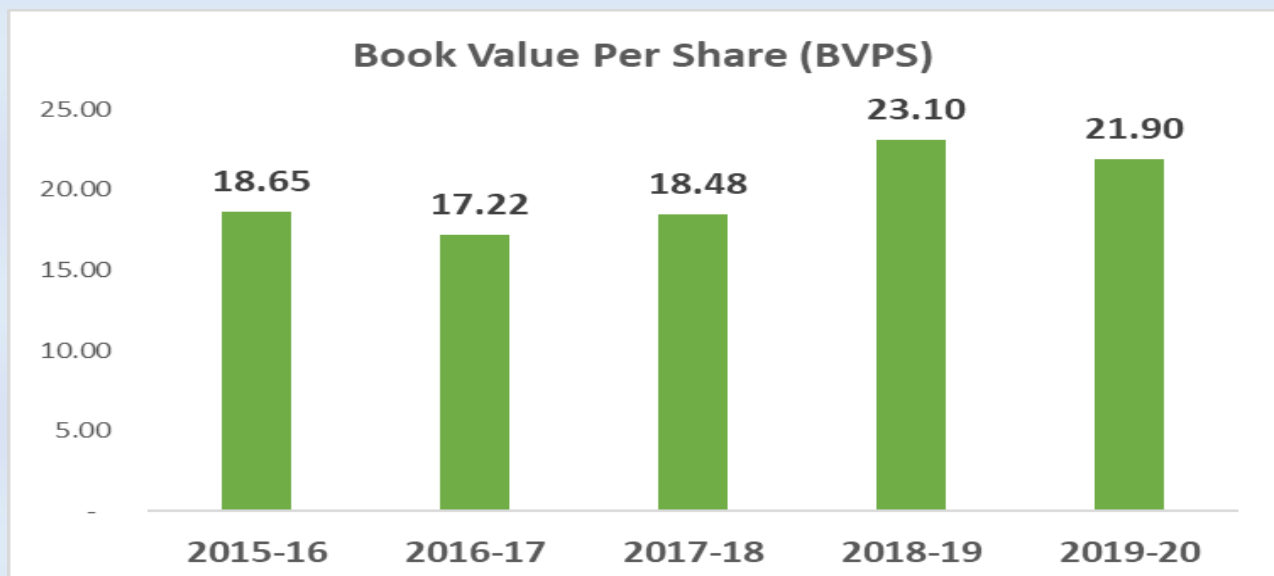
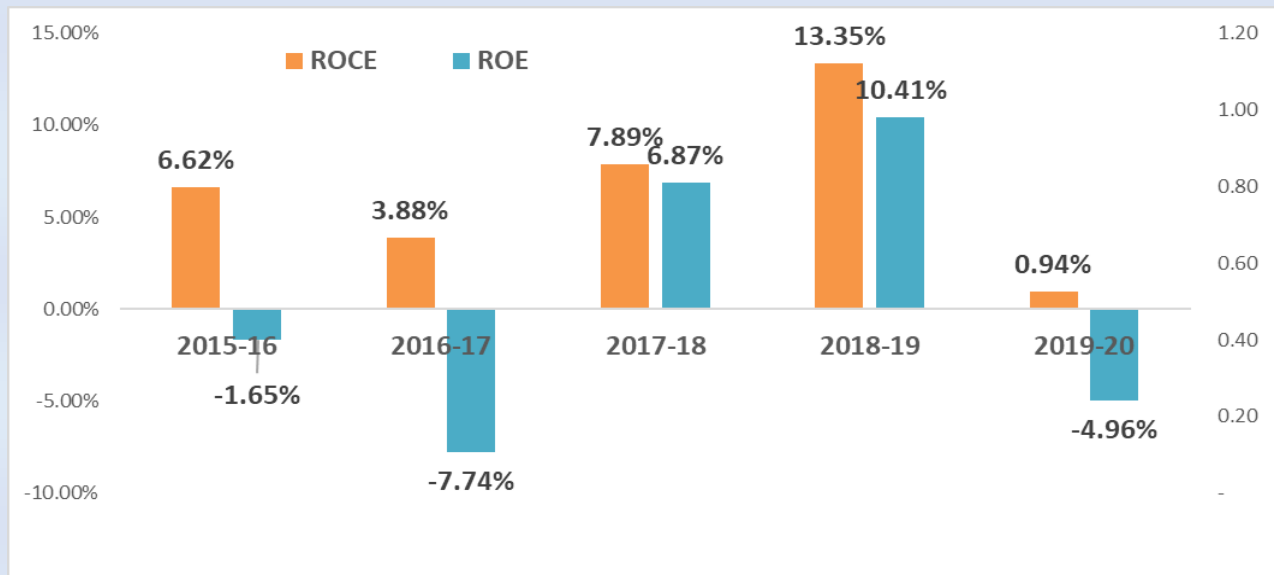


Our Financial Summary

Contd...

KEY FINANCIAL RATIOS

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Change	-24.37%	0.86%	58.50%	32.68%	-19.49%
EBIDTA Change	-26.60%	-22.38%	21.31%	47.20%	-58.16%
EBIDTA Margin	21.31%	16.40%	12.55%	13.93%	7.24%
ROCE	6.62%	3.88%	7.89%	13.35%	0.94%
ROE	-1.65%	-7.74%	6.87%	10.41%	-4.96%
Earning Per Share (Face Value Rs.10/-)	-0.31	-1.33	1.27	2.71	-0.11
D/E Ratio	1.84	1.99	1.73	1.01	1.25
Current Ratio	1.12	1.11	1.18	1.50	1.04
Book Value Per Share (BVPS)	18.65	17.22	18.48	23.10	21.90



Board's Report

DEAR SHAREOWNERS,
KRANTI INDUSTRIES LIMITED.

Your Directors are pleased to present the **25th Annual Report** of the Company for the year ended on March 31, 2020.

FINANCIAL HIGHLIGHTS:

(In INR Lakh)

Particulars	Standalone		Consolidated	
	F.Y. 2019-20	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations	4,754.82	5,788.11	4,896.37	6,070.01
Other Income	24.41	44.77	29.11	48.36
Total Revenue	4,779.23	5,832.88	4,925.48	6,118.37
Cost of Material Consumed	2,891.39	3,289.89	2,905.05	3,317.79
Changes in inventories of finished goods and WIP	-55.79	28.11	-56.46	32.84
Manufacturing and Operating Expenses	723.49	890.22	745.74	955.39
Employee Benefits expenses	647.38	669.18	727.25	758.96
Sales, administration, and Other Expenses	234.76	182.40	247.38	201.37
Finance Cost	154.39	215.70	170.97	238.59
Depreciation and amortization expenses	281.51	265.64	315.55	307.66
Total Expenditure	4,877.14	5,541.15	5,055.49	5,812.60
Profit/(Loss) Before Tax	-97.91	291.73	-130.01	305.76
Less: Provision for Taxes	-	-	-	-
(a) Current Tax	-	53.05	-	53.05
(b) Deferred Tax	-27.08	36.23	-34.38	40.74
(c) Current tax expenses relating to prior years	0.75	-	0.75	-
Profit for the year Before Minority Interest	-71.57	202.45	-96.38	211.97
Minority Interest and Share of Profits (Loss) of Associates	-	-	-8.32	-0.84
Profit/(Loss) After Tax Carried to Balance sheet	-71.57	202.45	-103.21	211.13

The financial performance of the Company for the year ended on March 31, 2020 is summarized below:

PERFORMANCE OF THE COMPANY:

REVENUES-Standalone

During the year under review, your company registered a total revenue of the Company on a standalone basis was stood at ₹ 47.79 Crores (approx.) as compared to total revenue of

₹ 58.32 Crores (approx.) in the previous year and company has earnings before interest, tax, depreciation and amortization on standalone basis was stood at ₹ 3.38 Cr. (approx.) as compared to EBITDA of ₹ 7.73 Cr in the previous year.

REVENUES-Consolidated

During the year under review, the total revenue of the Company on a consolidated basis was stood at ₹ 49.25 Crores (approx.) as compared to total revenue of ₹ 61.18 Crores (approx.) in the previous year.

PROFITS/LOSS-Standalone

During the year under review, Company's Net Loss on standalone basis was reported at ₹ - 71.58 lakhs (approx.) as compared to profit from business operations of ₹ 202.45 lakhs (approx). Further, due to some unavoidable incidents, the expenses of the Company was bit higher and due to bad market condition, the market requirement of the product was lower than the previous year figures result of that company has suffered net loss for the year.

PROFITS/LOSS -Consolidated

In addition to above, the Company has net loss of ₹ -103.21 Lakhs (approx.), as compare to net gain of ₹ 211.13 Lakhs (approx.) in the previous year.

DIVIDEND:

With a view to conserve capital, given the challenging situation caused by outbreak of the COVID-19 pandemic, the Board of Directors does not recommend any dividend for the current financial year ended on March 31, 2020.

SHARE CAPITAL OF THE COMPANY

During the year under review, there was no change in the capital structure of the Company. During the year, The Authorized Share Capital of the Company was Rs.10,00,00,000/- (Rupees Ten Crores only), whereas the Paid-up Share Capital of the Company was also stood at Rs.8,80,20,000/- (Rupees Eight Crore Eighty Lacs and Twenty Thousand only) divided into 88,02,000 shares of Rs 10 each.

In addition to above, considering the visionary expansion of the Company, it thought fit to increase the Authorized Share Capital of the Company from an existing of Rs.10 Crores to Rs.15 Crores, subject to the approval of members at the ensuing Annual General Meeting (AGM) of the Company.

Hence the Board of Directors have recommended the same for obtaining the approval of members at the ensuing Annual General Meeting (AGM) of the Company.

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

On the other hand, the Company has repaid all the balance deposits to the respective depositors by transferring the same directly into their bank accounts.

The Company would further like to confirm that there has been no default in repayment of deposits or payment of interest thereon during the year.

TRANSFER TO RESERVES:

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

LISTING:

Currently the Equity Shares of the Company are listed on SME Platform of BSE Limited. And there are no arrears on account of payment of Listing Fees to the Stock Exchange.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Board of Directors:

During the year, the Board of Directors of the Company was duly constituted in compliance with the Companies Act, 2013 as well as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 One Chairman & Managing 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	Executive Director
4	Shashikant Vishnupant Bugde	01490772	Independent Director
5	Prakash Vasant Kamat	07350643	Independent Director
6	Pramod Vinayak Apshankar	00019869	Independent Director

As per the provisions of the Companies Act, 2013, Sumit Subhash Vora (DIN: 02002416), retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends his reappointment. During the year, there was no change in the composition of Board of Directors of the Company.

Key Managerial Personnel:

In terms of Section 203 of the Act there were two Key Managerial Personnel (KMP) during the year, details are given below;

Sr. No	Name of the KMP	Designation
1	Sheela Kailash Dhawale	Chief Financial Officer
2	Bhavesh Subhash Selarka	Company Secretary and Compliance Officer

The remuneration and other details of the KMP for the FY 2019-20 are provided in the extract of the Annual Return which forms part of this Directors Report.

INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence and that there has been no change in the circumstances which may affect their status as independent director during the year as prescribed under sub-section (6) of section 149 of The Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, Independent Directors were met on 27th January 2020 without the presence of non-independent directors and members of the management, and the all the independent directors attended the same.

BOARD PERFORMANCE EVALUATION:

The Company has developed a framework for performance evaluation of the Board, Committees, and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors. The framework includes evaluation on various parameters such as information flow, Board dynamics, decision making, Company performance and strategy, Board and committee's effectiveness and peer evaluation. The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

The Board carried out annual performance evaluation of the Board, its Committees, and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairperson, the non-independent directors, and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees. A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

The Board evaluates the annual performance of the Board, its Committees and Individual Directors every year. All the Non-Executive and Independent Directors are eminent personalities having wide experience in the field of Business, Industry, Law and Administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

FAMILIARIZATION PROGRAM FOR THE BOARD MEMBERS:

Your Company has in place a structured familiarization program for all Board Members including Independent Directors.

The Board members are provided with the necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedure and practice. Periodic presentations are made at the Board Meetings, Board Committee Meetings and Independent Directors Meetings on business and overall performance updates of the Company, business strategy and risk involved.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of section 134(5) of the Companies Act, 2013, with respect to Director's Responsibility Statement, your Directors make the following statements:

The Directors Confirms that:

- a) In the preparation of the annual accounts for the year ended on March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same.
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) They have prepared the annual accounts on a going concern basis.
- e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITOR'S REPORT:

STATUTORY AUDITOR'S:

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

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, or adverse remarks.

SECRETARIAL AUDITOR:

The Board has appointed **Mr. Harsheet Jayesh Patel** Proprietor of **H. J. Patel and Co.**, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the Financial Year 2019-20.

The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith and marked as **Annexure 'I'** to this Report.

The Secretarial Audit Report contains 3 qualification, reservation or adverse remarks or disclaimer as follows:

Auditor's Qualification 1 : Whereas in terms of Regulation - 7 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding delayed in submission of a compliance certificate to the exchange certifying that all activities in relation to share transfer facility are maintained either in-house or by Registrar to an issue and share transfer agent registered with the board.

Management Reply: Due to some technical and administrative reasons, the Company failed to submit a compliance certificate within time limit to the exchange as prescribed in Regulation 7 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company submitted above said compliance certificate with delay of 4 days. Whereas the management would like to confirm that for such delay in submission, the Company did not receive any notice from the stock exchange. The management also ensures that such kind of delay in submission of necessary information and documents to the Stock Exchange shall not happen in future.

Auditor's Qualification 2 : Whereas in terms of Regulation - 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding delayed in submission of a statement showing holding of securities and shareholding pattern for the year ended on 31st March 2019 on half yearly basis. The Company has also received the notice of penalty in this regard from the stock Exchange.

Management Reply: The Company got listed on SME Portal of BSE Limited on 28th February, 2019, and, it was assumed that, being a Listed Company on SME Portal, the Company was not required to submit return for the Quarter of March 2019, and the management decided to submit its first quarterly results on sue moto basis for end of June 2019 quarter, and then onwards the Company will comply with Half Yearly provisions as specified in SEBI (LODR) Regulations 2015 (as amended).

Due to above mentioned ambiguity, the Company didn't submitted the same within 21 days (i.e.; till 2April 1, 2019) from end of March quarter 2019, which on receipt of reminder mail from stock exchange, the Company had immediately submitted its Shareholding Pattern on 24th April, 2019. The management also ensures that such kind of delay in submission of necessary information and documents to the Stock Exchange shall not happen in future.

Auditor's Qualification 3 : Whereas in terms of Regulation - 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding delayed in submission of details related to voting results of Annual General Meeting of the Company.

Management Reply: Due to some technical and administrative reasons, the Company delayed in submission of details relating to the voting results of Annual General Meeting of the Company, as mentioned in Regulation 44 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Whereas the

management would like to confirm that for such delay in submission, the Company did not receive any notice from the stock exchange. The management also ensures that such kind of delay in submission of necessary information and documents to the Stock Exchange shall not happen in future.

COST AUDITOR:

During the period under review the provisions relating to the Cost Audit was not applicable to the Company.

INTERNAL FINANCIAL CONTROL:

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

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

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

Key elements of the Internal Control Systems are as follows:

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

The Company has an Auditor to ensure compliance and effectiveness of the Internal Control Systems in place.

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

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

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

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

The Compliance Report along with Declaration by the Management is annexed as [Annexure 'II'](#) and [Annexure 'III'](#) to this report.

CORPORATE GOVERNANCE:

Corporate Governance is about maximizing the value and to ensure fairness to all its shareholders. Your Company is renowned for its exemplary governance standards and believes that sound corporate governance is critical to enhance and retain investor trust. Your Company ensures that performance is driven by integrity.

The Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have strengthened the governance regime in the country. The Board also exercises its fiduciary responsibilities in the widest sense of the term.

Your Company has in place all the statutory committees required under the law. Details of the Board Committees along with their terms of reference, composition and meeting of the Board and its Committees held during the year are provided in this Director's Report which is presented in a separate section forming part of this Report. Also, the Corporate Governance Report is annexed as [Annexure 'IV'](#) to this report.

MEETINGS OF THE BOARD:

Eight (08) meetings of the Board of Directors were held during the year, all the directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time. The requisite quorum was present in all the meetings and the maximum interval between any two meetings did not exceed 120 days, as prescribed by The Companies Act, 2013.

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

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
1	April 1, 2019	6	6
2	April 21, 2019	6	6
3	May 13, 2019	6	6
4	July 26, 2019	6	6
5	September 11, 2019	6	6
6	November 13, 2019	6	6
7	December 20, 2019	6	6
8	January 27, 2020	6	6

The 24th Annual General Meeting (AGM) of the Company was held on 23rd August, 2019.

COMMITTEES OF THE BOARD:

As on March 31, 2020, the Board had 03 (Three) Committees namely:

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

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

A. AUDIT COMMITTEE:

The Audit Committee comprises Shashikant Bugde (Chairman), Pramod Apshankar and Sachin Vora. 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 5 (Five) times on May 13, 2019, August 30, 2019, November 13, 2019, December 20, 2019 and January 24, 2020.

Name of the Director	Category	Position in the Committee	No. of meeting attended
Shashikant Bugde	Independent Director	Chairman	5
Pramod Apshankar	Independent Director	Member	5
Sachin Vora	Managing Director	Member	5

In addition to above Audit Committee composition The Company Secretary of the Company shall act as the Secretary to the Audit Committee.

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

The Audit Committee Policy are available on the Company website (<http://www.krantiindustries.com/policies.html>)

B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises Pramod Apshankar (Chairman), Shashikant Bugde and Prakash Kamat.

During the year under review there was no such appointment made thus Nomination and Remuneration Committee meeting was not required to call.

Name of the Director	Category	Position in the Committee
Pramod Apshankar	Independent Director	Chairman
Shashikant Bugde	Independent Director	Member
Prakash Kamat	Independent Director	Member

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

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

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises of Pramod Apshankar (Chairman), Shashikant Bugde, Prakash Kamat, and Sachin Vora.

During the period under review, SR Committee members met on 27th January 2020

Name of the Director	Category	Position in the Committee
Pramod Apshankar	Independent Director	Chairman
Shashikant Bugde	Independent Director	Member
Prakash Kamat	Independent Director	Member
Sachin Vora	Managing Director	Member

Bhavesh Selarka has been appointed as the Secretary to the Committee. Bhavesh Selarka, who is also the Compliance Officer and Company Secretary under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may be contacted at:

KRANTI INDUSTRIES LIMITED

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

No complaints were received during the year under review.

BOARD POLICIES:

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

- (a) Vigil Mechanism / Whistle Blower Policy
- (b) Code of Conduct for Directors and Senior Management
- (c) Code of Conduct for Independent Directors
- (d) Insider Trading Policy
- (e) Code of Fair Disclosure of Unpublished Price Sensitive Information
- (f) Policy for Determination of Materiality
- (g) Policy on Materiality of Related Party Transactions
- (h) Nomination and Remuneration Policy
- (i) Risk Management Policy

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

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:

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

Steps taken or impact on conservation of energy:

The Company has considered and implemented various processes for conservation of energy like, usage of LED lights, reducing compressed air losses by arresting leakages e.t.c.

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

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

Capital investment on energy conservation equipment's:

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

Water Management:

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

Waste Management:

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

Health, safety and environment:

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

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

B. TECHNOLOGY ABSORPTION:

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

The Company has best of operating machines and highly precisions equipment for production and quality management also the Company has hired the optimal of quality team who dedicates their full enthusiasm and work tirelessly for delivering best quality and services.

The team along with state-of-the-art quality equipment's as necessary for the Machine Shop.

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

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Foreign Exchange Earnings during the year under review is **NIL**

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

Particulars	As on March 31, 2020	As on March 31, 2019
Spares for Repairs	0.00	0.00
Travelling Expense	0.64	2.12
Advance for Capital Goods & Material	2.00	98.65

Value of Imports calculated on CIF Basis:

Particulars	As on March 31, 2020	As on March 31, 2019
Capital Goods	559.20	255.49
Raw Material	0.00	1.93

PARTICULARS OF REMUNERATION OF DIRECTORS AND CERTAIN SPECIFIED EMPLOYEES:

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

There are no employees drawing remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

EXTRACT OF THE ANNUAL RETURN:

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in prescribed **Form MGT-9** is enclosed as **Annexure 'VI'** to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual Report.

During the year under review, the Company did not provide any further loans, guarantees and investments as covered under section 186 of the Companies Act, 2013.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The current policy is to have an appropriate mix of 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 One Chairman & Managing Director)

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES (RPT):

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed **Form AOC-2**, is appended as **Annexure 'VII'** to the Board's Report.

RISK MANAGEMENT SYSTEM:

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

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

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

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

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

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

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

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

strategic, financial and customer management so that goals and responsibilities are aligned across the Company.

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

STATE OF COMPANY'S AFFAIRS:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

VIGIL MECHANISM:

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

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

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

Your Company has always believed in providing a safe workplace for every individual working in Company's premise through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. The Company has also constituted Internal Complaints Committee, as required under the said enactment.

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

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

During the period under review there have been noticed the material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report which is listed as below:

GLOBAL PANDEMIC - COVID-19

Towards the end of the financial year, The World Health Organization (WHO) on January 30, 2020 confirmed that the current outbreak in the China is a 'Public Health Emergency of International Concern' (PHEIC). On March 11, 2020, WHO declared 2019-nCoV/ COVID-19 as a 'Pandemic'. The outbreak, of which have infected millions, has resulted in deaths of a significant number of people globally. Covid-19 is seen having an unprecedented impact on people and economies worldwide. The rapid outbreak of the coronavirus (COVID-19) presents an alarming health crisis that the world is grappling with. The impacts of the COVID-19 pandemic are unfolding in real time. The COVID-19 outbreak has already had a significant effect on the economies of affected countries and international financial markets.

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of the Financial Statements for the year ended March 31, 2020.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at March 31, 2020 about future events that the Management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. It is focused on controlling the fixed costs, maintaining liquidity and closely monitoring the supply chain to ensure that the manufacturing facilities operate smoothly. The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19 pandemic. The operations were disrupted at our manufacturing plants due to series of lockdowns and other restrictions by the government have posed serious challenges to Company. As a result of lockdown, the company manufacturing remained on halt from 22nd March, 2020 and the company commence its partial resumption of operations w. e. f. 05th May, 2020 The COVID-19 pandemic has adversely affected the business and operations of the Company for which the revenue of the Company has been affected to that extent and would have bearing till full normalcy restored Other than the above mentioned situation affecting the Company, there is no material change and commitment that have occurred after the closure of the Financial Year 2019-20 till the date of this Report, which would affect the financial position of your Company.

DETAILS OF SUBSIDIARIES & ASSOCIATE:

The Company is having a Subsidiary Company whose details are given below, in addition to this there is one Associate Companies (AC) of our Company:

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

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

SECRETARIAL STANDARDS:

The Directors 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. The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

GREEN INITIATIVE:

In compliance with the Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Annual Report 2019-20, the Notice of the 39th 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.

OTHER DISCLOSURES:

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

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

- The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets and third parties.

E-VOTING/BALLOT VOTING

In terms of requirements of the Companies Act, 2013 and the relevant rules made thereunder, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 25th Annual General Meeting (AGM) of the Company.

GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting	25th AGM of Kranti Industries Limited
Date	Friday September 18, 2020
Time	03.30 PM onwards
Mode	Video Conferencing or Other Audio- Visual Means
Venue	At Gat No. 267/B/1, Post Pirangut, Taluka Mulshi, District- Pune- 412115
Financial Year Reported	April 1, 2019 to March 31, 2020
Cut-Off date for Notice	August 14, 2020
Cut-Off date for AGM	September 11, 2020
Date of Book Closure	September 12, 2020 to September 18,2020
E-voting Period	September 15, 2020 09.00 AM to September 17, 2020 05.00 PM
Event Code for AGM and E-voting	200163
Stock Code	245459
ISIN	911T01010
CIN	L29299PN1995PLC095016

CAUTIONARY STATEMENT:

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

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

FUTURE OUTLOOK:

Financial Year 2019-20 has been a challenging year with weakening consumer sentiment given the macro-economic conditions and finally, the COVID-19 outbreak and its terrible impact on lives and livelihoods. The human impact of the virus and the containment efforts have resulted in supply and demand disruptions, resulting in a sharper growth deceleration. The situation remains volatile with the trajectory of the virus undetermined, evolving hot spot geographies, the success of containment measures uncertain, the severity and duration of resulting economic crisis and the extent of structural damage unknown. There are many unknowns today and hence, the near-term outlook is extremely uncertain. We stand united with the nation in the fight against COVID-19 as we navigate our way through these dynamic uncertain times together. Our focus remains on safety of our people, protecting supply lines, serving demand of our customers, contributing to the society, and optimizing cost and cash. Despite the near-term ambiguity, we remain confident of the medium to long-term growth prospects.

The outlook appears uncertain for the economy, auto sector in FY 2020-21. However, we are hopeful that many people may prefer to use personal vehicles over public transport. This could help widen the market for our products, as and when consumer sentiment revives. Favorable monsoons may strengthen rural demand in the second half of FY 2020-21.

To protect the integrity of the Balance Sheet, we have taken a number of initiatives to implement cost austerity. We will execute our orders on schedule and focus on seeking new orders. There will be a clear focus on maximizing sales revenue. There will also be an emphasis on cost reduction through control on unproductive cost and expenses, if any and ensure improvement in better and qualitative service to reach up to the satisfaction of our customers.

Your management is ready for all challenges of unexpectedly changing business environment and is willing to perform their duties at their best ability and showing their optimistic vision towards the future growth and development of the Company.

ACKNOWLEDGEMENT:

Your Directors wish to convey their gratitude and place on record their appreciation for the employees at all levels for their hard work, co-operation and dedication during the year. Your Directors sincerely convey their appreciation to customers, shareholders, vendors, suppliers, bankers, business associates, regulatory and government authorities for their continued support.

For and on Behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

SACHIN VORA

DIN: 02002468

CHAIRMAN & MANAGING DIRECTOR

Date : August 17, 2020

PLACE: PUNE

Sd/-

SUMIT VORA

DIN: 02002416

EXECUTIVE DIRECTOR

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2020**

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized 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, 2020 ('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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, if any.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 2014 (**Not Applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the 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**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (I) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (II) Listing Agreements entered into by the Company with BSE Limited.

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

1. *Whereas in terms of the Regulation- 7 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding delayed in submission of a compliance certificate to the exchange certifying that all activities in relation to share transfer facility are maintained either in house or by Registrar to an issue and share transfer agent registered with the Board.*
2. *Whereas in terms of the Regulation- 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding delayed in submission of statement showing holding of securities and shareholding pattern for the year ended on March 31, 2019 on half yearly basis. The Company has also received notice of penalty in this regard from the Stock Exchange.*
3. *Whereas in terms of the Regulation- 44 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding delayed in submission of details relating to the voting results of Annual General Meeting of the Company.*

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

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

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

I FURTHER REPORT THAT it was observed that during the audit period the Company has repaid all the outstanding deposits to the respective depositors, however no such reserve account was opened, but the amount was directly paid to the bank accounts of the respective depositors.

For H. J. Patel & Co.
Company Secretaries

Sd/-

Harsheet J. Patel

Proprietor

FCS No. 7948, CP No. 8433

UDIN: F007948B000535618

Place: Pune

Date: 31st July, 2020

Note: This Report is to be read with 'Annexure-A' which forms an integral part of this report.

'Annexure A'

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

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

- (1) Maintenance of secretarial records is the responsibility of the management of **Kranti Industries Limited** (hereinafter called "the Company"). My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

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

For H. J. Patel & Co.
Company Secretaries

Sd/-

Harsheet J. Patel

Proprietor

FCS No. 7948, CP No. 8433

UDIN: F007948B000535618

Place: Pune Date: 31st July, 2020

Compliance Report

Annexure II

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

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

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

This is to certify that for the financial year ended March 31, 2020:

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

For Kranti Industries Limited

Sd/-
Sachin Vora
Chairman & Managing Director
Date: August 17, 2020

Sd/-
Sheela Dhawale
Chief Financial Officer

Declaration by MD

Annexure III

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

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

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

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

For and on Behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-
Sachin Vora
DIN: 02002468
(Chairman & Managing Director)
Date : August 17, 2020

Corporate Governance

Annexure IV

AUDITOR'S CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of **Corporate Governance** by **KRANTI INDUSTRIES LIMITED** for the year ended **March 31, 2020**, as stipulated in the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in amended of the Listing Agreement

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances are pending for a period exceeding one month against the Company as per record maintained by the Company.

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

For ADV & ASSOCIATES

Chartered Accountants

Firm Registration number: 128045W

Sd/-

Ankit Rathi

Partner.

Membership number: 421679

UDIN: 20162441AAAABN1019

Date: August 17, 2020 Place: MUMBAI

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**	0.09:1
2.	Sachin S. Vora	Chairman & Managing Director *	9.11:1
3.	Sumit S. Vora	Executive Director *	9.11:1
4.	Shashikant V. Bugde	Independent Director**	0.09:1
5.	Prakash V. Kamat	Independent Director **	0.09:1
6.	Pramod V. Apshankar	Independent Director **	0.09:1

* 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 of the Director	Designation	Percentage of Increase / Decrease in Remuneration
1.	Sachin S. Vora	Chairman & Managing Director	-8.80%
2.	Sumit S. Vora	Executive Director	-8.80%
3.	Sheela K. Dhawale	Chief Financial Officer	-6.4%
4.	Bhavesh S. Selarka	Compliance Officer & Company Secretary	23.9%
5.	Median Employee		2.50%
6.	Indubala Vora	Non-Executive Director	0.00%
7.	Prakash Kamat	Independent Director	0.00%
8.	Pramod Apshankar	Independent Director	0.00%
9.	Shashikant Bugde	Independent Director	0.00%

REQUIREMENTS	DISCLOSURE
The percentage increase in the median remuneration of employees in the financial year.	2.50%
The number of permanent employees on the rolls of the Company.	152 employees as at March 31, 2020.
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 3.50 % and average managerial remuneration has increased by 1.52 %
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. Information as per Rule 5 (2) of chapter XIII: Companies (Appointment of Remuneration of Managerial Personnel) Rules: 2014 : as amended

Name	Mr. Sachin S Vora	Mr. Sumit S Vora
Designation	Chairman & Managing Director	Executive Director
Education	BE in Industrial Electronics	Diploma in Mechanical Engineering
Age	39	36
Experience	18+	17+
Date of joining	01-04-2002	01-01-2003
Gross Remuneration	23,33,807.00	23,33,807.00
No of Equity Shares Held	16,02,000	15,39,030
Relative of Director / Manager	Elder Brother of Director- Mr Sumit Vora and son of Mrs Indubala Vora & Founder Mr Subhash Vora.	Younger Brother of CMD- Mr Sachin Vora and son of Mrs Indubala Vora & Founder Mr Subhash Vora.
Previous employment	Kranti Industries Pvt Ltd.	Kranti Industries Pvt Ltd.

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

Sr. No	Name of the KMP	Remuneration	Total Revenue	% to Total Revenue
1	SHEELA DHAWALE	10,20,073	47,78,69,697.50	0.21%
2	BHAVESH SELARKA	5,20,736	47,78,69,697.50	0.11%

For and on Behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

SACHIN VORA

DIN: 02002468

CHAIRMAN & MANAGING DIRECTOR

DATE : August 17, 2020

Sd/-

SUMIT VORA

DIN: 02002416

EXECUTIVE DIRECTOR

Form No. MGT-9

Annexure VI

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

Sr.No.	Particulars	Details
1	CIN	L29299PN1995PLC095016
2	Registration Date	05 December 1995
3	Name of the Company	KRANTI INDUSTRIES LIMITED
4	Category/Sub-category of the Company	Public Listed Company
5	Address of the Registered office & contact details	Gat No.267/B/1, At Post Pirangut, Tal. Mulshi, Pune - 412115, Maharashtra, India Contact Details: Tel.: 020-66755676; Email: info@krantiindustries.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Private Limited. Address: C 101, 247 Park, LBS Marg, Vikhroli West Mumbai- 400 083. Tel Ph No. +91 22 28515644/5606 Fax: +91 22 8512885

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	MANUFACTURE OF MACHINERY AND EQUIPMENT N.E.C.	29	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name & Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Wonder Precision Private Limited Regd Add: J-63, MIDC, Bhosari, Pune 411 026, Maharashtra, India)	U27109PN1986PTC039913	Subsidiary Company	97	Section 2 (87)
2	Kranti SFCI Private Limited (Regd Add: G.I.D.C. Plot No. 105 Vill: Bamanbore, Taluka: Chotila Surendranagar GJ 360003	U29113GJ2018PTC105630	Associates Company	30	Section 2 (6)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year* [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	64,13,330	-	64,13,330	72.86%	64,58,330	-	64,58,330	73.37%	0.51%
b) Central Govt				0.00%				0.00%	
c) State Govt(s)				0.00%				0.00%	
d) Bodies Corp.				0.00%				0.00%	
e) Banks / FI				0.00%				0.00%	
f) Any other				0.00%				0.00%	
Sub Total (A) (1)	64,13,330	-	64,13,330	72.86%	64,58,330	-	64,58,330	73.37%	0.51%
(2) Foreign									
a) NRI Individuals				0.00%				0.00%	
b) Other Individuals				0.00%				0.00%	
c) Bodies Corp.				0.00%				0.00%	
d) Any other				0.00%				0.00%	
Sub Total (A) (2)				0.00%				0.00%	
TOTAL (A)	64,13,330	-	64,13,330	72.86%	64,58,330	-	64,58,330	73.37%	0.51%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds				0.00%				0.00%	
b) Banks / FI				0.00%				0.00%	
c) Central Govt				0.00%				0.00%	
d) State Govt(s)				0.00%				0.00%	
e) Venture Capital Funds				0.00%				0.00%	
f) Insurance Companies				0.00%				0.00%	
g) FIIs				0.00%				0.00%	
h) Foreign Venture Capital Funds				0.00%				0.00%	
i) Others (specify)				0.00%				0.00%	
Sub-total (B)(1):-				0.00%				0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6,73,021		6,73,021	7.65%	7,62,000		7,62,000	8.66%	1.01%
ii) Overseas				0.00%				0.00%	
b) Individuals				0.00%				0.00%	
i) Individual shareholders				0.00%				0.00%	

holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	16,61,649		16,61,649	0.00%	14,82,670		14,82,670	7.98%	7.98%
c) Others (specify)	7,27,021		7,27,021	0.00%	8,61,000		8,61,000	9.78%	9.78%
Non Resident Indians	6,000		6,000	0.00%	3,000		3,000	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-		-	0.00%	
Foreign Nationals	-		-	0.00%	-		-	0.00%	
Clearing Members	6,000		6,000	0.00%	-		-	0.00%	0.00%
Trusts / HUF	42,000		42,000	0.00%	96,000		96,000	0.00%	0.00%
Foreign Bodies - D R	-		-	0.00%	-		-	0.00%	
Sub-total (B)(2):-	23,88,670	-	23,88,670	0.00%	23,43,670	-	23,43,670	0.00%	0.00%
Total Public (B)	23,88,670	-	23,88,670	27.14%	23,43,670	-	23,43,670	26.63%	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%				0.00%	
Grand Total (A+B+C)	88,02,000	-	88,02,000	100.0%	88,02,000	-	88,02,000	100.0%	

ii. (a) Share Holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SMT. INDUBALA SUBHASH VORA	16,86,700	19.16	0	16,98,700	19.30	0	0.14%
2	MR. SACHIN SUBHASH VORA	15,93,000	18.10	0	16,02,000	18.20	0	0.10%
3	MR. SUMIT SUBHASH VORA	15,33,030	17.42	0	15,39,030	17.49	0	0.07%
	Total	48,12,730	54.68		48,39,730	54.98	0	0.31%

(b) Share Holding of Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Tejraj Chhogmalji Rathod	30	0.0003	0	30	0.0003	0	0.00
2	Vijay Kundanmal Vora	30	0.0003	0	30	0.0003	0	0.00
3	Sangita H Mehta	40	0.0005	0	40	0.0005	0	0.00
4	Kavita Vinod Jain	90,000	1.02	0	90,000	1.02	0	0.00
5	Lushita Sumeet Vora	1,12,500	1.28	0	1,24,500	1.41	0	0.14
6	Lodha Rekha Kirtikumar	1,65,000	1.87	0	1,65,000	1.87	0	0.00
7	Sarika Sachin Vora	1,80,000	2.04	0	1,86,000	2.11	0	0.07
8	Basanti Kundanmal Vora	1,83,000	2.08	0	1,83,000	2.08	0	0.00
9	Sachin Subhash Vora (Huf)	2,47,500	2.81	0	2,47,500	2.81	0	0.00
10	Sumeet Subhash Vora (Huf)	2,47,500	2.81	0	2,47,500	2.81	0	0.00
11	Gadiya Sapna Sunil	3,75,000	4.26	0	3,75,000	4.26	0	0.00
	Total	16,00,600	18.18		16,18,600	18.39	0	0.20

iii. (a) Change in Promoters Share Holding (please specify if there is no change)

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SMT. INDUBALA SUBHASH VORA						
	At the beginning of the year	-	-	16,86,700	19.16		
	Changes during the year	-	Purchase	12,000	0.14	16,98,700	19.30
	At the end of the year*			16,98,700	19.30	16,98,700	19.30
2	MR. SACHIN SUBHASH VORA						
	At the beginning of the year	-	-	15,93,000	18.10		
	Changes during the year	-	Purchase	9,000	0.10	16,02,000	18.20
	At the end of the year*			16,02,000	18.20	16,02,000	18.20
3	MR. SUMIT SUBHASH VORA						

	At the beginning of the year	-	-	15,33,030	17.42		
	Changes during the year	-	Purchase	9,000	0.07	15,42,030	17.49
	At the end of the year*			15,42,030	17.49	15,42,030	17.49

(b) Change in Promoter Group Share Holding (please specify if there is no change)

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MRS. LUSHITA SUMEET VORA						
	At the beginning of the year	-	-	1,12,500	1.28		
	Changes during the year	-	Purchase	12,000	0.14	1,24,500	1.41
	At the end of the year*			1,24,500	1.41	1,24,500	1.41
2	MRS. SARIKA SACHIN VORA						
	At the beginning of the year	-	-	1,80,000	2.04		
	Changes during the year	-	Purchase	6,000	0.07	1,86,000	2.11
	At the end of the year*			1,86,000	2.11	1,86,000	2.11

iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SMC GLOBAL SECURITIES LIMITED						
	At the beginning of the year	-	-	6,63,000	7.53		
	Changes during the year		Purchase	30,000		6,93,000	7.87
	At the end of the year			6,93,000	7.87	6,93,000	7.87
2	YOGESH CHAUDHARY						
	At the beginning of the year	-	-	1,14,000	1.30		
	Changes during the year			54,000		1,68,000	1.91
	At the end of the year			1,68,000	1.91	1,68,000	1.91
3	SUNILKUMAR SATYANARAYAN AGARWAL						
	At the beginning of the year	-	-	1,44,000	1.64		
	Changes during the year			-			

	At the end of the year			1,44,000	1.64	1,44,000	1.64
4	BHARAT KUMAR KANKARIYA (HUF)						
	At the beginning of the year	-	-	24,000	0.27		
	Changes during the year		Purchase	63,000		87,000	0.99
	At the end of the year			87,000	0.99	87,000	0.99
5	PARESH HASTIMAL MEHTA						
	At the beginning of the year	-	-	75,210	0.85		
	Changes during the year			-		75,210	0.85
	At the end of the year			75,210	0.85	75,210	0.85
6	SWASTUSH CONSULTING PRIVATE LIMITED						
	At the beginning of the year	-	-				
	Changes during the year	-	Purchase	69,000	0.78	69,000	0.78
	At the end of the year		-	69,000	0.78	69,000	0.78
7	RUSHIKESH S GANDHI						
	At the beginning of the year	-	-	63,000	0.72		
	Changes during the year	-		-		63,000	0.72
	At the end of the year			63,000	0.72	63,000	0.72
8	VIVEK LODHA						
	At the beginning of the year	-	-	45,000	0.51		
	Changes during the year			-		45,000	0.51
	At the end of the year		-	45,000	0.51	45,000	0.51
9	VAIBHAV TOTUKA						
	At the beginning of the year	-	-	39,000	0.44		
	Changes during the year		Sell	(9,000)		30,000	0.34
	At the end of the year		-	30,000	0.34	30,000	0.34
10	RAMNIKLAL G KOTECHA						
	At the beginning of the year	-	-	30,000	0.34		
	Changes during the year					30,000	0.34
	At the end of the year		-	30,000	0.34	30,000	0.34

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SMT. INDUBALA SUBHASH VORA						
	At the beginning of the year	-	-	16,86,700	19.16		
	Changes during the year	-	Purchase	12,000	-	16,98,700	19.30
	At the end of the year			16,98,700	19.30	16,98,700	19.30
2	MR. SACHIN SUBHASH VORA						

	At the beginning of the year	-	-	15,93,000	18.10		
	Changes during the year		Purchase	9,000	-	16,02,000	18.20
	At the end of the year			16,02,000	18.20	16,02,000	18.20
3	MR. SUMIT SUBHASH VORA						
	At the beginning of the year	-	-	15,33,030	17.42		
	Changes during the year		Purchase	6,000	-	15,39,030	17.49
	At the end of the year		-	15,39,030	17.49	15,39,030	17.49
4	MRS. SHEELA KAILASH DHAWALE						
	At the beginning of the year	-	-	280	0.02		
	Changes during the year					280	0.02
	At the end of the year		-	280	0.00	280	0.00

V. INDEBTNESS (Indebtedness of the Company including interest outstanding / accrued but not due for payment.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	11,16,98,956.22	3,50,00,000.00	1,96,02,000.00	16,63,00,956.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	11,16,98,956.22	3,50,00,000.00	1,96,02,000.00	16,63,00,956.22
Change in Indebtness during the financial year				
* Addition	10,66,47,046.00	55,00,000.00		5,96,50,287.01
* Reduction	5,24,96,758.99		1,96,02,000.00	-1,96,02,000.00
Net Change	5,41,50,287.01	55,00,000.00	1,96,02,000.00	4,00,48,287.01
Indebtness at the end of the financial year				
i) Principal Amount	16,58,49,243.23	4,05,00,000.00	-	20,63,49,243.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	16,58,49,243.23	4,05,00,000.00	-	20,63,49,243.23

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- a. Remuneration to Managing Director, Whole-time Directors and/or Manager and/or Directors:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager/Directors		
		Mr. Sachin Subhash Vora	Mr. Sumit Subhash Vora	
	Designation	Managing Director	Director	Total Amount
1	Gross salary	23,33,807.00	23,33,807.00	46,67,614.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
	2 Stock Option	-	-	-
	3 Sweat Equity	-	-	-
4 Commission	-	-	-	
4 - as % of profit	-	-	-	
- others, specify	-	-	-	
5 Others, (Interest income)	-	-	-	
	Total (A)	23,33,807.00	23,33,807.00	46,67,614.00
	Ceiling as per the Act	Within the prescribed limit mentioned under Schedule V of the Act		

b. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total
		Mr. Pramod Vinayak Apshankar	Mr. Shashikant Vishnupant Bugde	Mr. Prakash Vasant Kamat	Mrs Indubala Vora	
1	Independent Directors	-	-	-	-	-
	Fee for attending board /committee meetings	25,000.00	25,000.00	25,000.00	-	75,000.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	25,000.00	25,000.00	25,000.00	-	75,000.00
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	25,000.00	25,000.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	25,000.00
	Total (B)=(1+2)	25,000.00	25,000.00	25,000.00	25,000.00	1,00,000.00
	Total Managerial Remuneration	-	-	-	-	1,00,000.00
	Overall Ceiling as per the Act	-	-	-	-	-

c. Remuneration to Key Managerial Personnel

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Mrs. Shila Kailash Dhawale	Mr Bhavesh Selarka	Total Amount
	Designation	CFO	CS	
1	Gross salary	10,20,073.00	5,20,736.00	15,40,809.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others	-	-	-
	Total	10,20,073.00	5,20,736.00	15,40,809.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty Punishment Compounding			NIL		
B. DIRECTORS					
Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			NIL		

For and on Behalf of Board of Directors
KRANTI INDUSTRIES LIMITED
Sd/-
SACHIN VORA
DIN: 02002468
CHAIRMAN & MANAGING DIRECTOR
DATE : August 17, 2020
Sd/-
SUMIT VORA
DIN: 02002416
EXECUTIVE DIRECTOR

Form No. AOC-2

Annexure VII

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis

The Company has not entered in any transaction during the FY 2019-20 which are not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the financial year ended March 31, 2020 is as follows:

Name of Related Party	WONDER PRECISION PRIVATE LIMITED	KRANTI SFCI PRIVATE LIMITED
Nature of Relationship	Subsidiary Company	Associate Company
Nature of contracts/ arrangements/ transactions	Contract for sale, purchase, and/or supply of goods, material and/ or supply of services.	Contract for sale, purchase, and/or supply of goods, material and/ or supply of services.
Duration of contracts/ arrangements/ transactions	on-going	on-going
Salient terms of the contracts or arrangements or transactions including the value if any	The transactions are entered into ordinary course of business. Purchase of material or job work charges for ₹ 30.77 Lakh during the year	The transactions are entered into ordinary course of business. Sale of machine for ₹ 59.43 Lakh during the year
Date of approval by the Board/ Members if any	Not Applicable	Not Applicable
Amount paid as advance if any	NIL	NIL

For and on Behalf of Board of Directors

KRANTI INDUSTRIES LIMITED

Sd/-

SACHIN VORA

DIN: 02002468

CHAIRMAN & MANAGING DIRECTOR

DATE: August 17, 2020

Sd/-

SUMIT VORA

DIN: 02002416

EXECUTIVE DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The past few years have witnessed an increasing number of world leaders favoring protectionism. The prime reason behind this was encouraging employment to local people and reducing trade and external deficit. However, what protectionism did was: elevated trade tensions, caused social unrest and started a geopolitical war. The smooth flow of people, products, and services took a reverse route, causing a sluggish global economic growth of 2.9% in 2019. Despite this, the market sentiments were found to be positive owing to the indicators like accommodative monetary policy, crude oil prices in a steady range and US-China's friendly trade talk. A gradual recovery, riding on the back of aforementioned sentiments, was anticipated in 2020. But Covid-19 had other plans. The deadly Coronavirus outbreak severely impacted the supply chain, forcing corporates to re-think about their strategies. These uncertain times brought about a change of working remotely. A technological shift is being experienced with a growing number of people adopting e-commerce and video conferencing for communication. Going forward, a rising number of companies and countries are anticipated to seek greater safety in international diversification. This will help them hedge against the dangers and risks of single-source supply partners - making working together more vital than being self-sufficient.

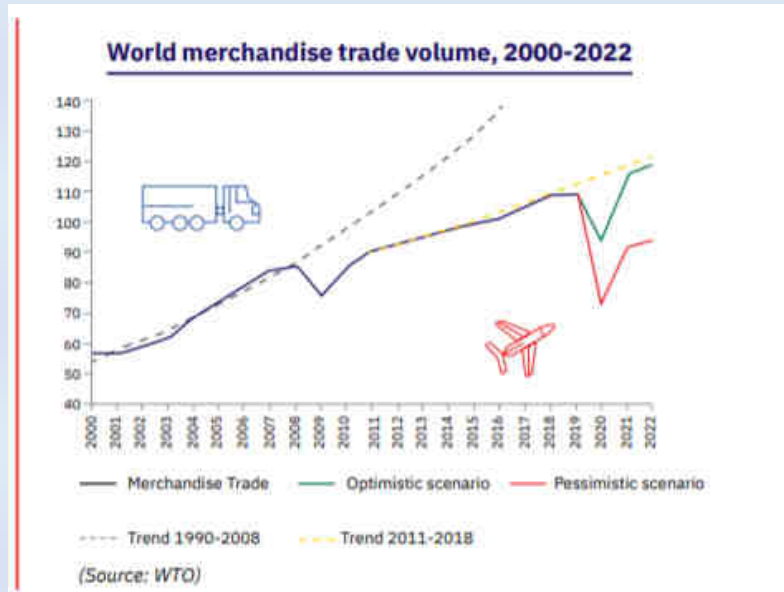
The global economy grew 2.3% in 2019 compared to 3.6% in 2018, as a result of an increase in global trade disruptions, manufacturing sector slowdown and BREXIT impact. The global trade weakened to 0.9% during 2019. The outbreak of the **COVID-19** pandemic led to the 'Great Lockdown' of 2020, which is projected to result in global economic de-growth for the first time in decades, triggering the possibility of a deep global recession.

Even though the outcome is still speculative, there may be contractions across the vast majority of emerging market and developing economies. Labour productivity and manufacturing output could be severely affected. The cumulative loss to global GDP in 2020 and 2021 could amount to \$ 9 trillion, greater than the cumulative economies of Japan and Germany.

INDIAN ECONOMY

India emerged as the fifth-largest world economy in 2019, overtaking the UK and France with a gross domestic product (GDP) of \$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking, riding reforms in several areas.

Though the overall sentiment towards India is still positive, the Indian economy slowed to 4.2% in FY 2019-20 compared to 6.1% in FY 2018-19. The COVID-19 lockdown is expected to impact aggregate national demand. The Government took various measures to offset adverse impact on rural demand like direct cash transfers to farmers, increased MGNREGA wages and welfare



funds for construction workers. Given the severity, consumer demand is expected to be low to moderate in the foreseeable future. The intensification of social distancing is expected to lead to supply and demand side shocks to the economy. Despite linkages with the global economy, India's macro-economic situation remains intrinsically stable. Declining crude prices may strengthen Balance of Payments, while benign inflation could allow room for monetary easing while comfortable forex reserves could support the economy's resilience.

India's GDP has grown six times from ~USD 459 billion in 1999 to touching ~USD 3 trillion mark in 2019, over the last two decades. But dark clouds have been looming all over the economy since FY 2018-19. During this period, demand started to contract, ultimately leading to low industry capacity utilization. The downside risk was quite imminent with more and more economists questioning whether the slowdown was cyclical or structural. And to prevent the economy from freezing, the Government announced slew of measures such as GST and income tax rate cuts and increasing minimum support prices (MSP) for farmers to strengthen the demand side. RBI too walked in at different times to cut rates with the expectation that moratorium benefit will get passed down to end-users. On the contrary side, endeavors were also taken to bring alleviation on the supply front by easing business regulations, reducing corporate tax and injecting liquidity into banks. There were expectations of signs of recovery into the next fiscal year until Covid-19 broke out. The pandemic caused economy deterioration with restrictions on daily, activities making lockdown and social distancing our new normal. This challenging situation was acknowledged by the Government when it announced a stimulus package of 10% of GDP,

which majorly included liquidity measures and credit guarantees to directly support the growth.

GLOBAL AUTOMOBILE INDUSTRY

The global auto industry suffered the biggest impact of the 2019 economic slowdown. Sales dropped 4% and total vehicles sold across major global markets declined to 90.3 million in 2019 compared to 94.4 million in 2018. Geopolitical factors, regulatory pressures and changes in consumer behavior put a pressure on global automobile industry. The demand slump was also on account of new emission standards like 6a in China and BS-VI in India.

Since the 2008 financial crisis, the global automobile industry has come a long way. Today it provides employment to 1 out of 7 people in the world. Over this last decade, the shareholders valuation of the global automotive suppliers doubled to USD 510 billion. The recent trend of autonomous driving and electric-powered vehicles have forced automobile manufacturers to alter their business model. On top of that, trade war and environmental concerns have added to the muted demand of the automobile sales, which has been little bleak since 2018. Amid this backdrop, OEMs appeared well to cope up with the changing phase in the industry. They were seen designing and developing new car models, syncing it with the future trends. As the primary product morphs in an unorthodox way, there is high probability that innovation will spur growth in the industry. Despite pressure on sales, R&D expenditure soared mainly on the back of regulations. Unfortunately, Covid-19 outbreak triggered a severe pressure on an industry already coping with a downshift. At this point in time, major manufacturers were seen running the operations with minimal staff to keep their people safe. Further, to stay resilient in these trying times, many OEMs also launched online sales channels to digitally connect with consumers, revealing new ways of doing business.

INDIAN AUTOMOBILE INDUSTRY

The Indian automobile sector is one of its principal industrial catalysts, providing jobs to more than 35 million people, directly or indirectly, and contributing more than 7% to the GDP. The FY 2019-20 proved challenging for the automobile industry following a demand decline across product segments. The sales of passenger cars, commercial vehicles and 2-wheelers stood at 2.78 million, 0.72 million and 17.42 million units respectively compared to 3.38 million, 1.01 million and 21.18 million units in FY 2018- 19. Following the pandemic-induced lockdown, the Indian automotive industry, already facing a severe downturn for over 15 months, was confronted with a total disruption across its value chain. With challenges of unsold inventory, mounting costs and difficulty in accessing working capital,

many players in the chain, from component suppliers to dealerships, encountered solvency challenges. It is estimated that Plant closures of OEMs and component manufacturers could lead to a daily revenue loss.

GOVERNMENT INITIATIVES

- With an aim of developing India as a global manufacturing center and an R&D hub, the Government of India is planning to set up R&D centers to enable the industry to be on par with global standards
- The Ministry of Heavy Industries has shortlisted 11 cities in India for the introduction of electric vehicles (EVs) in their public transport systems under the FAME scheme
- The government extended the FAME scheme in February 2019 with a fund requirement of Rs. 10,000 crores for FY20-22.
- The Automotive Mission Plan 2016-26 (AMP 2026) is an ambition of the Indian government and the Indian Automotive Industry to bring the nation's automotive sector in the global top three for engineering, manufacturing and export of vehicles. It will encompass safe, efficient and environment friendly conditions for affordable mobility by 2026.

AUTO COMPONENT INDUSTRY

Wide array of products, consolidation and active expansion activities together make the auto component sector very lucrative for investors. And, with the introduction of modern technologies almost every single day, the operating environment is playing out in the favour of players embracing the innovation. The advantage of low-cost manufacturing has made OEMs to source auto components from Asian countries such as China and India. This, along with the devaluation of the rupee, is going to help India's auto component suppliers with higher exposure to export market. Already, the domestic auto component supplies 1/4th of the production to overseas market. And, given the backlash against China post Covid-19 outbreak, it may well prove out to be positive for countries like India, Taiwan, or Indonesia in the years to come.

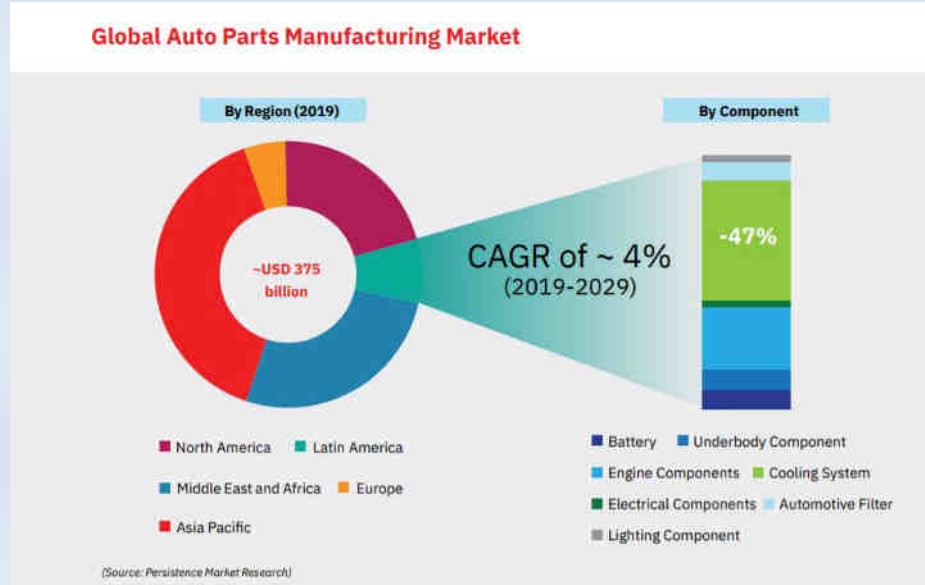
INDIAN AUTO COMPONENT INDUSTRY

The year under review was a challenging year for the Indian auto components market due to lower capacity utilization of around 50%, stalling capacity expansion investments worth \$2 billion. A number of small enterprises either closed or were on the verge of closure. The

industry underwent an extensive transformation to enhance compliance with emerging emissions, safety and environment regulations including the transition from BS-IV to BS-VI.

Increasing presence of global automobile original equipment manufacturers (OEMs) in India has led to the localization of their components in the nation. India is gradually emerging as the preferred designing and manufacturing base for most global auto OEMs for local sourcing and exports. The Indian auto-components industry can be classified as organized & unorganized sectors and the industry's turnover is expected to reach \$200 billion by 2026. Exports are expected to grow by 5 times in the next 10 years with USA, Germany, Turkey, UK, and Italy emerging as the top export destinations. (Source: ACMA)

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Exports are expected to grow by 5 times in the next 10 years with USA, Germany, Turkey, UK, and Italy emerging as the top export destinations. (Source: ACMA)

In view of these challenges, the industry posted a reasonable performance: turnover stood at Rs. 1.79 lakh cr. (US\$25.61 billion) between April to September 2019. During this period, exports of auto components grew by 2.7% to 51,397 cr. (US\$ 7.35 billion)

OPPORTUNITIES

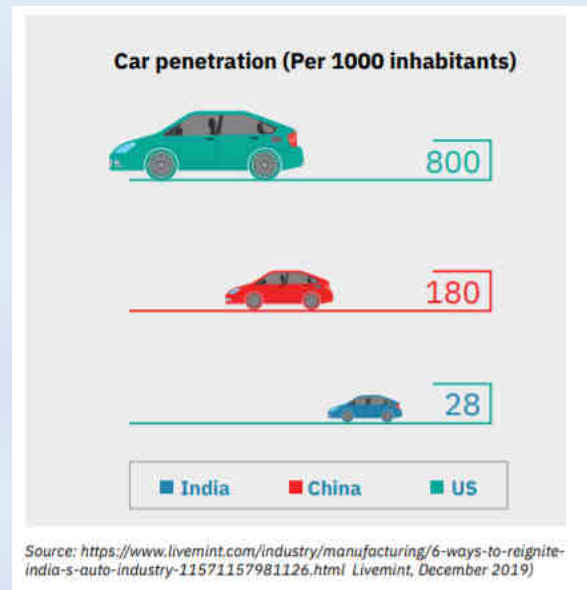
Growth of auto-component industry is inter-linked to demand of automotive industry. Therefore, success factor of the Original Equipment Manufacturers (OEMs) plays a vital role in opening doors of opportunities for automotive components makers.

Rise in Personal Mobility

In the near-term, Covid-19 is likely to cause consumers to switch up from public transport to personal mobility. The social distancing norms and the concern associated with the spread of the virus are steering consumers to purchase personal vehicles. Hence introducing first-time buyers.

Lower Level Of Penetration

Lower level of vehicle penetration in India as compared to other countries, signifies the enormous growth potential present here. The young demographic and urbanization are going to shift that paradigm, improving the overall domestic automotive ecosystem.



Deep localization

Indian auto-component makers are placing huge emphasis on research and development (R&D), which is adding to its competitiveness on a global scale. And, with time, increasing number of automobile makers in India are preferring localization owing to the cost advantage, depreciating rupee, and faster inventory turnaround time. Adding to these, the Covid-19 pandemic has also pushed the country towards “Atmanirbhar” (self-reliance), which is deepening localization.

Collaboration with foreign companies

Apart from just developing technologies in-house, auto component makers, through their strategic alliance and acquisitions, are gaining access to new technology and new markets, both domestically and internationally.

BS-VI norms

The BS-VI emission standard is on the same level as world’s most stringent norms such as ‘Euro VI’. Domestic auto component industry conformity to BS-VI will help discover new overseas market, catering the needs of foreign clients.

THREATS

Weakening consumer sentiments

Job losses and increasing household debt have impacted the sales of vehicles. Moreover, the rise in vehicle acquisition cost owing to the regulatory changes, rising raw material prices and high insurance cost is deterring buyers.

Discretionary nature of the business

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

THE EFFECT OF COVID-19 ON OUR BUSINESS

With the coronavirus pandemic breaking out, each and every business sector has witnessed a slowdown of operations at best and a complete pause on all its transactions at worst. It is true that **KRANTI**, being a company that is dependent on its manufacturing efficiency and the demand generation from the larger automotive sector has seen a considerable de-growth. But, the Company also believes that through changing its strategy, increasing capacity utilization after the relaxation of the COVID-19 related norms and streamlining its operations it can recover from the effects of the pandemic in a robust way. With good monsoon and various reforms in the agriculture sector by Government of India, this sector is expected to grow in double digit. Also the growth in infrastructure is expected to give an exponential growth in off highway vehicles and construction equipment. Our strategical concentration in these sectors of automobile industry will give us advantage in future growth.

Form No. AOC-1

Annexure IX

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

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

Part A - Subsidiary Companies of Kranti Industries Limited.

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

Particulars	Name of Subsidiary
Name of the Subsidiary	WONDER PRECISION PRIVATE LIMITED
Reporting period for the subsidiary concerned, if Different from the Holding Company's reporting period.	March 31, 2020
Reporting currency and Exchange rates on the last date of the relevant Financial year in the case of Foreign Subsidiaries	Not applicable
Share capital	₹1,00,000/-
Reserves and Surplus	₹ (73,37,293.56)
Total Assets	₹ 2,89,01,856.16
Total Liabilities	₹ 2,89,01,856.16
Investments	₹ 0.00
Turnover	₹ 1,72,31,540.00
Profit before taxation	₹ (32,10,311.00)
Provision for taxation	₹ (7,30,305.98)
Proposed Dividend	NIL
% of shareholding	97%

Part- B- Associates and Joint Venture Companies of Kranti Industries Limited
(Statement Pursuant to section 129(3) of The Companies Act, 2013 related to Associate Companies and Joint Ventures)

Name of the Associates	KRANTI SFCI PRIVATE LIMITED
Latest Audited Balance Sheet Date	31 st March,2020
Shares of Associate/Joint Ventures held by the company on the year end	
a) No. of shares	1,50,000
b) Amount of Investment in Associates/Joint Venture	₹ 15,00,000
c) Extend of Holding%	30%
Description of how there is significant influence	Due to percentage (%) of Share Capital
Reason why the associate/joint venture is not consolidated	Considered in Consolidation as per Equity Method
Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 6,87,033.41
Profit/ Loss for the year (attributed to Shareholding)	₹ (25,24,825.64)
Considered in Consolidation	Yes
Not Considered in Consolidation	NA

For and on behalf of Board of Directors

KRANTI INDUSTRIES LIMITED

Sd/-

Sachin Vora

Chairman & Managing Director

DIN-02002468

Place: Pune

Sd/-

Sumit Vora

Executive Director

DIN-02002416

Sd/-

Sheela Dhawale

CFO

Sd/-

Bhavesh Selarka

CS

Date August 17, 2020

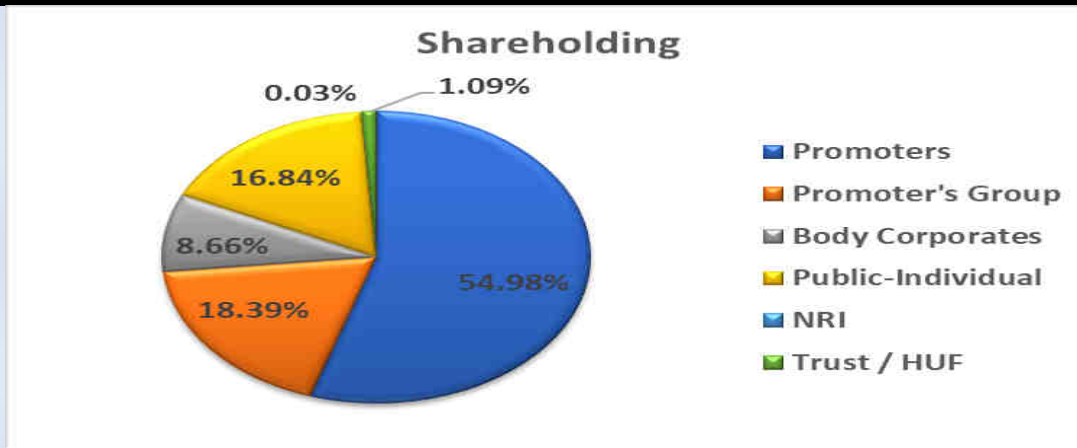
Shareholder's Information

1. GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting	25 th AGM of Kranti Industries Limited
Date	Friday September 18, 2020
Time	03.30 PM onwards
Mode	Video Conferencing or Other Audio- Visual Means
Venue	At Gat No. 267/B/1, Post Pirangut, Taluka Mulshi, District- Pune- 412115
Financial Year Reported	April 1, 2019 to March 31, 2020
Cut-Off date for Notice	August 14, 2020
Cut-Off date for AGM	September 11, 2020
Date of Book Closure	September 12, 2020 to September 18,2020
E-voting Period	September 15, 2020 09.00 AM to September 17, 2020 05.00 PM
Event Code for AGM and E-voting	200163
Stock Code	245459
ISIN	911T01010
CIN	L29299PN1995PLC095016

2. CATEGORIES OF SHARE HOLDERS AS ON March 31, 2020

Categories	No of Shares	% of Total Shareholding
Promoters	48,39,730.00	54.98%
Promoter's Group	16,18,600.00	18.39%
Body Corporates	7,62,000.00	8.66%
Public-Individual	14,82,670.00	16.84%
NRI	3,000.00	0.03%
Trust / HUF	96,000.00	1.09%
Total	88,02,000.00	100.00%



3. RE-CONCILIATION OF SHARE CAPITAL AUDIT:

As stipulated by SEBI, a qualified Professional carries out the reconciliation of the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon are submitted to the Stock Exchange where the company's shares are listed. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of total number of shares in Dematerialized form (held with NSDL & CDSL).

Certificate of Capital Structure		
Company Name	Kranti Industries Limited	
Period	As on March 31, 2020	
Particulars	No of Shares	% of Total Holding
NSDL Holding	55,92,180.00	63.53%
CDSL Holding	32,09,820.00	36.47%
Physical Holding	-	0.00%
Total	88,02,000.00	100.00%
Total Paid-up capital	88,02,000.00	
Difference	NIL	

4. DETAILS OF INVESTOR'S REQUEST / COMPLAINTS:

During the period under review, company has received Investor's Request / Complaint as mentioned below:

Nature of Request / Complaints	Opening	Received	Total	Redressed	Pending
Delay in Transfer of Shares	0	0	0	0	0
Delay/Non receipt of Annual Report	0	0	0	0	0
Delay/Non-Receipt in issue of Duplicate Shares	0	0	0	0	0
Delay/Non-Receipt of client's information in records	0	0	0	0	0
Non-Receipt of Shares / Dividends / Rights / Bonus issue	0	0	0	0	0
Others (Please Specify)	0	0	0	0	0

5. SHARE PRICE DATA:

Market price data - monthly highest/lowest during each month of the financial year 2019-20 on the BSE of the Company's Equity shares is given hereunder:

Month	High	Low
April 2019	40.90	36.25
May 2019	41.00	30.60
June 2019	37.10	35.10
July 2019	37.00	34.25
August 2019	34.95	30.75
September 2019	32.70	30.55
October 2019	30.25	28.35
November 2019	30.00	27.85
December 2019	28.60	21.00
January 2020	32.50	26.25
February 2020	26.30	24.00
March 2020	22.25	20.50

6. MEANS OF COMMUNICATION TO SHAREHOLDERS

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, thoughts, ideas and plans of all stakeholders which promotes management shareholders relations. The Company regularly interacts with shareholders through multiple channels of communication such as results, announcements, annual report, media releases, company website.

- The unaudited half yearly results are announced within Forty-five days of the close of the half year.
- The audited annual results are announced within Sixty days from the closure of the Financial year as per the requirement of the SEBI (LODR) Regulation, 2015.
- The approved financial results are forthwith sent to the stock exchange and displayed on the Company's website at www.krantiindustries.com
- Managerial discussion and Analysis form part of the Annual Report which is sent to the shareholders of the Company.
- The half yearly results, shareholding pattern, quarterly/half yearly compliances and all other corporate communication to the stock exchange viz. BSE Limited of India are filled electronically.
- The Company has complied with filing submission through BSE's - BSE Listing Centre.

- A separate dedication section under “**INVESTOR**” on the Company’s website gives relevant information of interest to the investors/ public like shareholding pattern, half yearly results etc.

7. SHARE TRANSFER SYSTEM:

As all the shares held in Dematerialized mode, the transfer takes place instantly between the transferor, transferee and the depository participants through electronic debit/ credit of the accounts involved. In Compliance with the Listing Regulation, a Certified Professional carries out audit of the system and a certificate to that effect is issued.

8. NOMINATION:

Nomination facility in respect of shares held in electronic form is available with the depository participants as per the bye-laws and business rules applicable to NSDL & CDSL. Nomination form can be obtained from company’s Registrar and Share Transfer agent.

9. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE:

As a part of green initiatives, the members who wish to receive the notice/ documents through email, may kindly intimate their email address to the Companies Registrar and Transfer Agent.

10. ADDRESS OF COMMUNICATION:

- Company: **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
- Registrar and Transfer Agent (RTA): **SHAREX INDIA DYNAMIC PRIVATE LIMITED**
Address: Unit No 1 Luthra Indl. Premises Andheri Kurla Road Safed Pool Andheri East, Mumbai 400 072
Phone: 022-2851 5606, Email: support@sharexindia.com
- Compliance Officer: Mr. Bhavesh Selarka
Company Secretary and Compliance Officer
Gat no 267/B/1, At Post Pirangut, Tal. Mulshi, Pune 412115, MAHARASHTRA INDIA.
Phone: 020-66755676, Email: cs@krantiindustries.com

Standalone Financial Statements

**Independent Auditor's
Report and Notes to
Accounts
for
Financial Year 2019-20**

INDEPENDENT AUDITORS REPORT

Independent Auditor's Report on Standalone Financials

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, 2020, the Statement of Profit and Loss, 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 Accounting Standards 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, 2020, the loss 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Emphasis of Matter

We draw your attention to Note no 2.5 to these financial statement, which describe the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates

involved in preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable value of its property, plant and equipment and the net realisable value of other assets. Based on information available as of the date, Management believes that no further adjustments are required to the financial statements. However, in view of the highly uncertain economic impacting the automotive industry, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual result may differ from those estimated as at the date of approval of these financial statements.

Our opinion is not modified in respect of the above matters.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	KEY AUDIT MATTER
1	<p>Revenue Recognition</p> <p>(refer Note 2.11 related to Revenue)</p> <p>We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and estimation related to recording the discount and rebates. According to the financial statement’ accounting principles revenue is recognized at a point in time when the control of the goods is transferred to the customer according to delivery terms. Due to variation of contractual sales terms and practices across the market and the pressure, the management may feel to achieve performance targets, there is a risk of material error.</p> <p>Auditor’s Response</p> <p>To address this risk of material misstatement relating to revenue recognition, our audit procedures included:</p> <ul style="list-style-type: none"> - Assessing the compliance of company’s revenue recognition policies with applicable accounting standards, including those related to discounts and rebates. - Assessing the adequacy of relevant disclosures.

Other Information

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

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

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

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

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

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.

5. 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone Financial Statements.

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

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

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 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 Accounting Standards 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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

Sd/-

Ankit Rathi

Partner

Membership number: 162441

UDIN: 20162441AAAABD3487

Place: Mumbai

Date :10th July, 2020

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”)

We have audited the internal financial controls over financial reporting of Kranti Industries Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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 judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

For A D V & Associates

Chartered Accountants

Firm Registration number: 128045W

Sd/-

Ankit Rathi

Partner

Membership number: 162441

UDIN: 20162441AAAABD3487

Place: Mumbai

Date :10th July, 2020

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)

- 1) In case of the Company’s Fixed Assets:
 - (a) 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;
 - (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 books 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.
- 2) The Company has a program of verification to cover all the items of inventories in a phased manner which, in our opinion, is reasonable having regard to the size of the Company. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- 3) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 6) We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Act. We are of the opinion, that prima facie the prescribed accounts and records have been maintained by the Company. The contents of these accounts and records have not been examined by us.

- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has generally been regular in depositing undisputed statutory dues including Income-Tax, Goods and Services Tax and any other material statutory dues applicable to it with the appropriate authorities
b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
c) According to the information and explanations given to us, there are no dues of income tax, duty of excise and service tax and value added tax have not been deposited with the appropriate authorities on account of any dispute.
- 8) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of Loans/Borrowings taken from Banks/Financial Institutions.
- 9) In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The company has spent the amount, raised through term loans, for the purpose for which such loans were availed.
- 10) 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.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) 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 Standalone Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) The company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For A D V & Associates

Chartered Accountants

Firm Registration number: 128045W

Sd/-

Ankit Rathi

Partner

Membership number: 162441

UDIN: 20162441AAAABD3487

Place: Mumbai

Date :10th July, 2020

BALANCE SHEET AS AT MARCH 31, 2020

(All Amounts in INR Lakh, unless otherwise stated)

	Particulars	Note No.	March 31, 2020	March 31, 2019
			INR Lakh	INR Lakh
A	EQUITY AND LIABILITIES:			
1	Shareholders' funds			
	a) Share Capital	3	880.20	880.20
	b) Reserves and Surplus	4	1,085.07	1,157.33
	c) Share Application Pending against Allotment		0.00	0.00
2	Non-Current Liabilities			
	a) Long Term Borrowings	5	1,531.20	924.51
	b) Deferred tax Liabilities	6	110.68	137.76
	c) Other Long-Term Liabilities		0.00	0.00
	d) Long Term Provisions		0.00	0.00
3	Current Liabilities			
	a) Short Term Borrowings	7	355.21	466.10
	b) Trade Payables	8	643.91	372.61
	c) Other Current Liabilities	9	181.09	288.21
	d) Short Term Provisions	10	77.51	160.16
			4,864.87	4,386.89
B	ASSETS:			
1	Non - Current Assets			
	a) Property, Plant & Equipment	11		
	i) Tangible Assets		3,162.24	2,173.85
	ii) Intangible Assets		10.51	10.69
	iii) Capital Work-in-progress		1.35	55.07
2	Non-Current Investments			
	a) Investments	12	359.33	300.34
	b) Long Term Loans and Advances	13	160.76	185.46
	c) Other Non-Current Assets	14	86.21	153.83
3	Current Assets			
	a) Inventories	15	690.61	524.36
	b) Trade Receivables	16	341.13	723.93
	c) Cash and Bank Balances	17	6.15	146.29
	d) Short Term Loans and Advances	18	25.88	100.21
	e) Other Current Assets	19	20.70	12.86
			4,864.87	4,386.89
	Summary of Significant Accounting Policies	1		

For and on behalf of A D V Associates
Chartered Accountants

For and on behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

Ankit Rathi
Partner

Firm Registration No - 128045W

Membership number - 162441

Place : Mumbai

Date July 10, 2020

Sd/-

Sachin Vora
Managing
Director

Director

DIN-02002468

Place: Pune

Sd/-

Sumit Vora
Executive
Director

Director

DIN-02002416

Date July 10, 2020

Sd/-

Sheela Dhawale
CFO

Sd/-

Bhavesh Selarka
CS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All Amounts in INR Lakh, unless otherwise stated)

	Particulars	Note No.	For the financial year 2019-20	For the financial year 2018-19
	REVENUE:			
1	Revenue from Operations	20	4,754.82	5,788.11
2	Other Income	21	24.41	44.77
	Total Revenue		4,779.23	5,832.88
	EXPENSES:			
3	a) Cost of Material Consumed	22	2,891.39	3,289.89
	b) Changes in inventories of finished goods and work-in- progress	23	(55.79)	28.11
	c) Other Manufacturing and Operating Expense	24	723.49	890.22
	d) Employee benefits expenses	25	647.38	669.18
	e) Sales, administration, and Other Expenses	26	234.76	182.40
	f) Finance Cost	27	154.39	215.70
	g) Depreciation and amortisation expenses	28	281.51	265.64
	Total Expenses		4,877.13	5,541.15
4	Profit before exceptional and Extraordinary Item and Tax		(97.91)	291.73
5	Exceptional Items		0.00	0.00
6	Profit Before Tax		(97.91)	291.73
7	Tax Expenses			
	a) Current tax		0.00	0.00
	Current tax - MAT		0.00	60.06
	Less - MAT Credit Entitlement		0.00	(7.01)
			0.00	53.05
	b) Deferred tax		(27.08)	36.23
	c) Income tax expenses relating to prior years		0.75	0.00
	Profit After Tax Carried to Balance Sheet		(71.58)	202.45
	Earning per Equity Share - In Rs.			
	a. Basic		(0.81)	2.60
	a. Diluted		(0.81)	2.60

For and on behalf of A D V Associates
Chartered Accountants

For and on behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-
Ankit Rathi
Partner
Firm Registration No - 128045W
Membership number - 162441

Sd/-
Sachin Vora
Managing Director
DIN-02002468

Sd/-
Sumit Vora
Executive Director
DIN-02002416

Sd/-
Sheela Dhawale
CFO

Sd/-
Bhavesh Selarka
CS

Place : Mumbai

Date July 10, 2020

Place: Pune

Date July 10, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All Amounts in INR Lakh, unless otherwise stated)

Particulars	2019-20	2018-19
1. Cash Flow from Operating Activities:		
Net Profit before tax and extraordinary item	(97.91)	291.73
<i>Adjustments for:</i>		-
Depreciation and amortization expense	281.51	265.64
Interest & Other Charges	154.39	215.70
(Profit)/Loss on sale of Fixed Assets	(20.12)	(36.61)
(Profit)/Loss on sale of Shares	-	-
Dividend Received	-	-
Interest Received/ Other Non-Operative Receipts	0.82	(1.84)
Operating Profit before Working Capital Changes	318.67	734.62
<i>Adjustments for:</i>		
Inventories	(166.25)	51.84
Trade Receivables	382.80	136.43
Short Term Loans & Advances	74.33	(52.39)
Other Current Assets	(7.84)	9.97
Trade Payables	271.30	(252.06)
Other Current Liabilities	(107.12)	(38.87)
Short term Provision	(82.65)	8.99
Cash Generated from Operation	683.25	598.53
Taxes Paid	(0.75)	(53.05)
Net Cash from Operating Activities	682.50	545.48
2. Cash Flow From Investing Activities:		
Fixed Assets Purchased (Net)	(1315.98)	(555.30)
Additions to Capital Work In Progress	53.72	(55.07)
Sale of Fixed Assets	66.38	75.00
Dividend Received	-	-
Interest Received/ Other Non-Operative Receipts	(0.82)	1.84
<i>Adjustments for:</i>		-
Long Term Loans & Advances	24.69	(6.25)
Non-Current Investments	(58.99)	(15.00)
Other Non-Current Assets	67.62	(35.79)
Long term Provision	-	-
Net Cash from Investing Activities	(1163.37)	(590.57)
3. Cash Flow from Financing Activities:		
Proceeds from issue of shares	-	518.50
Proceeds/(Repayment) of Short-term borrowings	(110.89)	(74.58)
Proceeds/(Repayment) of Long-term borrowings	606.69	(46.33)
Payment of Interim Dividend and tax on it	-	-
Security Premium	(0.69)	-
Interest & Other Charges paid	(154.39)	(215.70)
Net Cash from Financing Activities	340.73	181.89
Net Increase/ (Decrease) in Cash & Cash Equivalents	(140.15)	136.81
Cash & Cash Equivalents at the beginning of the year	146.29	9.49
Cash & Cash Equivalents at the end of the year	6.15	146.29
1. Components of Cash & Cash Equivalents:		
Cash on Hand	1.35	1.42
In Current Accounts	4.80	144.88
In Deposit Accounts	-	-
Total Cash & Cash Equivalents	6.15	146.29

4. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements.
5. Figures in Brackets represents outflow.
6. The previous year's figures have been regrouped wherever necessary to make them comparable with current year's figures

As on our report of given date.

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

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

Sd/-

Ankit Rathi

Partner

Firm Registration No - 128045W

Membership number - 162441

Place : Mumbai

Date July 10, 2020

Sd/-

**Sachin Vora
Managing**

Director

DIN-02002468

Place: Pune

Sd/-

**Sumit Vora
Executive**

Director

DIN-02002416

Date July 10, 2020

Sd/-

**Sheela Dhawale
CFO**

Sd/-

**Bhavesh Selarka
CS**

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All Amounts in INR Lakh, unless otherwise stated)

NOTE 1: Company Background:

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) Pvt. Ltd., Graziano Transmission India Pvt. Ltd., ESCORTS LIMITED, Neosym Industry Limited, Etc.

NOTE 2. Basis of preparation of financial statements and significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of accounting:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP'), on an accrual basis of accounting under the historical cost convention. The financial statements comply in all material respects with the Accounting standards as specified in an Annexure to the Companies (Accounting Standards) Rules, 2006 (as amended) under Section 133 of the Companies Act, 2013 ('the Act') and rules made thereunder, as applicable.

2.2 Basis of presentation:

The Balance Sheet and the Statement of Profit and Loss, including related notes, are prepared, and presented as per the requirements of Schedule III to the Act. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements"

2.3 Classification as per Companies (Accounting Standard) Rules, 2006

The Company is not a Small and Medium Sized Company (SMC) as defined in the General instructions to Companies (Accounting Standards) Rules, 2006. Accordingly, the Company has complied with the Accounting Standards as applicable.

2.4 Basis of measurement:

The financial statements have been prepared on a historical cost convention except for the following. Defined benefit plans - plan assets measured at fair value

2.5 Use of estimates:

In preparation of the financial statements, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

COVID -19:

The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of these financial statements, including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID -19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements

2.6 Tangible Fixed assets:

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. The manufacturing costs of internally generated assets comprise direct cost and attributable overheads. Capital Work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

2.7 Depreciation of tangible fixed assets:

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

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each

reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Intangible Assets:

Intangible assets acquired separately are measured on initial recognition cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

2.8 Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. An impairment loss recognized on asset is reversed when the conditions warranting impairment provision no longer exists.

2.9 Investments:

Investments which are readily realizable and intended to be held or not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The company holds long term investments which are carried at cost, in financial statements.

2.10 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.

2.11 Revenue recognition on contracts:

Revenue comprises of Sale and Service Income, Interest and dividend. 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

- I. 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.
- II. 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.

Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend:

Dividend income from investments is recognized when the right to receive payment is established.

2.12 Foreign currency transactions:

The reporting currency of the company is Indian rupee.

Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date foreign currency monetary items are reported using the closing rate. Non-monetary items carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on the settlement of monetary items or on reporting of monetary items at each balance sheet date at closing rate are:

- I. Adjusted in the cost of the fixed assets to which the exchange differences relate, provided the assets are acquired from outside India.
- II. Recognized as income or expenses in the period in which they arise, in case other than (1) above.

In respect of transaction covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Statement of Profit and Loss over the period of the contract.

2.13 Leases

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with lessor are classified as operating lease. Rental expenses on assets obtained under operating lease arrangements are recognized in the Statement of Profit and Loss on straight line basis over the lease period.

2.14 Borrowing cost:

Borrowing cost include interest, commitment charges, amortization of ancillary costs, amortization of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.15 Taxes on income:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax act 1961, and based on the expected outcome of assessments.

Deferred Tax

Deferred tax assets and liabilities are recognized subject to the consideration of prudence, on timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent periods and are quantified using enacted / substantively enacted tax rates as at the balance sheet date. The carrying amount of Deferred Tax Assets / liabilities is reviewed at each balance sheet date.

Deferred tax assets relating to an unabsorbed depreciation and business losses are recognized and carried forward to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.16 Provisions, contingent liabilities, and contingent Assets.

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation.

Contingent liabilities as defined in Accounting Standard 29 are disclosed by way of notes to accounts. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

2.17 Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments which are available on call or maturity of a year or less.

2.18 Employee Benefits

Gratuity obligations

The Company operates defined benefit plan for its employees viz. Gratuity. The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash

outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

NOTE 3 : Share Capital

Particulars	March 31, 2020	March 31, 2019
Authorised Share Capital		
10000000 (10000000) Equity shares of Rs.10/- each.	1,000.00	1,000.00
Issued, subscribed, and Paid up		
8802000 Equity shares of Rs.10/- each fully paid up	880.20	880.20
Total	880.20	880.20

3.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Amt	No. of Shares	Amt
At the beginning of the year	88.02	880.20	70.50	705.00
Add : Issued during the year	0.00	0.00	17.52	175.20
O/S at the end of the year	88.02	880.20	88.02	880.20

3.2 Terms and rights attached to equity shares

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.

3.3 Aggregate number of bonus shares issued; share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars		
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium and General Reserves in five years immediately preceding the reporting date (200000 shares of Rs.100/- each and 2350000 shares of Rs.10/- each.)	25.50	25.50

3.4 Details of Shareholders holding more than 5% shares in the company

Name of the Shareholder	March 31, 2020		March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Mrs Indubala S. Vora	16.99	19.30%	16.87	19.16%
Mr. Sachin S. Vora	16.02	18.20%	15.93	18.10%
Mr. Sumit S. Vora	15.39	17.49%	15.33	17.42%
SMC Global Securities Ltd.	6.93	7.87%	6.63	7.53%

NOTE 4: Reserves and Surplus

Particulars	March 31, 2020	March 31, 2019
General Reserve	30.00	30.00
Security Premium Account		
Balance as per last Financial statements	343.30	0.00
Add: Amount Received during the year	0.00	473.04
Less: Amount Utilised IPO Expenditure	(0.69)	(129.74)
	342.62	343.30
Surplus in the Statement of Profit and Loss		
Balance as per last Financial statements	784.02	581.57
Add: Prior Period Adjustment	0.00	0.00
Add: Profit/ (Loss) for the period	(71.58)	202.45
Balance available for appropriation	712.45	784.02
Less: Appropriation	0.00	0.00
	712.45	784.02
Total Rs.	1,085.07	1,157.33

NOTE 5: Long Term Borrowings

	Particulars	Non-current portion		Current maturities	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	SECURED				
(i)	Term Loans from Bank - Secured				
	HDFC: TERM LOAN A/C NO. 81214831	0.00	0.00	0.00	80.47
	HDFC: TERM LOAN A/C NO. 81214825	0.00	16.63	0.00	28.90
	HDFC: TERM LOAN A/C NO. 81214829	0.00	0.00	16.51	0.00
	HDFC: TERM LOAN A/C NO. 81260322	0.00	17.27	17.15	26.02
	HDFC: TERM LOAN A/C NO. 81600701	0.00	20.46	20.30	47.74
	HDFC: TERM LOAN A/C NO. 83656442	116.40	99.11	11.06	11.52
	SCB: TERM LOAN A/C NO. 51294176	27.27	46.71	11.51	11.66
	COSMOS: 00580152189 VEHICLE LOAN	0.00	7.22	7.23	6.65
	TATA CAPITAL: A/C NO.20571389	7.23	10.57	3.34	3.34
	TATA CAPITAL: A/C NO.20644102	33.61	49.74	16.13	16.13
	TATA CAPITAL: A/C NO.20780531	16.01	23.70	7.69	7.69
	TATA CAPITAL: A/ NO 21788892	50.00	0.00	24.00	0.00
	TATA CAPITAL: SUPPLIERS CREDIT	504.72	87.08	0.00	32.28
	TATA CAPITAL: A/C NO. 21794544	64.54	0.00	20.93	0.00
	ADITYA BIRLA : A/C NO.80001677	306.42	0.00	21.22	0.00
	Subtotal - Secured Loans	1,126.20	378.49	177.08	272.40
	UNSECURED				
	Loans and Advances from Directors	405.00	350.00	0.00	0.00
	Loans and Advances from Other related parties	0.00	196.02	0.00	0.00
	Subtotal - Unsecured Loans	405.00	546.02	0.00	0.00
	Total Rs.	1,531.20	924.51	177.08	272.40

- a. **Term Loan from HDFC BANK (Account Nos. 81214831, 81214829, 81260322, 81600701, 83656442, 81214825)** - loan is availed from HDFC bank for Plant and Machinery. secured by way of first mortgage /charge on the plant and machinery and mortgage of immovable property situated at Gat No. 267/B/1, Pirangut, Pune.
- b. **Term Loan Account SCB 51294176** - loan is availed from Standard Chartered bank as working capital requirement This loan is secured by way of first mortgage /charge on Flat owned by Director Situated at Isha Pearl, Kodhwa, Pune.
- c. **Term Loan Account 20571389, 20644102, 20780531, 20788892, 21794544** - loan is availed from TATA Capital for Machinery. This loan is secured by way of first mortgage /charge on the machinery Purchased.
- d. **TATA CAPITAL : SUPPLIERS CREDIT** - this is a supplier Credit availed from TATA Capital for purchase of Machinery The Loan is secured by Mortgage of Machinery, The supplier credit maturity is in Mar 2021 and on maturity will be converted to Term Loan.
- e. **COSMOS : 00580152189** This loan is availed for the Purchase of Vehicle and the same is mortgage with vehicle purchased.
- f. **Aditya Birla: 80001677** : This loan is availed for the Purchase of Industrial Land at Gat no 1121, Pirangut Pune. This loan is secured by way of first mortgage / charge on the Land Purchased.

NOTE 6: Deferred Tax Liability

	Particulars	March 31, 2020	March 31, 2019
	Deferred Tax Liability		
	Balance as per last Financial statements	137.76	101.53
	Add/Less: Current Year deferred tax charge	(27.08)	36.23
	Total	110.68	137.76

The Deferred tax income for the current period is of Rs. 1267742 has been Charged to the Profit & Loss Statement.

Particulars	Deferred tax liability/(Asset) as at 01.04.2019	Current Year Charge	Deferred Tax Liability/ (Asset) as at 31.03.2020
Property, Plant & Equipment Liability	138.62	(11.31)	127.32
Gratuity (Disallowance) Asset	(0.86)	(1.37)	(2.23)
Deferred Tax Asset B/ F Loss (Asset)	-	(14.40)	(14.40)
Total	137.76	(27.08)	110.68

As required by Accounting Standard (AS22), Taxes on Income prescribed by Companies (Accounting Standards) Amendment rules, 2006, the company has recognised deferred taxes, which result from timing differences between book profits and tax profits for the period.

NOTE 7: Short Term Borrowings

	Particulars	March 31, 2020	March 31, 2019
	Secured - Working Capital Loan from Bank		
1	HDFC Bank Limited - Cash Credit	355.21	384.16
2	HDFC Bank Limited - Bill Discounting	0.00	81.94
	Total	355.21	466.10

Working capital loan and Bill discounting Facility is secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, outstanding monies, receivables, claims, bills, materials in transit, etc.

NOTE 8: Trade Payables

	Particulars	March 31, 2020	March 31, 2019
	Sundry Creditors		
1	Micro, Small and Medium Enterprises	240.67	31.28
2	Others	403.24	341.33
	Total	643.91	372.61

The details of amounts outstanding to Micros, Small and Medium Enterprises based on available information with the company is as under:

	Particulars	March 31, 2020	March 31, 2019
1	Principal amount due and remaining unpaid	0.00	0.00
2	Interest due on above and the unpaid interest	0.00	0.00
3	Interest paid	0.00	0.00
4	Payment made beyond the appointed day during the year	0.00	0.00
5	Interest due and payable for the period of delay	0.00	0.00
6	Interest accrued and remaining unpaid	0.00	0.00
7	Amount of further interest remaining due and payable in succeeding years	0.00	0.00
	Total	0.00	0.00

NOTE 9: Other Current Liabilities

	Particulars	March 31, 2020	March 31, 2019
	Interest accrued on Term Loans from bank	4.01	3.87
	Deposits/ Retention Money Payable	0.00	0.00
	Advance received from Customers	0.00	11.95
	Current Maturities Of Long Term Borrowings	177.08	272.40
	Total	181.09	288.21

NOTE 10: Short Term Provisions

	Particulars	March 31, 2020	March 31, 2019
	Provisions:		
a.	Income Tax Provision	0.00	76.02
b.	Provision for Employee Benefit		
	Profession Tax	0.26	0.27
	Provident Fund	4.89	4.30
	Salary and Wages	17.17	31.19
		22.32	35.76
c.	Other Provisions		
	TDS Payable	2.86	15.85
	Audit Fees Payable	1.48	1.75
	Provision for Electricity Charges	15.43	15.34
	GST Payable	18.44	3.90
	Provision for Gratuity	16.56	11.08
	Legal and Professional Fees Payable	0.43	0.47
		55.19	48.39
	Total Rs.	77.51	160.16

NOTE 11: Fixed Assets

	Particulars	March 31, 2020	March 31, 2019
A.	GROSS BLOCK		
	Tangible Assets		
a.	Free hold Land		
	Land – 1	26.83	26.83
	Land – 2	122.65	122.65
	Land – 3	436.32	0.00
b.	Buildings		
	Factory Premises – 1	167.35	167.35
	Factory Premises – 2	496.43	496.43
c.	Plant and Machinery	5461.92	5116.94
d.	Electrical Installations – 1	13.53	13.53
e.	Electrical Installations – 2	47.01	41.40
f.	Furniture and Fittings	99.21	99.21
g.	Vehicles – Others	29.40	45.06
h.	Office Equipment	21.65	19.59
i.	Computers	16.91	15.74
j.	Tools and Fixtures	105.23	45.99
	Total Tangible Assets	7044.43	6210.70
	Intangible Assets		
	Trademark	0.30	0.30
	Software	14.09	11.39
	Total Intangible Assets	14.38	11.68
	Capital Work in Progress	1.35	55.07
	Total Gross Block	7060.17	6277.46
B.	Depreciation Block		
a.	Land – 1	0.00	0.00
b.	Land – 2	0.00	0.00
c.	Land – 3	0.00	0.00
d.	Factory Premises – 1	123.70	120.74
e.	Factory Premises – 2	222.29	200.23
f.	Plant and Machinery	3326.39	3527.22
g.	Electrical Installations – 1	12.85	12.78
h.	Electrical Installations – 2	34.46	30.89
i.	Furniture and Fittings	77.37	70.19
j.	Vehicles – Others	17.96	26.57
k.	Office Equipment	17.32	15.24
l.	Computers	14.79	13.39
m.	Tools and Fixtures	35.06	19.61
n.	Trademark	0.23	0.21
o.	Software	3.64	0.78
	Total Depreciation Block	3886.07	4037.85
	Total NET Block of FIXED ASSETS	3174.10	2239.61

NOTE 12: Investments

	Particulars	March 31, 2020	March 31, 2019
	Non-Current Investments		
a.	Unquoted Shares - Cosmos Co-operative Bank Limited	8.20	8.20
	Equity Shares of Associate Company		
b.	Wonder Precision Pvt Ltd	277.14	277.14
	Kranti SFCI Pvt Ltd	15.00	15.00
c.	Bank Fixed Deposits	58.99	0.00
	Total Investments	359.33	300.34

Above-mentioned are Long term investments and carried at cost.

NOTE 13: Long Term Loans and Advances

	Particulars	March 31, 2020	March 31, 2019
	Security Deposits		
a.	Secured and Considered Good	0.00	0.00
	Unsecured and Considered Good		
b.	Deposit with MSEDCL	16.84	16.84
	Deposit with RCF Kapurthala	0.08	0.08
	Deposit with BSE Limited	0.00	8.58
	Deposit with TCSFL	8.75	0.00
	Aditya Birla Short Term Opportunities Fund	10.60	0.00
c.	Loans to Related Parties – WPPL	0.00	0.00
d.	Advance to SFSPL against Lease	124.49	159.96
	Total Long Term Loans and Advances	160.76	185.46

NOTE 14: Other Non-Current Assets

	Particulars	March 31, 2020	March 31, 2019
A.	Balance with Income Tax Authorities	21.86	89.92
B.	MAT Credit Entitlement	22.33	22.33
C.	MVAT Balance	42.02	41.57
	Total Other Non-Current Assets	86.12	153.83

NOTE 15: Inventories

	Particulars	March 31, 2020	March 31, 2019
	Raw Materials, Components, Consumables	526.09	415.63
	Work-in-progress, Stores and Spares	164.52	108.73
	Total	690.61	524.36

NOTE 16: Trade Receivables

	Particulars	March 31, 2020	March 31, 2019
	Outstanding for a period exceeding six months from the date they are due for payment.	0.00	0.00
	Other Receivables		
	Secured and Considered Good	0.00	0.00
	Unsecured and Considered Good	341.13	723.93
	Total	341.13	723.93

NOTE 17: Cash and Bank Balances

	Particulars	March 31, 2020	March 31, 2019
	Cash in Hand	1.35	1.42
	Balance with Bank		
	Current Accounts	4.80	144.88
	Other Bank Balances	0.00	0.00
	Deposits with maturity of less than 3 months	0.00	0.00
	Total Cash and Bank Balance	6.15	146.29

NOTE 18: Short term Loan and Advances

	Particulars	March 31, 2020	March 31, 2019
	Loans and advances to suppliers		
	Advance to Creditors	25.42	97.99
	Unsecured and considered good		
	Loans to Employees	0.46	2.22
	Deposits	0.00	0.00
	Total Short Term Loan and Advances	25.88	100.21

NOTE 19: Other Current Assets

	Particulars	March 31, 2020	March 31, 2019
	Prepaid Expenses	19.18	11.52
	Provision: Interest Receivable	1.52	1.34
	Total Other Current Assets	20.70	12.86

NOTE 20: Revenue from Operations

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Sales and labour Charges Net off Taxes	4,570.88	5,483.95
	Other Operational Incomes		
	Scrap Sale	161.42	276.50
	Cash Discount Received	22.52	27.66
	Total Revenue from Operations	4,754.82	5,788.11

NOTE 21: Other Income

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Interest Incomes		
	Interest on Deposits	4.29	5.11
	Others	0.00	0.00
	Profit on Sale of Asset	20.12	36.61
	Accounts / Liability Written Back	0.00	3.05
	Total Revenue from Operations	24.41	44.77

NOTE 22: Cost of Material Consumed

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Material Consumed		
	Opening Stock of Raw Material and Consumables	415.62	439.35
	Add : Purchases During the Year		
	Raw Material Purchased	2,721.18	2,760.38
	Consumables Purchased	256.84	490.19
		3,393.64	3,689.92
	Freight and Octroi	23.84	15.59
	Less: Closing Stock of Raw Material and Consumables	526.09	416.63
	Total Cost of Material Consumed	2,891.39	3,289.89

NOTE 23: Changes in Inventories of Finished Goods and Work-In-Progress

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Opening Work-in-Progress	108.73	136.84
	Less: Closing Work-in-Progress	164.52	108.73
	Total	(55.79)	28.11

NOTE 24: Other Manufacturing and Operating Expenses

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Power and Fuel		
	Electricity Charges	205.89	218.45
	Solar Power Charges	8.29	9.34
	Generator Fuel	12.06	28.19
	Repairs and Machinery	119.24	198.29
	Job work and labour charges	133.29	190.79
	Lease Rental	144.98	165.70
	Other manufacturing expenses	0.00	0.00
	Packing Material	99.73	79.45
	Total	723.49	890.22

NOTE 25: Employee Benefits Expenses

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Salary and Wages	525.41	554.31
	Bonus and Incentives	23.86	25.27
	Gratuity Paid	12.48	8.14
	Provident Fund Contribution	28.24	21.35
	ESIC Contribution	4.75	6.73
	Welfare Fund	0.08	0.07
	Staff Welfare Expenses	4.86	4.93
	Director's Remuneration	47.70	48.40
	Total	647.38	669.18

NOTE 26: Sales Administration and Other Expenses

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Advertisement	0.20	1.65
	Audit Fees	1.80	1.00
	Conveyance and Travelling	10.02	11.01
	Guest House Expenses	0.00	0.53
	Insurance	8.60	7.39
	Interest Paid on Govt. Dues	1.19	0.06
	Legal and Professional Fees	8.25	12.20
	Legal Expenses	0.02	4.26
	Office Expenses	18.24	19.91
	Postage and Courier	0.17	0.19
	Printing and Stationery	5.20	5.15
	Profession Tax	0.03	0.03
	Rates and Taxes	3.14	3.63
	Repairs and Maintenance	9.01	17.14
	Sales Promotion, entertainment	15.50	0.79
	Security Charges	13.17	13.43
	Housekeeping Expenses	13.72	11.78
	Subscription and Contribution	2.07	0.18
	Transport Charges	113.63	64.84
	Telephone Expense	1.86	1.64
	Water Charges	4.74	5.58
	Foreign Currency Gain/Loss	0.18	0.00
	Accounts / Liability Written Back	4.02	0.00
	Total	234.76	182.40

NOTE 27: Finance Costs

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Interest on Term Loan	32.42	56.20
	Interest on Cash Credit, Bill Discounting	110.25	94.65
	Interest on Unsecured Loans and Deposits	8.83	61.82
	Bank Charges	2.89	3.03
	Total	154.39	215.70

NOTE 28: Depreciation

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Land – 1	0.00	0.00
	Land – 2	0.00	0.00
	Land – 3	0.00	0.00
	Factory Premises – 1	2.96	3.15
	Factory Premises – 2	22.06	18.26
	Guest House	0.00	2.20
	Plant and Machinery	218.36	213.36
	Electrical Installations – 1	0.07	0.09
	Electrical Installations – 2	3.58	2.29
	Furniture and Fittings	7.18	7.97
	Vehicles – Others	5.49	8.45
	Office Equipment	2.08	2.71
	Computers	1.41	2.10
	Tools and Fixtures	15.45	4.72
	Trademark	0.02	0.03
	Software	2.87	0.27
	Total	281.51	265.64

NOTE 29: Related Party Disclosure:
29.1.1 Names of related parties and related party relationship
a) Category I - Fellow Subsidiary & Associate:

WONDER PRECISION PRIVATE LIMITED. - Subsidiary

KRANTI SFCI PRIVATE LIMITED. - Associate

b) Category II - Key Managerial Persons (KMP)

Mr. Sachin Vora (Managing Director)

Mr. Sumit Vora (Director)

Smt. Indubala Vora (Director)

Mrs. Sheela Dhawale (Chief Financial Officer)

Mr. Bhavesh Selarka (Company Secretary)

29.1.2 Transactions with Related parties:
a. Transactions with Fellow Subsidiary & Associate:

The company has its subsidiary Wonder Precision Private Limited, Pune. In case of which the transactions are as follows:

Nature of Transactions	Year ended 31/03/2020	Year ended 31/03/2019
Purchase of Material and Job-work charges	30.77	20.94
Sales	0.00	0.00
Advance Returned during year	0.00	15.00
Advance Given- Closing Balance as on date	0.00	00.00
Interest Earned	0.00	0.86

The company is having more than 20% investment in Kranti SFCI Private Limited. In case of which the transactions are as follows:

Nature of Transactions	Year ended 31/03/2020	Year ended 31/03/2019
Purchase of Material and Job-work charges	0.03	0.00
Sale of Machines	59.43	0.00

(Amounts are exclusive of taxes)

b. Transactions with Directors, Key Managerial Persons (KMP) and Relatives:

Particulars	For the Year 2019-20			For the Year 2018-19		
	Nature of Payment		Loan O/s as on 31.03.2020	Nature of Payment		Loan O/s as on 31.03.2019
Directors	Interest	Salary		Interest	Salary	
Sachin Vora	-	23.34	153.00	13.69	25.58	150.00
Sumit Vora	-	23.34	97.00	8.93	25.58	100.00
Indubala S Vora	-	-	155.00	8.24	-	100.00
Relatives of Directors	8.83	14.82	-	25.77	14.95	196.02
Key Managerial Personnel						
Sheela Dhawale - Chief Financial Officer	-	10.20	-	1.95	9.99	-
Bhavesh Selarka - Compliance Officer	-	5.21	-		4.03	-
Relatives of Key Managerial Personnel	-	-	-	2.62	-	-
Gross Transaction Value	8.83	76.91	405.00	61.24	80.14	546.02

Related party relationship is as identified by the Company and relied upon by the Auditors, No amounts have been written off/back and provided for in respect of related party during the year.

NOTE 30: Earnings Per Share (EPS)

The Earnings per share calculated as per AS-20 is shown below:

Earnings per Share	March 31, 2020	March 31, 2019
Profit/(Loss) Attributable to Shareholders	(71.57)	202.45
No of Equity Shares	88.002	77.850
Basic and Diluted Earnings Per Share (In Rs.)	(0.81)	2.60

NOTE 31: Contingent Liabilities

As per the Information provided to us there is no contingent liability as on the date.

Pending Litigation:

Sr. No	Act	Nature of Dues	Amount in INR Lakh	Period to which amounts Relates	Forum where the dispute is pending
1.	Income Tax Act	Income Tax Dues	14.42	A.Y 2015-16	Commissioner (Appeals) - Pune

Company have deposited the total dues with authorities, Appeal is in process at CIT Income Tax.

NOTE 32: Value of imports calculated on CIF basis:

Particulars	During F.Y 2019-20	During F.Y 2018-19
Capital Goods	559.20	255.49
Raw Material	-	1.94

NOTE 33: Expenditure in Foreign Currency:

Particulars	As on March 31, 2020	As on March 31, 2019
Spares for Repairs	0.00	0.00
Travelling Expense	0.64	2.12
Advance for Capital Goods & Material	2.00	98.65

NOTE 34: Earnings in Foreign Currency:

The Earning in Foreign Currency is NIL.

NOTE 35: Managerial Remuneration

Managerial Remuneration paid during the period is as follows:

Particulars	As on March 31, 2020	As on March 31, 2019
Director's Remuneration, (Including Incentive and Bonus)	46.67	51.16
Interest on Loan	-	30.89
Total	46.67	82.05

NOTE 36: Deferred Tax:

In accordance with Accounting Standard 22, 'Accounting for Taxes on Income', the Company has a net deferred tax liability, and it has been recognized properly in the accounts.

Particulars	As on March 31, 2020	As on March 31, 2019
Balance as per Last Balance Sheet	137.76	101.52
Add / Less: Current year deferred tax charged	(27.07)	36.23
Net Deferred Tax Asset / (-) Liability	110.68	137.75

Particulars	Deferred tax (liability) / Asset as at 01.04.2019	Current Year Charge	Deferred Tax Liability as at 31.03.2020
Property, Plant & Equipment	138.62	(11.31)	127.32
Gratuity (Disallowance)	(0.86)	(1.37)	(2.23)
Deferred Tax Asset B/ F Loss Asset	0.00	(14.40)	(14.40)
Total	137.75	(27.08)	110.68

NOTE 37: Payment to Auditors:

Particulars	As on March 31, 2020	As on March 31, 2019
Statutory Audit	1.00	1.00
Tax Auditor	0.40	0.40
MVAT Auditor	0.00	0.20
GST Auditor	0.40	0.00
As advisor, or in any other capacity	0.00	0.00
Total	1.80	1.20

Mentioned Amounts are exclusive of Indirect Taxes

NOTE 38: Value of Imported and Indigenous raw material consumed:

Particulars	31/03/2020		31/03/2019	
	% of Total Consumption	Value	% of Total Consumption	Value
Raw Material				
Imported	0.00%	0.00	0.07%	1.93
Indigenously procured	100%	2654.51	99.93%	2796.25
Total	100%	2654.51	100%	2798.18
Spares & Consumables				
Imported	0%	0.00	0%	0.00
Indigenously procured	100%	236.88	100%	491.70
Total	100%	236.88	100%	491.70

NOTE 39: Employee Benefits:
Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further neither contractual nor any constructive obligation. Contributions are made to employee's family pension fund in India for employees as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further neither contractual nor any constructive obligation.

The Company has recognized the following amount in the Statement of Profit and Loss for the year.

Particulars	As on March 31, 2020	As on March 31, 2019
Contribution to Employees Provident Fund	28.24	21.35
Contribution to other Funds (ESIC, Labor welfare funds)	4.83	6.79
Total	33.07	28.14

Post-employment obligations

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the working by LIC of India. The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows

I. ASSUMPTIONS

	As of 31/03/2019	As of 31/03/2020
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.80%	6.80%
Rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	7.80%	7.80%
Expected average remaining working lives of employees (in years)	19.38 *	19.09 *
Retirement Age	58 years	58 years
Withdrawal Rate		
Age upto 30 years	3.00%	3.00%
Age 31 - 40 years	2.00%	2.00%
Age 41 - 45 years	2.00%	2.00%
Age above 45 years	1.00%	1.00%

* It is actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

II. TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS:

For the period	01/04/2018 to 31/03/2019	01/04/2019 to 31/03/2020
Present value of obligation as at the beginning of the period	35.48	44.77
Acquisition adjustment	-	-
Transfer In / (Out)	-	-
Interest cost	2.79	3.49
Past service cost	-	-
Current service cost	4.40	5.74
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	-0.36	-
Actuarial (Gain) / Loss on obligations	2.47	5.83
Present value of obligation as at the end of the period	44.77	59.84

III. TABLE SHOWING CHANGES IN FAIR VALUE OF PLAN ASSETS:

For the period	01/04/2018 to 31/03/2019	01/04/2019 to 31/03/2020
Fair value of plan assets at the beginning of the period	27.18	33.70
Acquisition adjustments	-	-
Transfer In / (Out)	-	-
Expected return on plan assets	2.29	2.90
Contributions	4.68	7.00
Mortality Charges and Taxes	-	-0.11
Benefits paid	-0.36	-
Amount paid on settlement	-	-
Actuarial Gain / (Loss) on plan assets	-0.09	-0.21
Fair value of plan assets at the end of the period	33.70	43.27
Actual return on plan assets	2.20	2.69

IV. ACTUARIAL (GAIN) / LOSS RECOGNIZED

For the period	01/04/2018 to 31/03/2019	01/04/2019 to 31/03/2020
Actuarial (Gain) / loss for the period - Obligations	2.47	5.83
Actuarial (Gain) / Loss for the period - Plan assets	0.09	0.21
Total (Gain) / Loss for the period	2.56	6.04
Actuarial (Gain) / Loss recognized in the period	2.56	6.04
Unrecognized actuarial (Gain) / Loss at the end of the period	-	-

V. THE AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET:

For the period	01/04/2018 to 31/03/2019	01/04/2019 to 31/03/2020
Present value of obligation at the end of period	44.77	59.84
Fair value of the plan assets at the end of period	33.70	43.27
Surplus / (Deficit)	-11.08	-16.56
Current liability	11.08	16.56
Non-current liability	33.70	43.27
Unrecognized past service cost	-	-
Amount not recognized as asset (Para 59(b) limit)	-	-
Net asset / (liability) recognized in balance sheet	-11.08	-16.56

VI. EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

For the period	01/04/2018 to 31/03/2019	01/04/2019 to 31/03/2020
Current service cost	4.40	5.74
Acquisition (Gain) / Loss	-	-
Past service cost	-	-
Interest cost	2.79	3.49

Expected return on plan assets	-2.29	-2.90
Curtailment (Gain) / Loss	-	-
Settlement (Gain) / Loss	-	-
Transfer In / (Out)	-	-
Actuarial (Gain) / Loss recognized in the period	2.56	6.04
Expenses recognized in the statement of profit & loss at the end of period	7.46	12.37

VII. RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNIZED

For the period	01/04/2018 to 31/03/2019	01/04/2019 to 31/03/2020
Net asset / (liability) recognized at the beginning of the period	-8.30	-11.08
Company Contributions	4.68	7.00
Benefits directly paid by Company	-	-
Expense recognized at the end of period	-7.46	-12.37
Unrecognized past service cost	-	-
Mortality Charges and Taxes	-	-0.11
Impact of Transfer (In) / Out	-	-
Net asset / (liability) recognized at the end of the period	-11.08	-16.56

VIII. EXPERIENCE ADJUSTMENT HISTORY FOR 5 YEARS

Experience History	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
Present value of obligation	20.91	27.65	35.48	44.77	59.84
Plan assets	15.91	18.61	27.18	33.70	43.27
Surplus / (Deficit)	-5.00	-9.04	-8.30	-11.08	-16.56
Experience (Gain) or Loss on plan liabilities	0.36	0.53	1.57	1.81	-2.50
Experience (Gain) or Loss on plan assets	-0.06	-0.00	0.27	0.03	0.21

IX. MAJOR CATEGORIES OF PLAN ASSETS (AS % OF TOTAL PLAN ASSETS):

For the period	01/04/2018 to 31/03/2019	01/04/2019 to 31/03/2020
Government of India securities	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special deposit scheme	0.00%	0.00%
Funds managed by insurer	100.00%	100.00%
Others	0.00%	0.00%
Total	100.00%	100.00%

- 40** Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue Principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.
- 41** Other notes as required by Schedule III of the Act are either nil or not applicable hence not disclosed.
- 42** Previous period figures have been regrouped, recast / rearranged wherever necessary in order to conform to the current year's presentation.

Consolidated Financial Statements

**Independent Auditor's
Report and Notes to
Accounts
for
Financial Year 2019-20**

INDEPENDENT AUDITORS REPORT

Independent Auditor's Report on Consolidated Financials

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 Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, 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 Accounting Standards 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, 2020, the loss 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.

Emphasis of Matter

We draw your attention to Note no 2.5 to these consolidated financial statement, which describe the Management's assessment of the impact of COVID-19 pandemic and the

resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable value of its property, plant and equipment and the net realizable value of other assets. Based on information available as of the date, Management believes that no further adjustments are required to the financial statements. However, in view of the highly uncertain economic impacting the automotive industry, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual result may differ from those estimated as at the date of approval of these financial statements.

Our opinion is not modified in respect of the above matters.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter
1	<p>Revenue Recognition - (refer Note 2.13 related to Revenue)</p> <p>We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and estimation related to recording the discount and rebates. According to the financial statement’ accounting principles revenue is recognized at a point in time when the control of the goods is transferred to the customer according to delivery terms. Due to variation of contractual sales terms and practices across the market and the pressure, the management may feel to achieve performance targets, there is a risk of material error.</p> <p>Auditor’s Response</p> <p>To address this risk of material misstatement relating to revenue recognition, our audit procedures included:</p> <ul style="list-style-type: none"> - Assessing the compliance of company’s revenue recognition policies with applicable accounting standards, including those related to discounts and rebates. - Assessing the adequacy of relevant disclosures.

Other Information

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 Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards 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 Consolidated 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 a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.

5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss 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 Accounting Standards 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

For A D V & Associates

Chartered Accountants

Firm Registration number: 128045W

Sd/-

Ankit Rathi

Partner

Membership number: 162441

UDIN: 20162441AAAABE7789

Place: Mumbai

Date :10th July, 2020

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”)

We have audited the internal financial controls over financial reporting of Kranti Industries Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

For A D V & Associates

Chartered Accountants

Firm Registration number: 128045W

Sd/-

Ankit Rathi

Partner

Membership number: 162441

UDIN: 20162441AAAABE7789

Place: Mumbai

Date :10th July, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(All Amounts in INR Lakh, unless otherwise stated)

	Particulars	Note No.	March 31, 2020	March 31, 2019
			INR Lakh	INR Lakh
A	EQUITY AND LIABILITIES:			
1	Shareholders' funds			
	a) Share Capital	3	880.20	880.20
	b) Reserves and Surplus	4	1,047.86	1,152.49
	c) Share Application Pending against Allotment		0.00	0.00
2	Non-Current Liabilities			
	a) Long Term Borrowings	5	1,861.05	1,295.21
	b) Deferred tax Liabilities	6	84.20	118.58
	c) Other Long-Term Liabilities		0.00	0.00
	d) Long Term Provisions		0.00	0.00
3	Current Liabilities			
	a) Short Term Borrowings	7	355.21	466.10
	b) Trade Payables	8	650.65	374.70
	c) Other Current Liabilities	9	199.39	300.12
	d) Short Term Provisions	10	84.00	163.80
			5,162.57	4,751.02
B	ASSETS:			
1	Non - Current Assets			
	a) Property, Plant & Equipment	11		
	i) Tangible Assets		3,358.22	2,414.04
	ii) Intangible Assets		11.23	11.66
	iii) Capital Work-in-progress		1.35	55.07
2	Non-Current Investments			
	a) Investments	12	74.16	22.74
	b) Long Term Loans and Advances	13	165.11	189.80
	c) Other Non-Current Assets	14	94.11	164.71
	d) Goodwill on Consolidation		320.43	320.43
3	Current Assets			
	a) Inventories	15	718.80	552.49
	b) Trade Receivables	16	364.59	759.05
	c) Cash and Bank Balances	17	7.55	146.79
	d) Short Term Loans and Advances	18	25.93	101.15
	e) Other Current Assets	19	21.09	13.07
			5,162.57	4,751.02
	Summary of Significant Accounting Policies	1		

 For and on behalf of A D V Associates
 Chartered Accountants

 For and on behalf of Board of Directors
 KRANTI INDUSTRIES LIMITED

Sd/-

Ankit Rathi

Partner

Firm Registration No - 128045W

Membership number - 162441

Place : Mumbai

Date July 10, 2020

Sd/-

 Sachin Vora
 Managing

Director

DIN-02002468

Place: Pune

Sd/-

 Sumit Vora
 Executive

Director

DIN-02002416

Date July 10, 2020

Sd/-

 Sheela Dhawale
 CFO

Sd/-

 Bhavesh Selarka
 CS

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH
31, 2020**

(All Amounts in INR Lakh, unless otherwise stated)

	Particulars	Note No.	For the financial year 2019-20	For the financial year 2018-19
	REVENUE:			
1	Revenue from Operations	20	4,896.37	6,070.01
2	Other Income	21	29.11	48.36
	Total Revenue		4,925.48	6,118.37
	EXPENSES:			
3	a) Cost of Material Consumed	22	2,905.05	3,317.79
	b) Changes in inventories of finished goods and work-in- progress	23	(56.46)	32.84
	c) Other Manufacturing and Operating Expense	24	745.74	955.39
	d) Employee benefits expenses	25	727.25	758.96
	e) Sales, administration, and Other Expenses	26	247.38	201.37
	f) Finance Cost	27	170.97	238.59
	g) Depreciation and amortisation expenses	28	315.55	307.66
	Total Expenses		5,055.49	5,812.60
4	Profit before exceptional and Extraordinary Item and Tax		(130.01)	305.76
5	Exceptional Items		0.00	0.00
6	Profit Before Tax		(130.01)	305.76
7	Tax Expenses			
	a) Current tax		0.00	0.00
	Current tax - MAT		0.00	62.76
	Less - MAT Credit Entitlement		0.00	(9.71)
			0.00	53.05
	b) Deferred tax		(34.38)	40.74
	c) Income tax expenses relating to prior years		0.75	0.00
	Profit After Tax Carried to Balance Sheet		(96.38)	211.97
	Minority Interest.		(0.74)	(0.29)
	Share of Profit / Loss of Associate		(7.57)	(0.56)
	Profit after Tax, minority Interest & Associate share		(103.21)	211.13
	Earning per Equity Share - In Rs.			
	a. Basic		(1.17)	2.72
	a. Diluted		(1.17)	2.72

For and on behalf of A D V Associates
Chartered Accountants

For and on behalf of Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

Ankit Rathi

Partner

Firm Registration No - 128045W

Membership number - 162441

Place : Mumbai

Date July 10, 2020

Sd/-

Sachin Vora
Managing

Director

DIN-02002468

Place: Pune

Sd/-

Sumit Vora
Executive

Director

DIN-02002416

Date July 10, 2020

Sd/-

Sheela Dhawale
CFO

Sd/-

Bhavesh Selarka
CS

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All Amounts in INR Lakh, unless otherwise stated)

Particulars	2019-20	2018-19
1. Cash Flow from Operating Activities:		
Net Profit before tax and extraordinary item	(130.01)	305.76
<i>Adjustments for:</i>		-
Depreciation and amortization expense	315.55	307.66
Interest & Other Charges	170.97	238.59
(Profit)/Loss on sale of Fixed Assets	(24.13)	(40.78)
(Profit)/Loss on sale of Shares	-	-
Dividend Received	(0.01)	(0.01)
Interest Received/ Other Non Operative Receipts	(0.72)	(3.29)
Operating Profit before Working Capital Changes	331.65	807.94
<i>Adjustments for:</i>		
Inventories	(166.31)	79.57
Trade Receivables	394.46	140.04
Short Term Loans & Advances	75.23	(52.32)
Other Current Assets	(8.02)	28.63
Trade Payables	275.95	(254.36)
Other Current Liabilities	(100.73)	(51.16)
Short term Provision	(79.80)	0.62
Cash Generated from Operation	722.44	698.96
Taxes Paid	(0.75)	(53.05)
Net Cash from Operating Activities	721.69	645.91
2. Cash Flow from Investing Activities:		
Fixed Assets Purchased (Net)	(1321.19)	(615.77)
Additions to Capital Work In Progress	53.72	(55.07)
Sale of Fixed Assets	86.22	95.42
Dividend Received	0.01	0.01
Interest Received/ Other Non-Operative Receipts	0.72	3.29
<i>Adjustments for:</i>		-
Long Term Loans & Advances	24.69	(21.62)
Non-Current Investments	(58.99)	(15.00)
Other Non-Current Assets	70.61	(39.50)
Long term Provision	-	-
Net Cash from Investing Activities	(1,144.21)	(648.24)
3. Cash Flow from Financing Activities:		
Proceeds from issue of shares	-	518.50
Proceeds/(Repayment) of Short-term borrowings	(110.89)	(95.47)
Proceeds/(Repayment) of Long-term borrowings	565.84	(45.51)
Payment of Interim Dividend and tax on it	-	-
Security Premium	(0.69)	-
Interest & Other Charges paid	(170.97)	(238.59)
Net Cash from Financing Activities	283.29	138.93
Net Increase/ (Decrease) in Cash & Cash Equivalents	(139.24)	136.60
Cash & Cash Equivalents at the beginning of the year	146.79	10.19
Cash & Cash Equivalents at the end of the year	7.55	146.79
1. Components of Cash & Cash Equivalents:		
Cash on Hand	2.64	1.81
In Current Accounts	4.90	144.98
In Deposit Accounts	-	-
Total Cash & Cash Equivalents	7.55	146.79

4. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements.
5. Figures in Brackets represents outflow.
6. The previous year's figures have been regrouped wherever necessary to make them comparable with current year's figures

As on our report of given date.

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

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

Sd/-

Ankit Rathi

Partner

Firm Registration No - 128045W

Membership number - 162441

Place : Mumbai

Date July 10, 2020

Sd/-

**Sachin Vora
Managing**

Director

DIN-02002468

Place: Pune

Sd/-

**Sumit Vora
Executive**

Director

DIN-02002416

Date July 10, 2020

Sd/-

**Sheela Dhawale
CFO**

Sd/-

**Bhavesh Selarka
CS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All Amounts in INR Lakh, unless otherwise stated)

NOTE 1: Company Background:

The consolidated financial statements comprise financial statements of Kranti Industries Limited and its subsidiaries for the year ended 31stMarch 2020.

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) Pvt. Ltd., Graziano Transmission India Pvt. Ltd., ESCORTS LIMITED, Neosym Industry Limited, Etc.

NOTE 2: Basis of preparation of consolidated financial statements and significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of accounting:

The Consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP'), on an accrual basis of accounting under the historical cost convention. The consolidated financial statements comply in all material respects with the Accounting standards as specified in an Annexure to the Companies (Accounting Standards) Rules, 2006 (as amended) under Section 133 of the Companies Act, 2013 ('the Act') and rules made thereunder, as applicable.

2.2 Basis of presentation:

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss, including related notes, are prepared and presented as per the requirements of Schedule III to the Act. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Consolidated Cash Flow Statement has been

prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements"

2.3 Classification as per Companies (Accounting Standard) Rules, 2006

The Company is not a Small and Medium Sized Company (SMC) as defined in the General instructions to Companies (Accounting Standards) Rules, 2006. Accordingly, the Company has complied with the Accounting Standards as applicable.

2.4 Basis of measurement:

The consolidated financial statements have been prepared on a historical cost convention except for the following. Defined benefit plans - plan assets measured at fair value

2.5 Use of estimates:

In preparation of the financial statements, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

COVID -19:

The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of these financial statements, including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID -19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.6 Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2020.
- II. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits have been fully eliminated.
- III. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements.
- IV. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

2.7 The following subsidiary/Associate companies are considered in the Consolidated Financial Statements:

Sr No	Company Name	Country of Incorporation	% of Share Holding As at 31.03.2020
1	Wonder Precision Private Limited	India	97.00 %
2	Kranti SFCI Private Limited	India	30.00%

2.8 Tangible Fixed assets:

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. The manufacturing costs of internally generated assets comprise direct cost and attributable overheads.

Capital Work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

2.9 Depreciation of tangible fixed assets:

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	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

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Intangible Assets:

Intangible assets acquired separately are measured on initial recognition cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

2.10 Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. An impairment loss recognized on asset is reversed when the conditions warranting impairment provision no longer exists.

2.11 Investments:

Investments which are readily realizable and intended to be held or not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The company holds long term investments which are carried at cost, in financial statements.

2.12 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.

2.13 Revenue recognition on contracts:

Revenue comprises of Sale and Service Income, Interest and dividend. 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

- I. 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.
- II. 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.

Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend:

Dividend income from investments is recognized when the right to receive payment is established.

2.14 Foreign currency transactions:

The reporting currency of the company is Indian rupee.

Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date foreign currency monetary items are reported using the closing rate. Non-monetary items, carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on the settlement of monetary items or on reporting of monetary items at each balance sheet date at closing rate are :

- I. Adjusted in the cost of the fixed assets to which the exchange differences relate, provided the assets are acquired from outside India.
- II. Recognized as income or expenses in the period in which they arise, in case other than (1) above.

In respect of transaction covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Statement of Profit and Loss over the period of the contract.

2.15 Leases

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with lessor are classified as operating lease. Rental expenses on assets obtained under operating lease arrangements are recognized in the Statement of Profit and Loss on straight line basis over the lease period.

2.16 Borrowing cost:

Borrowing cost include interest, commitment charges, amortization of ancillary costs, amortization of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.17 Taxes on income:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax act 1961 and based on the expected outcome of assessments.

Deferred Tax

Deferred tax assets and liabilities are recognized subject to the consideration of prudence, on timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent periods and are quantified using enacted / substantively enacted tax rates as at the balance sheet date. The carrying amount of Deferred Tax Assets / liabilities is reviewed at each balance sheet date. Deferred tax assets relating to an unabsorbed depreciation and business losses are recognized and

carried forward to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.18 Provisions, contingent liabilities and contingent Assets.

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. Contingent liabilities as defined in Accounting Standard 29 are disclosed by way of notes to accounts. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

2.19 Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments which are available on call or maturity of a year or less.

2.20 Employee Benefits

Gratuity obligations

The Company operates defined benefit plan for its employees viz. Gratuity. The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

NOTE 3 : Share Capital

Particulars	March 31, 2020	March 31, 2019
Authorised Share Capital		
10000000 (10000000) Equity shares of Rs.10/- each.	1,000.00	1,000.00
Issued, subscribed, and Paid up		
8802000 Equity shares of Rs.10/- each fully paid up	880.20	880.20
Total	880.20	880.20

3.5 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Amt	No. of Shares	Amt
At the beginning of the year	88.02	880.20	70.50	705.00
Add : Issued during the year	0.00	0.00	17.52	175.20
O/S at the end of the year	88.02	880.20	88.02	880.20

3.6 Terms and rights attached to equity shares

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.

3.7 Aggregate number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars		
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium and General Reserves in five years immediately preceding the reporting date (200000 shares of Rs.100/- each and 2350000 shares of Rs.10/- each.)	25.50	25.50

3.8 Details of Shareholders holding more than 5% shares in the company

Name of the Shareholder	March 31, 2020		March 31, 2019	
	No. of Shares (IN Lakh)	% holding	No. of Shares (IN Lakh)	% holding
Mrs Indubala S. Vora	16.99	19.30%	16.87	19.16%
Mr. Sachin S. Vora	16.02	18.20%	15.93	18.10%
Mr. Sumit S. Vora	15.39	17.49%	15.33	17.42%
SMC Global Securities Ltd.	6.93	7.87%	6.63	7.53%

NOTE 4: Reserves and Surplus

Particulars		March 31, 2020	March 31, 2019
General Reserve		30.00	30.00
Security Premium Account			
Balance as per last Financial statements		343.30	0.00
Add: Amount Received during the year		0.00	473.04
Less: Amount Utilised IPO Expenditure		(0.69)	(129.74)
		342.62	343.30
Surplus in the Statement of Profit and Loss			
Balance as per last Financial statements		780.62	569.49
Add: Prior Period Adjustment		0.00	0.00
Add: Profit/ (Loss) for the period		(103.21)	211.13
Balance available for appropriation		677.41	780.62
Less: Appropriation		(2.17)	(1.43)
		675.24	779.19
Total Rs.		1047.86	1152.49

NOTE 5: Long Term Borrowings

Particulars	Non-current portion		Current maturities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
SECURED				
(i) Term Loans from Bank - Secured				
HDFC: TERM LOAN A/C NO. 81214831	0.00	0.00	0.00	80.47
HDFC: TERM LOAN A/C NO. 81214825	0.00	16.63	0.00	28.90
HDFC: TERM LOAN A/C NO. 81214829	0.00	0.00	16.51	0.00
HDFC: TERM LOAN A/C NO. 81260322	0.00	17.27	17.15	26.02
HDFC: TERM LOAN A/C NO. 81600701	0.00	20.46	20.30	47.74
HDFC: TERM LOAN A/C NO. 83656442	116.40	99.11	11.06	11.52
SCB: TERM LOAN A/C NO. 51294176	27.27	46.71	11.51	11.66
COSMOS: 00580152189 VEHICLE LOAN	0.00	7.22	7.23	6.65
TATA CAPITAL: A/C NO.20571389	7.23	10.57	3.34	3.34
TATA CAPITAL: A/C NO.20644102	33.61	49.74	16.13	16.13
TATA CAPITAL: A/C NO.20780531	16.01	23.70	7.69	7.69
TATA CAPITAL: A/ NO 21788892	50.00	0.00	24.00	0.00
TATA CAPITAL: SUPPLIERS CREDIT	504.72	87.08	0.00	32.28
TATA CAPITAL: A/C NO. 21794544	64.54	0.00	20.93	0.00
ADITYA BIRLA : A/C NO.80001677	306.42	0.00	21.22	0.00
KOTAK Mahindra Bank – LAP	154.85	140.71	19.49	11.91
Subtotal - Secured Loans	1,281.05	519.19	196.57	284.31
UNSECURED				
Loans and Advances from Directors	580.00	580.00	0.00	0.00
Loans and Advances from Other related parties	0.00	196.02	0.00	0.00
Subtotal - Unsecured Loans	580.00	776.02	0.00	0.00
Total Rs.	1,861.05	1,295.21	196.57	284.31

- a. Term Loan from HDFC BANK (Account Nos. 81214831, 81214829, 81260322, 81600701, 83656442, 81214825) - loan is availed from HDFC bank for Plant and Machinery. secured by way of first mortgage /charge on the plant and machinery and mortgage of immovable property situated at Gat No. 267/B/1, Pirangut, Pune.

- b. **Term Loan Account SCB 51294176** - loan is availed from Standard Chartered bank as working capital requirement This loan is secured by way of first mortgage /charge on Flat owned by Director Situated at Isha Pearl, Kodhwa, Pune.
- c. **Term Loan Account 20571389, 20644102, 20780531, 20788892, 21794544** - loan is availed from TATA Capital for Machinery. This loan is secured by way of first mortgage /charge on the machinery Purchased.
- d. **TATA CAPITAL: SUPPLIERS CREDIT** - this is a supplier Credit availed from TATA Capital for purchase of Machinery The Loan is secured by Mortgage of Machinery, The supplier credit maturity is in Mar 2021 and on maturity will be converted to Term Loan.
- e. **COSMOS : 00580152189** This loan is availed for the Purchase of Vehicle and the same is mortgage with vehicle purchased.
- f. **Aditya Birla: 80001677** : This loan is availed for the Purchase of Industrial Land at Gat no 1121, Pirangut Pune. This loan is secured by way of first mortgage / charge on the Land Purchased.
- g. **Kotak Loan** - This is a term loan availed by the subsidiary company by mortgage of immovable property situated at MIDC , Bhosari, Pune

NOTE 6: Deferred Tax Liability

	Particulars	March 31, 2020	March 31, 2019
	Deferred Tax Liability		
	Balance as per last Financial statements	118.58	77.84
	Add/Less: Current Year deferred tax charge	(34.38)	40.74
	Total	84.20	118.58

The Deferred tax income for the current period is of Rs. 20,09,407.38 has been Charged to the Profit & Loss Statement.

Particulars	Deferred tax liability/(Asset) as at 01.04.2019	Current Year Charge	Deferred Tax Liability/ (Asset) as at 31.03.2020
Property, Plant & Equipment Liability	139.44	(10.54)	128.90
Gratuity (Disallowance) Asset	(0.86)	(1.37)	(2.23)
Deferred Tax Asset B/ F Loss (Asset)	(19.99)	(22.47)	(42.46)
Total	118.58	(34.38)	84.20

As required by Accounting Standard (AS22), Taxes on Income prescribed by Companies (Accounting Standards) Amendment rules, 2006, the company has recognised deferred taxes, which result from timing differences between book profits and tax profits for the period.

NOTE 7: Short Term Borrowings

	Particulars	March 31, 2020	March 31, 2019
	Secured - Working Capital Loan from Bank		
1	HDFC Bank Limited - Cash Credit	355.21	384.16
2	HDFC Bank Limited - Bill Discounting	0.00	81.94
	Total	355.21	466.10

Working capital loan and Bill discounting Facility is secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, outstanding monies, receivables, claims, bills, materials in transit, etc.

NOTE 8: Trade Payables

	Particulars	March 31, 2020	March 31, 2019
	Sundry Creditors		
1	Micro, Small and Medium Enterprises	240.67	31.28
2	Others	409.99	343.42
	Total	650.65	374.70

The details of amounts outstanding to Micros, Small and Medium Enterprises based on available information with the company is as under:

	Particulars	March 31, 2020	March 31, 2019
1	Principal amount due and remaining unpaid	0.00	0.00
2	Interest due on above and the unpaid interest	0.00	0.00
3	Interest paid	0.00	0.00
4	Payment made beyond the appointed day during the year	0.00	0.00
5	Interest due and payable for the period of delay	0.00	0.00
6	Interest accrued and remaining unpaid	0.00	0.00
7	Amount of further interest remaining due and payable in succeeding years	0.00	0.00
	Total	0.00	0.00

NOTE 9: Other Current Liabilities

	Particulars	March 31, 2020	March 31, 2019
	Interest accrued on Term Loans from bank	2.82	3.87
	Deposits/ Retention Money Payable	0.00	0.00
	Advance received from Customers	0.00	11.95
	Current Maturities Of Long Term Borrowings	196.57	284.31
	Total	199.39	300.12

NOTE 10: Short Term Provisions

	Particulars	March 31, 2020	March 31, 2019
	Provisions:		
a.	Income Tax Provision	0.00	78.72
b.	Provision for Employee Benefit		
	Profession Tax	0.30	0.32
	Provident Fund	5.18	4.93
	Salary and Wages	19.01	34.70
		24.49	39.95
c.	Other Provisions		
	TDS Payable	2.92	16.02
	Audit Fees Payable	1.83	2.11
	Provision for Electricity Charges	17.84	18.68
	GST Payable	18.75	(4.09)
	Provision for Gratuity	16.56	11.08
	Accrued Liabilities	1.19	0.84
	Legal and Professional Fees Payable	0.43	0.50
		59.51	45.13
	Total Rs.	84.00	163.80

NOTE 11: Fixed Assets

	Particulars	March 31, 2020	March 31, 2019
A.	GROSS BLOCK		
	Tangible Assets		
a.	Free hold Land		
	Land – 1	26.83	26.83
	Land – 2	122.65	122.65
	Land – 3	436.32	0.00
	Land – 4 (Bhosari)	1.62	1.62
b.	Buildings		
	Factory Premises – 1	167.35	167.35
	Factory Premises – 2	496.43	496.43
	Factory Premises – 3 (Bhosari)	15.83	15.83
c.	Plant and Machinery	6079.21	5748.34
d.	Electrical Installations – 1	13.53	13.53
e.	Electrical Installations – 2	47.01	41.40
f.	Electrical Installations – 3 (Bhosari)	9.33	9.33
g.	Furniture and Fittings	102.15	102.15
h.	Vehicles – Others	34.89	50.55
i.	Office Equipment	22.35	20.29
j.	Computers	20.34	18.70
k.	Tools and Fixtures	160.43	100.14
l.	EPABX System	0.24	0.24
	Total Tangible Assets	7,756.50	6,935.37
	Intangible Assets		
	Trademark	0.30	0.30
	Software	16.52	13.82
	Total Intangible Assets	16.82	14.12
	Capital Work in Progress	1.35	55.07
	Total Gross Block	7,774.67	7,004.56
B.	Depreciation Block		
a.	Land – 1	0.00	0.00
b.	Land – 2	0.00	0.00
c.	Land – 3	0.00	0.00
d.	Land – 4 (Bhosari)	0.00	0.00
e.	Factory Premises – 1	123.70	120.74
f.	Factory Premises – 2	222.29	200.23
g.	Factory Premises – 3 (Bhosari)	11.24	10.76
h.	Plant and Machinery	3,763.33	3,936.13
i.	Electrical Installations – 1	12.85	12.78
j.	Electrical Installations – 2	34.46	30.89
k.	Electrical Installations – 3 (Bhosari)	7.41	6.70
l.	Furniture and Fittings	80.26	73.06
m.	Vehicles – Others	22.81	31.11
n.	Office Equipment	18.00	15.91
o.	Computers	17.66	16.18
p.	Tools and Fixtures	84.02	66.39
q.	EPABX System	0.24	0.24
r.	Trademark	0.23	0.21
s.	Softwares	5.36	2.25
	Total Depreciation Block	4,403.86	4,523.59
	Total NET Block of FIXED ASSETS	3,370.81	2,480.97

NOTE 12: Investments

	Particulars	March 31, 2020	March 31, 2019
	Non-Current Investments		
a.	Unquoted Shares - Cosmos Co-operative Bank Limited	8.20	8.20
b.	Unquoted Shares – The Shamrao Vitthal Co-operative Bank Limited	0.10	0.10
c.	Equity Shares of Associate Company Kranti SFCI Pvt Ltd (Net of Post-acquisition profit / (Loss) in associates)	6.87	14.44
c.	Bank Fixed Deposits	58.99	0.00
	Total Investments	74.16	22.74

Above-mentioned are Long term investments and carried at cost.

NOTE 13: Long Term Loans and Advances

	Particulars	March 31, 2020	March 31, 2019
	Security Deposits		
a.	Secured and Considered Good	0.00	0.00
b.	Unsecured and Considered Good		
	Deposit with MSEDCL	21.18	21.18
	Deposit with RCF Kapurthala	0.08	0.08
	Deposit with BSE Limited	0.00	8.58
	Deposit with TCSFL	8.75	0.00
	Aditya Birla Short Term Opportunities Fund	10.60	0.00
c.	Loans to Related Parties – WPPL	0.00	0.00
d.	Advance to SFSPL against Lease	124.49	159.96
	Total Long-Term Loans and Advances	165.11	189.80

NOTE 14: Other Non-Current Assets

	Particulars	March 31, 2020	March 31, 2019
A.	Balance with Income Tax Authorities	27.06	98.11
B.	MAT Credit Entitlement	25.03	25.03
C.	MVAT Balance	42.02	41.57
	Total Other Non-Current Assets	94.11	164.71

NOTE 15: Inventories

	Particulars	March 31, 2020	March 31, 2019
	Raw Materials, Components, Consumables	547.08	437.23
	Work-in-progress, Stores and Spares	171.72	115.25
	Total	718.80	552.49

NOTE 16: Trade Receivables

	Particulars	March 31, 2020	March 31, 2019
	Outstanding for a period exceeding six months from the date they are due for payment.	0.00	0.00
	Other Receivables		
	Secured and Considered Good	0.00	0.00
	Unsecured and Considered Good	364.59	759.05
	Total	364.59	759.05

NOTE 17: Cash and Bank Balances

	Particulars	March 31, 2020	March 31, 2019
	Cash in Hand	2.64	1.81
	Balance with Bank		
	Current Accounts	4.90	144.98
	Other Bank Balances	0.00	0.00
	Deposits with maturity of less than 3 months	0.00	0.00
	Total Cash and Bank Balance	7.55	146.79

NOTE 18: Short term Loan and Advances

	Particulars	March 31, 2020	March 31, 2019
	Loans and advances to suppliers		
	Advance to Creditors	25.42	98.93
	Unsecured and considered good		
	Loans to Employees	0.51	2.22
	Deposits	0.00	0.00
	Total Short-Term Loan and Advances	25.93	101.15

NOTE 19: Other Current Assets

	Particulars	March 31, 2020	March 31, 2019
	Prepaid Expenses	19.18	11.73
	Provision: Interest Receivable	1.92	1.34
	Total Other Current Assets	21.09	13.07

NOTE 20: Revenue from Operations

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Sales and labour Charges Net off Taxes	4701.32	6042.35
	Other Operational Incomes		
	Scrap Sale	172.53	27.66
	Cash Discount Received	22.52	0.00
	Total Revenue from Operations	4,896.37	6,070.01

NOTE 21: Other Income

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Interest on Deposits	4.97	4.25
	Discount	0.00	0.05
	Profit on Sale of Asset	24.13	40.78
	Dividend on Shares	0.01	0.01
	Accounts / Liability Written Back	0.00	3.05
	Foreign Exchange Difference Gain	0.00	0.00
	Interest received on Income Tax Refund	0.00	0.22
	Total Revenue from Operations	29.11	48.36

NOTE 22: Cost of Material Consumed

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Material Consumed		
	Opening Stock of Raw Material and Consumables	437.23	483.96
	Add : Purchases During the Year		
	Raw Material Purchased	2,724.41	2,760.38
	Consumables Purchased	266.64	495.10
		3,428.29	3,739.43
	Freight and Octroi	23.84	15.59
	Less :		
	Closing Stock of Raw Material and Consumables	547.08	437.23
		2,905.05	3,317.79
	Total Cost of Material Consumed	2,905.05	3,317.79

NOTE 23: Changes in Inventories of Finished Goods and Work-In-Progress

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Opening Work-in-Progress	115.25	148.10
	Less: Closing Work-in-Progress	171.72	115.25
	Total	(56.46)	32.84

NOTE 24: Other Manufacturing and Operating Expenses

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Power and Fuel		
	Electricity Charges	244.64	264.58
	Solar Power Charges	8.29	9.34
	Generator Fuel	12.06	28.19
	Repairs and Machinery	129.89	211.11
	Job work and labour charges	106.15	197.01
	Lease Rental	144.98	165.70
	Other manufacturing expenses	0.00	0.00
	Packing Material	99.73	79.45
	Total	745.74	955.39

NOTE 25: Employee Benefits Expenses

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Salary and Wages	597.73	638.51
	Bonus and Incentives	26.20	25.27
	Gratuity Paid	12.95	8.14
	Provident Fund Contribution	31.60	21.35
	ESIC Contribution	5.78	11.68
	Welfare Fund	0.08	0.08
	Staff Welfare Expenses	5.21	5.53
	Director's Remuneration	47.70	48.40
	Total	727.25	758.96

NOTE 26: Sales Administration and Other Expenses

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Advertisement	0.20	1.65
	Audit Fees	2.19	1.38
	Conveyance and Travelling	10.31	11.37
	Guest House Expenses	0.00	0.53
	Insurance	8.81	7.73
	Interest Paid on Govt. Dues	2.75	0.53
	Legal and Professional Fees	8.81	12.79
	Legal Expenses	0.03	4.26
	Office Expenses	19.82	21.53
	Postage and Courier	0.17	0.24
	Printing and Stationery	5.28	5.32
	Profession Tax	0.05	0.05
	Rates and Taxes	3.70	3.63
	Repairs and Maintenance	9.76	19.86
	Sales Promotion, entertainment	15.50	0.79
	Security Charges	15.59	16.19
	Housekeeping Expenses	13.72	11.78
	Subscription and Contribution	2.07	0.18
	Transport Charges	116.74	72.20
	Telephone Expense	2.21	2.13
	Water Charges	5.48	6.56
	Foreign Currency Gain/Loss	0.18	0.00
	Accounts / Liability Written Back	4.02	0.43
	PCMC Tax	0.00	0.24
	Total	247.38	201.37

NOTE 27: Finance Costs

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Interest on Term Loan	44.58	79.03
	Interest on Cash Credit, Bill Discounting	114.61	94.65
	Interest on Unsecured Loans and Deposits	8.83	61.82
	Bank Charges	2.95	3.09
	Total	170.97	238.59

NOTE 28: Depreciation

	Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
	Factory Premises – 1	2.96	3.15
	Factory Premises – 2	22.06	18.26
	Factory Premises – 3 Bhosari	0.48	0.53
	Guest House	0.00	2.20
	Plant and Machinery	248.39	249.98
	Electrical Installations – 1	0.07	0.09
	Electrical Installations – 2	3.58	2.29
	Electrical Installation – 3 Bhosari	0.71	0.97
	Furniture and Fittings	7.20	8.00
	Vehicles – Others	5.78	8.88
	Office Equipment	2.09	2.73
	Computers	1.49	2.28
	Tools and Fixtures	17.62	7.66
	Trademark	0.02	0.02
	Software	3.11	0.59
	Total	315.55	307.66

NOTE 29: Related Party Disclosure:

a) Names of related parties - Key Managerial Persons (KMP)

Mr. Sachin Vora (Chairman & Managing Director)

Mr. Sumit Vora (Executive Director)

Smt. Indubala Vora (Non-Executive Director)

Mrs. Sheela Dhawale (Chief Financial Officer)

Mr. Bhavesh Selarka (Company Secretary)

29.1.1 Transactions with Related parties:

Particulars	For the Year 2019-20			For the Year 2018-19		
	Nature of Payment		Loan O/s as on 31.03.2020	Nature of Payment		Loan O/s as on 31.03.2019
Directors	Interest	Salary		Interest	Salary	
Sachin Vora	-	23.34	161.00	13.69	25.58	158.00
Sumit Vora	-	23.34	97.00	8.93	25.58	100.00
Indubala S Vora	-	-	322.00	8.24	-	322.00
Relatives of Directors	8.83	14.82	-	25.77	14.95	196.02
Key Managerial Personnel						
Sheela Dhawale - Chief Financial Officer	-	10.20	-	1.95	9.99	-
Bhavesh Selarka - Compliance Officer	-	5.21	-	-	4.03	-
Relatives of Key Managerial Personnel	-	-	-	2.62	-	-
Gross Transaction Value	8.83	76.91	508.00	61.24	80.14	776.02

- Related party relationship is as identified by the Company and relied upon by the Auditors, no amounts have been written off/back and provided for in respect of related party during the year.

NOTE 30: Earnings Per Share (EPS)

The Earnings per share calculated as per AS-20 is shown below:

Earnings per Share	March 31, 2020	March 31, 2019
Profit/(Loss) Attributable to Shareholders	(103.20)	211.13
No of Equity Shares	88.002	77.835
Basic and Diluted Earnings Per Share	(1.17)	2.71

NOTE 31: Contingent Liabilities

As per the Information provided to us there is no contingent liability as on the date.

Pending Litigation:

Sr. No	Act	Nature of Dues	Amount in INR Lakh	Period to which amounts Relates	Forum where the dispute is pending
1.	Income Tax Act	Income Tax Dues	14.42	A.Y 2015-16	Commissioner (Appeals) - Pune

Company have deposited the total dues with authorities, Appeal is in process at CIT Income Tax.

NOTE 32: Value of imports calculated on CIF basis:

Particulars	During F.Y 2019-20	During F.Y 2018-19
Capital Goods	559.20	255.49
Raw Material	-	1.94

NOTE 33: Expenditure in Foreign Currency:

Particulars	As on March 31, 2020	As on March 31, 2019
Spares for Repairs	0.00	0.00
Travelling Expense	0.64	2.12
Advance for Capital Goods and Material	2.00	98.65

NOTE 34: Earnings in Foreign Currency:

The Earning in Foreign Currency is NIL.

NOTE 35: Managerial Remuneration

Managerial Remuneration paid during the period is as follows:

Particulars	As on March 31, 2020	As on March 31, 2019
Director's Remuneration, (Including Incentive and Bonus)	46.67	51.16
Interest on Loan	-	30.89
Total	46.67	82.05

NOTE 36: Deferred Tax:

In accordance with Accounting Standard 22, 'Accounting for Taxes on Income', the Company has a net deferred tax liability, and it has been recognized properly in the accounts.

Particulars	As on March 31, 2020	As on March 31, 2019
Balance as per Last Balance Sheet	118.58	77.84
Add / Less: Current year	(34.38)	40.74
Net Deferred Tax Asset / (-) Liability	84.20	118.58

Particulars	Deferred tax (liability) / Asset as at 01.04.2019	Current Year Charge	Deferred Tax Liability as at 31.03.2020
Property, Plant & Equipment	139.44	(10.54)	128.90
Gratuity (Disallowance)	(0.86)	(1.37)	(2.23)
Deferred Tax Asset B/ F Loss (Asset)	(20.00)	(22.47)	(42.47)
Total	118.58	(34.38)	84.20

NOTE 37: Payment to Auditors:

Particulars	As on March 31, 2020	As on March 31, 2019
Statutory Audit	1.38	1.38
Tax Auditor	0.40	0.40
MVAT Auditor	0.00	0.32
GST Auditor	0.40	0.00
As advisor, or in any other capacity	0.00	0.00
Total	2.18	1.71

Mentioned Amounts are exclusive of Indirect Taxes

NOTE 38: Value of Imported and Indigenous raw material consumed:

Particulars	31/03/2020		31/03/2019	
	% of Total Consumption	Value	% of Total Consumption	Value
Raw Material				
Imported	0.00%	0.00	0.07%	1.93
Indigenously procured	100%	2,905.04	99.93%	3,317.79
Total	100%	2,905.04	100%	3,315.85

NOTE 39: Employee Benefits:
Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further neither contractual nor any constructive obligation. Contributions are made to employee's family pension fund in India for employees as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further neither contractual nor any constructive obligation.

The Company has recognized the following amount in the Statement of Profit and Loss for the year.

Particulars	As on March 31, 2020	As on March 31, 2019
Contribution to Employees Provident Fund	31.60	24.61
Contribution to other Funds (ESIC, Labor welfare funds)	5.86	8.51
Total	37.46	33.12

Post-employment obligations
Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the working by LIC of India. The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows

III. Assumptions

	As of 31/03/2019	As of 31/03/2020
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.80%	6.80%
Rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	7.80%	7.80%
Expected average remaining working lives of employees (in years)	19.38 *	19.09 *
Retirement Age	58 years	58 years
Withdrawal Rate		
Age upto 30 years	3.00%	3.00%
Age 31 - 40 years	2.00%	2.00%
Age 41 - 45 years	2.00%	2.00%
Age above 45 years	1.00%	1.00%

* It is actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

IV. Table Showing Changes in Present Value of Obligations:

For the period	During FY 2018-19	During FY 2019-20
Present value of obligation as at the beginning of the period	35.48	44.77
Acquisition adjustment	-	-
Transfer In / (Out)	-	-
Interest cost	2.79	3.49
Past service cost	-	-
Current service cost	4.40	5.74
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	-0.36	-
Actuarial (Gain) / Loss on obligations	2.47	5.83
Present value of obligation as at the end of the period	44.77	59.84

V. Table Showing Changes in Fair Value of Plan Assets:

For the period	During FY 2018-19	During FY 2019-20
Fair value of plan assets at the beginning of the period	27.18	33.70
Acquisition adjustments	-	-
Transfer In / (Out)	-	-
Expected return on plan assets	2.29	2.90
Contributions	4.68	7.00
Mortality Charges and Taxes	-	-0.11
Benefits paid	-0.36	-
Amount paid on settlement	-	-
Actuarial Gain / (Loss) on plan assets	-0.09	-0.21
Fair value of plan assets at the end of the period	33.70	43.27
Actual return on plan assets	2.20	2.69

VI. Actuarial (Gain) / Loss Recognized

For the period	During FY 2018-19	During FY 2019-20
Actuarial (Gain) / loss for the period - Obligations	2.47	5.83
Actuarial (Gain) / Loss for the period - Plan assets	0.09	0.21
Total (Gain) / Loss for the period	2.56	6.04
Actuarial (Gain) / Loss recognized in the period	2.56	6.04
Unrecognized actuarial (Gain) / Loss at the end of the period	-	-

VII. The Amounts to Be Recognized in the Balance Sheet:

For the period	During FY 2018-19	During FY 2019-20
Present value of obligation at the end of period	44.77	59.84
Fair value of the plan assets at the end of period	33.70	43.27
Surplus / (Deficit)	-11.08	-16.56
Current liability	11.08	16.56
Non-current liability	33.70	43.27
Unrecognized past service cost	-	-

Amount not recognized as asset (Para 59(b) limit)	-	-
Net asset / (liability) recognized in balance sheet	-11.08	-16.56

VIII. Expense Recognized in The Statement Of Profit And Loss

For the period	During FY 2018-19	During FY 2019-20
Current service cost	4.40	5.74
Acquisition (Gain) / Loss	-	-
Past service cost	-	-
Interest cost	2.79	3.49
Expected return on plan assets	-2.29	-2.90
Curtailment (Gain) / Loss	-	-
Settlement (Gain) / Loss	-	-
Transfer In / (Out)	-	-
Actuarial (Gain) / Loss recognized in the period	2.56	6.04
Expenses recognized in the statement of profit & loss at the end of period	7.46	12.37

IX. Reconciliation of Net Asset / (Liability) Recognized

For the period	During FY 2018-19	During FY 2019-20
Net asset / (liability) recognized at the beginning of the period	-8.30	-11.08
Company Contributions	4.68	7.00
Benefits directly paid by Company	-	-
Expense recognized at the end of period	-7.46	-12.37
Unrecognized past service cost	-	-
Mortality Charges and Taxes	-	-0.11
Impact of Transfer (In) / Out	-	-
Net asset / (liability) recognized at the end of the period	-11.08	-16.56

X. Experience Adjustment History For 5 Years

Experience History	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
Present value of obligation	20.91	27.65	35.48	44.77	59.84
Plan assets	15.91	18.61	27.18	33.70	43.27
Surplus / (Deficit)	-5.00	-9.04	-8.30	-11.08	-16.56
Experience (Gain) or Loss on plan liabilities	0.36	0.53	1.57	1.81	-2.50
Experience (Gain) or Loss on plan assets	-0.06	-0.00	0.27	0.03	0.21

XI. Major Categories Of Plan Assets (As % Of Total Plan Assets):

For the period	During FY 2018-19	During FY 2019-20
Government of India securities	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special deposit scheme	0.00%	0.00%
Funds managed by insurer	100.00%	100.00%
Others	0.00%	0.00%
Total	100.00%	100.00%

40 Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue Principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

41 Other notes as required by Schedule III of the Act are either nil or not applicable hence not disclosed.

42 Previous period figures have been regrouped, recast / rearranged wherever necessary in order to conform to the current year's presentation.

NOTICE

Dated: AUGUST 22, 2020

Dear Member,

You are cordially invited to attend the 25th Annual General Meeting of the members of Kranti Industries Limited ('the Company') to be held on Friday, 18th September, 2020 at 03:30 PM IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

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

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

Sincerely,

By order of the Board of Directors
KRANTI INDUSTRIES LIMITED

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

Enclosures-

1. Notice of the 25th AGM along with Notes
2. Instructions for E-voting & Attending the AGM through VC/OAVM
3. Instructions for Shareholders/Members to speak during the AGM through InstaMeet.
4. Instructions for Shareholders/Members to vote during the AGM through InstaMeet.
5. Guidelines to attend AGM through InstaMeet.
6. Statement pursuant to section 102(1) of the Companies Act, 2013

NOTICE For 25th Annual General Meeting

NOTICE is hereby given that the 25th Annual General Meeting of the members of KRANTI INDUSTRIES LIMITED (“the Company”) will be held on Friday September 18, 2020 at 3.30 P.M. IST through VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM) to transact the following business :-

ORDINARY BUSINESS:

Item No.1 → Adoption of financial statements

To receive, consider and adopt:

- a. The audited financial statements of the Company for the financial year ended **March 31, 2020** together with the reports of Board of Directors (“the Board”) and auditors thereon.
- b. The audited consolidated financial statements of the Company for the financial year ended **March 31, 2020** together with auditors’ report thereon.

Item No.2 → Appointment of Sumit Subhash Vora (DIN: 02002416) as a Director liable to retire by rotation

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, **Sumit Subhash Vora (DIN: 02002416)**, who retires by rotation at this meeting be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS:

Item No.3 → Increase in the authorized share capital of the Company

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under(including any amendment thereto or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 10,00,00,000 (Rupees Ten Crore only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10 (Rupees Ten only) each to Rs.15,00,00,000 (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Rs. 10 (Rupees Ten only) each, by way of creation of 50,00,000

(Fifty Lakh) Equity Shares of Rs 10/- (Rupees Ten only) each, ranking pari passu in all the respect with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT Sachin Subhash Vora (DIN: 02002468), Chairman and Managing Director of the Company be and is hereby authorised to execute, sign, file and submit all necessary documents, and e-Forms as may be required and also authorised to do all such acts, deeds, matters and things as may be required for giving necessary effect to the above mentioned resolution.”

Item No.4 → Alternation in the Capital Clause of Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made framed thereunder (including any amendment thereto or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded for alteration in the Capital Clause of the Memorandum of Association of the Company by substituting the Clause V(a) of the Memorandum of Association of the Company with the following clause:

V (a) The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each.’

RESOLVED FURTHER THAT Sachin Subhash Vora (DIN: 02002468), Chairman and Managing Director of the Company be and is hereby authorised to execute, sign, file and submit all necessary documents, and e-Forms as may be required and also authorised to do all such acts, deeds, matters and things as may be required for giving necessary effect to the above mentioned resolution.”

Item No.5 → Approval for granting loans, giving guarantee or providing security in respect of any loan to ‘Wonder Precision Private Limited’

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

“RESOLVED THAT pursuant to the provisions of Section 185 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, and such other applicable provisions if any, of the Companies Act, 2013 read with related rules made there under and as may be amended from time to time (‘the Act’), consent of the members of the Company, be and is hereby accorded to grant loan or give guarantee or provide any security in

connection with any loan taken/to be taken by Wonder Precision Private Limited, a Subsidiary Company, being entities covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to sub-section 2 of the said Section 185, for an aggregate amount not exceeding Rs.1,00,00,000/- (Rupees One Crore only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (Hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof), be and is hereby authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid Loan/ Guarantee/ Security, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed, matters and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds, matters or things incidental or expedient thereto and as the Board may think fit and suitable for the purpose of giving effect to this resolution in the interest of the Company."

**By order of the Board of Directors
KRANTI INDUSTRIES LIMITED**

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

**DATE: AUGUST 17, 2020
PLACE: PUNE**

NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the Annual General Meeting of the Company held on 23rd August, 2019.
4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. Since this AGM is being held, pursuant to the MCA Circulars, through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website at www.krantiindustries.com, websites of Stock Exchanges i.e. BSE Limited, www.bseindia.com Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
7. For receiving all communication (including Annual Report) from the Company electronically: Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic

inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM

9. Register of Members and Share Transfer Books will remain closed from September 11, 2020 to September 18, 2020 (both days inclusive) for the purpose of Annual General Meeting.
10. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the Cut-off date may obtain the login ID and password by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.
11. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting for limited time each, once the floor is open for shareholder queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 1 week in advance through email on cs@krantiindustries.com. The same will be replied by the Company suitably.
13. The members are requested to notify change of address, if any, to the Company's Registrar and Transfer Agent.
14. Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.
15. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at cs@krantiindustries.com
16. Members who are shareholders as on September 11, 2020 can join the AGM 15 minutes before the commencement of the AGM i.e at 3.15 P.M and till the time of the conclusion of the Meeting by following the procedure mentioned in this Notice.
17. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015 and the Secretarial Standards on General Meetings and the related Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items No.3, 4 & 5 set out above are annexed hereto.
18. In compliance with the Circulars, the [Annual Report 2019-20](#), the Notice of the 25th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
19. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to contact their respective DP and register their email addresses with their respective depository participants, as per the process advised by their respective DP.

20. Investor Grievance Redressal: The Company has designated an exclusive e-mail id viz. investor@krantiindustries.com to enable Investors to register their complaints, if any.
21. 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.
22. The Board of Directors of the Company have appointed Mr. Siddharth Bogawat, Chartered Accountant (ICAI Membership No. 134134) as Scrutinizer to scrutinize the remote e-voting process as in a fair and transparent manner, and he has communicated his willingness to be appointed and will be available for the said purpose.

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.

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

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

The remote e-voting period will begin on **Tuesday, September 15, 2020 at 9:00 a.m.** and end on **Thursday, September 17, 2020 at 5:00 pm.** During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date** i.e. **Friday, September 11, 2020** may cast their vote electronically. The e-Voting module shall be disabled by Link Intime India Pvt. Ltd. (LIPL) for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the AGM.

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

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

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

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

- Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

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

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

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

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

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

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

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

2. Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.

4. After successful login, you will be able to see the notification for e-voting. Select **'Kranti Industries Limited/ Event number 200163'**.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favor / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favor / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

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

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event". Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account. In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at

<https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

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

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- Select the “Company” and ‘Event Date’ and register with your following details: -
 - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.
 - Shareholders/ members holding shares in CDSL Demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL Demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting)

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

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting.

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

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

1. Shareholders who would like to speak during the meeting must register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor@krantiindustries.com from September 10, 2020 to September 13, 2020.

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

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

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

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

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

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

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting. Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

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

Annexure

Guidelines to attend the AGM through InstaMEET:

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

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	<p>If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <u>Run a temporary application.</u></p> <p>Click on <u>Run a temporary application</u>, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.</p>

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

ITEMS NO.3 & 4

Currently, the Company's Equity Shares are listed on SME platform of BSE Ltd., since 28th February 2019. With a view to migrate to Main Board platform of BSE Ltd. and considering the related norms stipulated for such migration, one of the eligibility criteria for the Company is to have paid up share Capital more than Rs.10 Crores. Therefore, the Board of Directors has thought fit to propose and increase the existing Authorised Share Capital of the Company from Rs. 10,00,00,000 (Rupees Ten Crore only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10 (Rupees Ten only) each to Rs.15,00,00,000 (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Rs. 10 (Rupees Ten only) each, by way of creation of 50,00,000 (Fifty Lakh) Equity Shares of Rs 10/- (Rupees Ten only) each, ranking pari passu in all the respect with the existing Equity Shares of the Company.

Pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made framed thereunder (including any amendment thereto or re-enactment thereof for the time being in force), the consent of the members of the Company is mandatory to obtain for such increase in Authorised Share Capital of the Company as well as alteration in Capital Clause of the Memorandum of Association of the Company.

Accordingly, the Resolutions set forth in Items 3 & 4 seek the approval of Members of the Company for increase in Authorised Share Capital of the Company as well as for consequential amendments in the Capital Clause of the Memorandum of Association of the Company. Your Directors recommend the said resolutions to be passed as an Ordinary Resolutions by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way interested or concerned in the Resolutions set forth in Items No.3 & 4 of the Notice, except to the extent of their shareholding in the Company.

ITEM NO.5

The Company is having a Subsidiary Company named 'Wonder Precision Private Limited' (Hereinafter referred to as "Wonder Precision"). In wake of COVID-19 pandemic, the Government of India (GoI) had announced Nationwide Lockdown, which not only disrupt the business cycle but also broke the industries/ Companies economically, and this was faced by almost all kinds of business entities in the country, including our Subsidiary Company namely 'Wonder Precision Private Limited'. Currently, Wonder Precision is in need of financial assistance for their working capital requirement, for which Wonder Precision have also applied for availing loan or credit facility from banks/financial institutions, and respective Banks/ Financial Institutions need Corporate Guarantee of your Company (Kranti Industries Limited). And being a Holding Company, the Board of Directors had thought fit to support the Subsidiary Company by providing required Corporate Guarantee against the loan availed by Wonder Precision. Accordingly, the Resolution set forth in Item No.5 seeks approval of members.

'Wonder Precision' covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to sub-section 2 of the Section 185 of the Companies Act, 2013, and hence the consent of members is being sought by way of a Special Resolution pursuant to Section 185 of the Companies Act, 2013 (as amended by the Companies (Amendment) Act, 2017) for making of loan(s) to, or giving of guarantee(s) or providing of security(ies) in connection with any Loan taken/to be taken by Wonder Precision for an aggregate amount not exceeding Rs.1,00,00,000/- (Rupees One Crore only) and necessary delegation of authority to the Board for this purpose.

Hence your Directors recommend the said resolution to be passed as a Special Resolution by the members of the Company in ensuing Annual General Meeting.

Following are the brief particulars of Loan proposed to be given or guarantee to be given or security to be provided by your company to its Subsidiary Company:

Name of the Company	Particulars of Loans to be given, or guarantee to be given or security to be provided	Purpose
WONDER PRECISION PRIVATE LIMITED	Aggregate amount of loans to be given or guarantee to be given or securities to be provided shall not exceed Rs.1,00,00,000/- (Rupees One Crore only)	For Working Capital

Except Indubala Subhash Vora, Sachin Subhash Vora and Sumit Subhash Vora, being common Directors between the Company and Wonder Precision Private Limited, and the Company and Indubala Subhash Vora, Sachin Subhash Vora and Sumit Subhash Vora to the extent of their shareholding in the Company, if any, None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way interested or concerned in the Resolutions set forth in Items No.5 of the Notice, except to the extent of their shareholding in the Company.

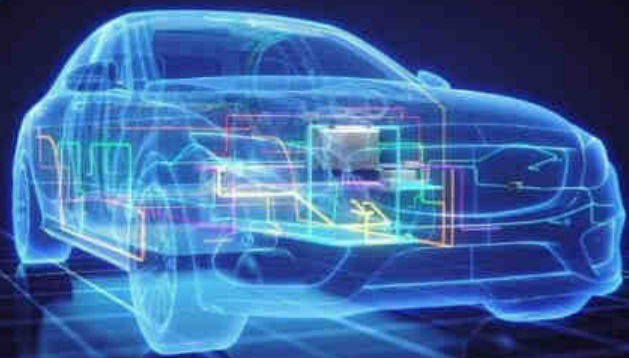
By order of the Board of Directors
KRANTI INDUSTRIES LIMITED

Sd/-

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

**DATE: August 17, 2020
 PLACE: PUNE**

BUILDING TRUST, ESTABLISHING THE LEGACY



For more details, please visit:
www.krantiindustries.com

Disclaimer

The Annual Report may contain, without limitation, certain statements that include words such as “believes”, “expects”, “anticipates” and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guaranteeing of future performance and involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise