



# KILBURN ENGINEERING LTD.

Plot No.6, MIDC - Saravali, Kalyan Bhiwandi Road, Distt. Thane 421 311 Maharashtra, India  
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Ref : KEL/ BSE-CSE / 23 – 24/ AGM

30<sup>th</sup> August, 2023

To  
The Corporate Relationship Department  
BSE Limited  
1<sup>st</sup> Floor, P.J. Tower  
Dalal Street, Fort  
Mumbai-400 001

**Scrip Code : BSE 522101.**

To,  
The Secretary  
The Calcutta Stock Exchange Ltd.,  
7 , Lyons Range,  
Kolkata – 700 001

**Scrip Code : CSE 21022.**

**Sub: Notice of 35<sup>th</sup> Annual General Meeting (AGM) to be held on  
27<sup>th</sup> September, 2023 at 11:00 A.M. through VC / OAVM  
alongwith Annual Report for F.Y. – 2022- 23**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial year 2022 - 23 along with the Notice of 35<sup>th</sup> Annual General Meeting (“AGM”) of the Company to be held on Wednesday, 27<sup>th</sup> September, 2023 at 11:00 a.m. through video conferencing (VC)/ other audio visual means ( OAVM).

Pursuant to General Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI, the Annual Report for FY2023 along with the Notice of 35<sup>th</sup> AGM is being sent electronically to all the Members of the Company whose email addresses are registered with the Company / Depository Participant(s).

Further, the Annual Report of the Company along with the Notice of the Meeting will also be available on website of the Company at :

<http://www.kilburnengg.com/wp-content/uploads/2014/08/KEL-AR-2022-23.pdf>

Yours faithfully,  
**For Kilburn Engineering Limited**

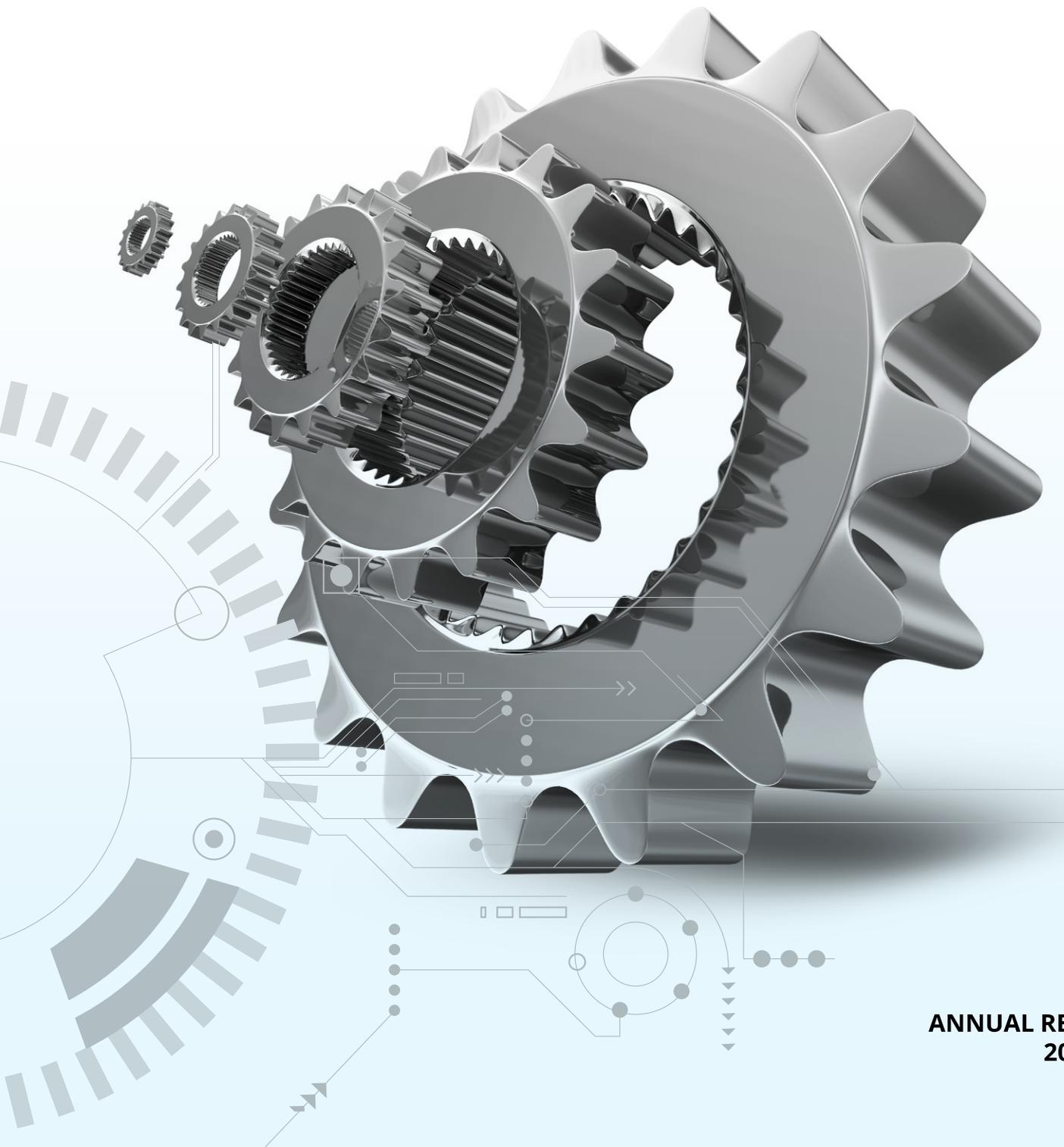
**Arvind Bajoria**  
Company Secretary  
& DGM ( Costing )  
( M. no. ACS : 15390 )

- Encl : i. Notice of AGM ( inclusive of instructions for E-voting and participation in AGM through VC ).  
ii. Copy of Annual Report for 2022-23



**KILBURN ENGINEERING LTD.**

# Engineering a stronger tomorrow



**ANNUAL REPORT  
2022-23**

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## Kilburn in a nutshell

**Kilburn Engineering Limited (Kilburn) has emerged as a technology-led company, specialising in process design, engineering and manufacture of equipment and systems for various process plants, primarily engaged in the chemical and petrochemical sectors.**

**40+**

Years of rich experience

**3,000+**

Installations globally

**200+**

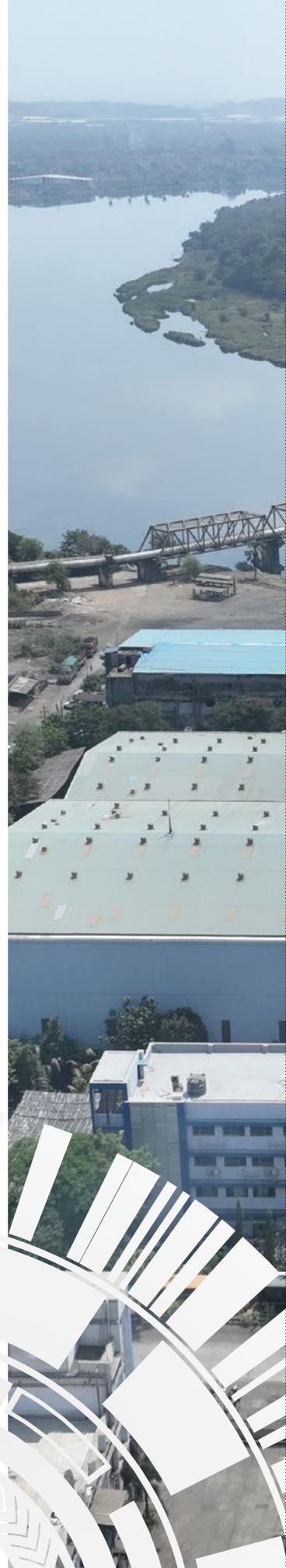
Workforce

**15+**

Sectors catered to by products and solutions



Scan here for  
Annual Report 2022-23





**At Kilburn, we perform as we transform with a focus on high-potential markets. From the strategies that we formulate to the initiatives that we undertake our business reflects accelerated transformation in step with changing times.**

**We are continuously transforming ourselves to deliver cutting-edge solutions that cater to a wide range of industries. We are committed to providing our customers with exceptional products and services that meet their evolving needs and exceed their expectations.**

We understand that driving sustainable progress requires a customer-centric approach, investment in technology and innovation, a clear strategy, and a focus on people and talent. With our dedicated team of engineers, technicians, and other professionals, we foster a culture of collaboration and creativity, which encourages us to think outside the box and come up with new ideas and solutions.

We are committed to delivering excellence in everything we do, and we believe that our transformation-led growth strategy will help us achieve our goals, while creating value for all stakeholders.

## ABOUT US

# Kilburn in brief

We are a market leader in solid, liquid and gas drying systems and also provide a comprehensive package of solutions for tea, fertiliser, carbon black, soda ash, pharmaceuticals, dyes and pigments and specialty chemicals, among other industries.

Our end-to-end capabilities span design, engineering, supply, site erection and commissioning of a system.

For decades, we have meticulously built a successful track record of excellence, manufacturing customised process equipment for a wide range of industries. We cater to the specific requirements of both domestic and international customers, including large conglomerates.

Our core strength lies in the successful assimilation of world-class technologies. Leveraging these technologies, our R&D Centre develops innovative products that comply with international standards for our end-user industries. We have a state-of-the-art manufacturing facility at Thane, Maharashtra, India with an in-house pilot facility for testing different materials. Our manufacturing facility spans over 8 acres of land and is well connected by highways and ports, facilitating the transportation of large-sized equipment within India and overseas.



### One vision

To be a major global player and the most admired organisation in the domestic and international markets.



### Our mission

- To deliver world-class quality & cost-effective Equipment, Projects & EPC Services on time
- To focus utmost on Customer Delight
- To acquire leadership in the international market

### Transcending borders

Export presence across USA, France, Germany, the Netherlands, China, Indonesia, Hungary, Thailand, Kenya, South Africa, Brazil and Bangladesh, among others

### Leading

Global player in drying solutions and customised process equipment

### Increasing

Revenue from exports consistently

### Growing

Order book on a year-on-year basis

### Taking India's expertise across geographies



 Exporting nation

 Collaborators and technical associates

## KEY HIGHLIGHTS, FY 2022-23

# A year of robust performance

## Financial

### 80.46%<sup>^</sup>

₹ 221.53 Crore

Income from operations

### 1,176.76%<sup>^</sup>

₹ 38.77 Crore

Profit before tax

### 167.59%<sup>^</sup>

₹ 34.68 Crore

Operating EBITDA

### 1,843.48%<sup>^</sup>

₹ 30.14 Crore

Profit after tax

### 509 bps<sup>^</sup>

15.65%

Operating EBITDA margin

### 1,502.90%<sup>^</sup>

₹ 8.66

Earnings per share

## Operational

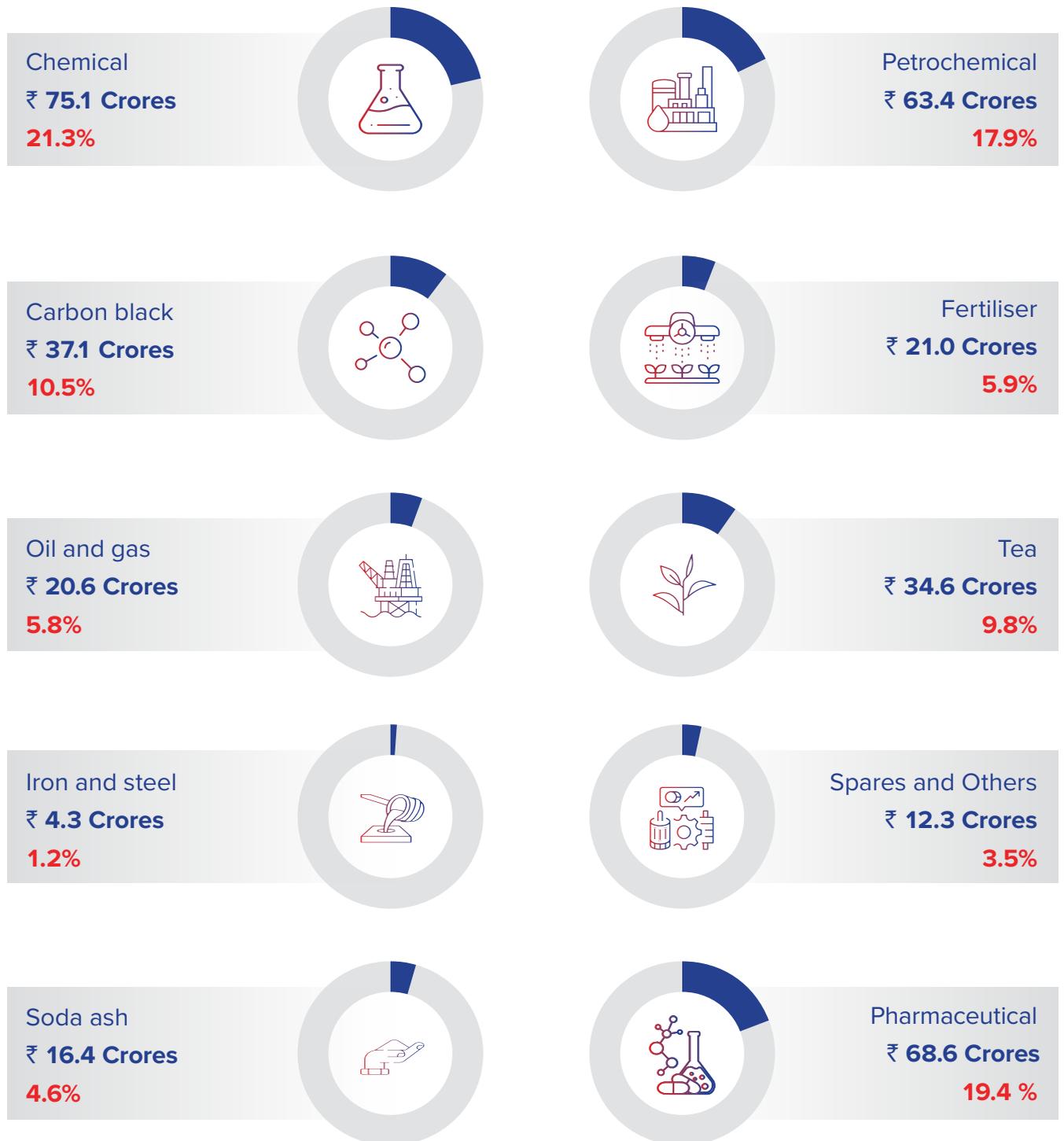
Received high-value order for fabrication of silos from a reputed PSU for ₹ **43 Crores**

Continued to be the **market leader in the manufacture** of dryers in the Carbon Black and Tea industry

Reported order booking of ₹ **354 Crores** during the year, resulting in a higher order backlog of ₹ **246 Crores** as on 31 March 2023, which will be executed during the next fiscal.

<sup>^</sup> Growth in FY 2022-23 from FY 2021-22

## Sector-wise orderbook



As on 31 March, 2023

**CORE STRENGTHS**

# A preferred brand for diverse industries



We have always transformed ourselves in step with changing times and the aspirations of customers across domestic and global markets. Our value proposition to customers is unique in terms of quality standards, service excellence and a reliable brand reputation.



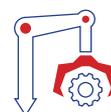
**Global prominence**

We are a global leader in the design and manufacture of coolers, kilns and calciners. We have successfully rolled out several installations of drying systems and solutions worldwide. Our drying systems and solutions are well-known across various industries.



**Comprehensive range**

We are one of the very few companies in the world to offer a comprehensive range of dryers for solid, liquid and gas under one roof. We also manufacture specially designed packages required for various onshore and offshore applications



**High technology quotient**

We work with state-of-the-art technologies leading to the designing and manufacturing of cutting-edge products and solutions. We have technology-oriented functional groups, having in-depth knowledge and vast experience.



### Innovation-driven

With an in-built capacity to design and innovate (supported by a well-equipped R&D Centre), we have successfully assimilated best-in-class technologies and developed equipment to serve a broad range of industries. Moreover, we possess an extensive and sophisticated R&D facility equipped with an entire range of pilot plant dryers.



### Strategic collaborations

Over the years, we have successfully assimilated collaborator's technology and have continuously upgraded our equipment and systems to match the developments across the world. We participate in international technical meetings and seminars, workshops and trade fairs to keep abreast of the latest developments. We have ongoing technical collaborations and tie-ups on a case-to-case basis with Nara Machinery Co Ltd (Japan), Carrier Vibrating Equipment, Inc (USA), Emde Industrietechnik (Germany), Bertrams (Switzerland), Komline Sanderson (USA) and FEI (Japan) and Idreco (Italy), among others.



### Quality focused

We are certified for an ISO 9001-2015 and ASME 'U' stamp. Our superior quality standards have ensured enhanced customer satisfaction with every product manufactured and supplied by us. This, in turn, has brought about repeat orders and consistent growth in business volumes.



### Experienced team

Our seamless operation is driven by 200+ talented workforce across various disciplines. We have a highly qualified and talented pool of engineers in mechanical, chemical, electrical and instrumentation disciplines. Our team of engineers has catalysed product innovation, reduced fuel consumption, optimised raw material usage, ensured quality benchmarks and enhanced capacity.



### Green operations

We are conscious of the impact of our business on the environment and are committed to conducting our operations responsibly. We recognise the necessity of preserving the environment and reducing emissions and wastes across every aspect of our operations.



### Trustworthy governance framework

We adhere to a responsible and sound corporate governance framework and practices, which are reviewed periodically by the Board to safeguard the interests of all stakeholders. For more details, refer to the corporate governance report.

## PRODUCT RANGE

# An impressive array of engineering solutions



### Customised industrial drying systems

- Rotary dryers
- Calciners
- Fluid bed dryers and coolers
- Flash dryers
- Paddle dryers and coolers
- Spray dryers
- Band dryers
- Vibrating fluid bed dryers and coolers

### Customised packaged systems

- Air / Gas / Liquid drying systems
- Solvent / vapour recovery systems
- Instrument utility gas drying systems
- Gas conditioning systems
- Pneumatic conveyors and silos
- Vibratory conveyors and feeders
- Skids



### Customised fabricated and large critical process equipment

- Pressure Vessels
- Heat Exchangers
- Columns
- Reactors
- Silos



### Standard products

- Tea dryers
- Paddy dryer
- Sugar dryers
- Coconut dryers

### Others

- Industrial fans
- Continuous Mechanised Withering System for tea leaf



## MANAGEMENT MESSAGE

# Engineering an accelerated roadmap to growth



We continue to be the market leader in the manufacture of tea dryers in the industry. Our extensive portfolio of products and the selection of markets we serve have played a pivotal role in driving our performance. We have focused on optimising our capacity utilisation, increasing the proportion of value-added and margin-enhancing products, and enhancing our efficiencies across the value chain. These efforts have been critical in achieving our strong financial results during the year.

### Dear Shareholders,

I am pleased to share that despite the challenging operating environment, our performance has been robust in FY2022-23. We have successfully transformed ourselves to become a leading engineering company in drying solutions globally.

India continues to rank among the fastest-growing major economies of the world, with very strong fundamentals to manage global volatilities. The government's focus on infrastructure creation to enhance employment opportunities and the steady monetary policy of the Reserve Bank of India (RBI) to curb rising inflation are major steps that need to be highlighted. Production-linked incentives (PLI) are another major initiative to boost the performance of the domestic manufacturing sector. We are committed to capitalise on the opportunities available to us in India and other global markets.

The year has been exceptional for Kilburn on all operating and financial metrics. We are pleased to note that the demand for our products across various industries remains robust, and we anticipate that our order intake and

revenue will continue to remain on track. Our income from operations has grown by 80.46% to ₹221.53 Crores in FY 2022-23, up from ₹ 122.76 Crores in FY 2021-22. Our operating EBITDA has also risen by 167.59% to ₹34.68 Crores in FY 2022-23, compared to ₹ 12.96 Crores in FY 2021-22 (with EBITDA margin at 15.65% versus 10.56% in FY 2021-22). Additionally, our profit after tax has increased by 1,844.52% to ₹30.14 Crores in FY 2022-23, compared to ₹1.55 Crores in FY 2021-22, with earnings per share standing at ₹ 8.66 for the year under review.

We continue to be the market leader in the manufacture of tea dryers in the industry. Our extensive portfolio of products and the selection of markets we serve have played a pivotal role in driving our performance. We have focused on optimising our capacity utilisation, increasing the proportion of value-added and margin-enhancing products, and enhancing our efficiencies across the value chain. These efforts have been critical in achieving our strong financial results during the year.

Our extensive knowledge and experience in various aspects of materials and drying systems, coupled with our innate ability to design and innovate, and a well-equipped R&D centre, has enabled Kilburn to successfully provide specialised dryers for a wide range of industries.

We are pleased to announce that we have secured an order book worth ₹ 354 Crore during the year, resulting in a higher order backlog of ₹ 246 Crores as on 31<sup>st</sup> March 2023. We are committed to delivering with speed and precision to delight our customers globally.

### Future priorities

We are fully aware of our priorities, and we are committed to working diligently to achieve them. Our key priorities include:

- We are optimistic about the next fiscal, given our current order book and pending enquiries, which are at various stages of quoting. We anticipate that the growth in turnover, EBITDA, and PBT will persist, resulting in higher free cash flow.
- We primarily operate in sectors such as Chemical, Petrochemical, Refinery, Oil & Gas, Power, Fertiliser, Food, and allied industries. We are also exploring new and niche areas of application, such as API in the pharmaceutical space.
- We will continue to benefit from cost advantages available to the Indian manufacturing industry, relative to global players, and make the best use of this opportunity. Moreover, we will maintain our focus on both domestic and international markets.

### Responsible progress

At Kilburn, we take our responsibility to manage and minimise our environmental impact very seriously, and it is an integral part of our ESG priorities.

### Closing thoughts

At Kilburn, we are committed to enhancing our financial performance by pursuing several strategies. These include increasing sales, adopting cutting-edge technologies, developing new products, diversifying our product mix, optimising production costs, investing in our human resources, and ensuring complete customer satisfaction. By focusing on these priorities, we aim to achieve



**Our profit after tax has increased by 1,844.52% to ₹30.14 Crores in FY 2022-23, compared to ₹1.55 Crores in FY 2021-22, with earnings per share standing at ₹8.66 for the year under review**



sustainable growth and profitability while maintaining our commitment to excellence.

In conclusion, I would like to express my sincere gratitude for the support and encouragement we have received from our entire stakeholder fraternity. We believe that our commitment to excellence, innovation, and sustainability has enabled us to create value for our stakeholders and build a strong reputation in the marketplace. Thank you for your continued trust in us, and we look forward to your ongoing support as we embark on another year of sustainable growth.

Warm Regards,

**Mr. Ranjit Lala**  
Managing Director

## SECTORAL PROSPECTS

# Unfolding opportunities driving our growth

We continue to evaluate the macro-economic and industry realities to pursue opportunities that are emerging on the horizon. With this awareness, we can confidently state that our external environment is highly conducive to sustainable growth in the medium-to-long term, complementing our strategic objectives.



### Petrochemical

Indian petrochemical market is estimated to expand at a compound annual growth rate (CAGR) of ~6.14% between FY 2021 and FY 2025.



### Speciality chemical

The Indian speciality chemicals industry will outpace its Chinese counterpart and double its share of the global market to ~6% by 2026 from 3-4% in FY 2020-21.



### Oil & gas

The India oil and gas market is expected to register a CAGR of more than 3% during FY 2022-2027.



### Power

The Central Electricity Authority (CEA) estimates India's power requirement to touch 817 GW by 2030, driving the sector.



### Steel

The National Steel Policy, 2017 envisages 300 million tonnes of production capacity by 2030-31



### Carbon black

Carbon Black demand stood at 16.42 million tonnes in 2020 and is forecast to reach 27.21 million tonnes by 2030, growing at a healthy CAGR of 4.82% until 2030.



### Pharmaceutical

The Indian pharma industry is expected to expand to US\$ 65 billion by 2024 and ~US\$ 130 billion by 2030.



### FMCG

The FMCG industry in India is poised to expand at CAGR of 14.9%, with the market size expected to increase from USD 110 billion in 2020 to nearly USD 220 billion by 2025.



### Nuclear power

The government plans to triple its nuclear power capacity to 22.48 GW by 2031 to make up 5% of the country's power production



### Tea

The Indian tea industry is expected to grow at a CAGR of about 4.2% in 2021-26 period and reach an approximate volume of 1.40 million tonnes by the end of this period



### Fertiliser

In 2022, the Indian fertiliser market was valued at ₹898.5 billion. The market will grow to ₹ 1,188.3 billion by 2028, with a projected CAGR of 4.85% during the period 2023-2028.



### Sewage treatment

The market size for water and wastewater management in India was ₹216.03 billion in 2022. By 2027, it is anticipated to grow to ₹518.15 billion, with a projected CAGR of 15.95% during the period 2023-2027.

## MANUFACTURING FACILITY

# Making products that deliver excellence globally

We have a cutting-edge manufacturing facility for fabrication, machining, and assembly of equipment located in Thane, Maharashtra (India). Our manufacturing plant spans an area of 30,960 square meters and is equipped with state-of-the-art technology and machinery.

This allows us to deliver high-quality products efficiently, effectively, and within timelines. We are committed to ensuring that our manufacturing facility remains at the forefront of technology to continue providing our customers with the best products and services possible. We manufacture equipment using materials such as aluminium, carbon steel, stainless steel, inconel, hastelloy, monel, nickel, duplex stainless steel, Alloy 253 mA and titanium.

### Manufacturing capabilities

#### Metal cutting and forming

- Cutting machines
- Other metal forming machines
- Presses
- Shears/bending machines
- Welding machines

#### Machining

- Drilling machines
- Universal milling
- Machine
- Lathes
- Shaping machine

#### Material handling

- Equipment
- EOT cranes
- Mobile cranes

#### Others

- Painting
- Balancing equipment
- Utilities

### Manufacturing facility layout

The facility is divided into four bays as below:

- 1 Machine Shop**  
133 mtrs. long x 23 mtrs. wide
- 2 Light Bay**  
133 mtrs long x 23 mtrs wide
- 3 Medium Bay**  
133 mtrs long x 25 mtrs. wide
- 4 Heavy Bay**  
133 mtrs long x 25 mtrs. wide | lifting capacity of 100 tons

### Design and engineering capability

In-house process design and detailed engineering capability

Mechanical design capability includes software such as Solid Works, PVElite, Autocad and other internally developed software

System design capability includes electrical, instrumentation and control system design

System engineering including integration for balance of plant

This facility is equipped with major machines such as heavy-duty rolling machines, CNC plasma cutting machines, submerged arc welding machines and CNC lathe machine among others.

### Inspection and testing facilities

Major inspection and testing facilities are available at Kilburn Works such as NDT, Radiography, DP Testing, MP Testing, Ultra Sonic Testing, Physical & Chemical Testing, etc. Also, other critical tests such as hydro tests, measurement of noise & vibrations for rotary equipment, performance test of blower, etc. are carried out.

## RESEARCH AND DEVELOPMENT

# Sharpening our innovation focus

At Kilburn, our product and process innovations enable us to stay ahead of shifting market demands and meet the aspirations of our customers. This necessitates continued investments in research capabilities, processes and talent pool, propelling us towards new growth orbits.

We have extensive and sophisticated R&D facility that are equipped with a full range of pilot plant dryers, including

- Paddle Dryers
- Vacuum Paddle Dryers
- Band Dryers
- Fluid Bed Dryers,
- Vibrating Fluid Bed Dryers

Our cutting-edge facility enables us to conduct comprehensive research and development, test new products and processes, and ensure the highest levels of quality and efficiency in our manufacturing processes. Our R&D capabilities are a key factor in our ability to provide specialised and innovative drying solutions for a wide range of industries and applications.

Our drying systems are well-equipped with proper instrumentation, and our facility has the capability to utilise various modes of heating in-house. Our pilot plant trials are designed to take care of a range of client requirements, including:

1

### Material characteristics

2

### Dryer type selection

3

### Energy considerations

4

### Space optimisation

5

### Equipment scale-up for commercial purposes

6

### Cost-effectiveness

### Leading the way

Alongside our in-house R&D capabilities, we have successfully assimilated world-class technologies and developed cutting-edge equipment, many of which are first-time introductions in the country.

Our commitment to using the latest technologies and methodologies in our testing processes ensures that we provide our customers with the best possible products and services.



## ESG COMMITMENTS

# Growing responsibly with all stakeholders

At Kilburn, our product and process innovations enable us to stay ahead of shifting market demands and meet the aspirations of our customers. This necessitates continued investments in research capabilities, processes and talent pool, propelling us towards new growth orbits.

### Environmental stewardship

We prioritise environmental sustainability and recognise the significance of taking proactive measures to reduce our Company's environmental footprint. We incorporate environmental sustainability into our products, operations and culture to promote efficiencies and responsible resource usage while also creating comfortable, safe and healthy workplaces for all stakeholders. We acknowledge that climate change is one of the most pressing environmental and social concerns today. Therefore, we are innovatively manufacturing our products to aid waste management across various industries in the best possible manner.





### Climate change

We recognise that climate change is of utmost priority and are dedicated to diminishing the emissions generated by our operations. We proactively advocate afforestation by planting trees around our facility and offices.



### Energy management

We have acquired and implemented energy-efficient machinery for use in our manufacturing process, aiming to minimise energy consumption in our plant. Furthermore, we have replaced traditional lamps with energy-efficient LED lights in our offices, effectively reducing our overall energy usage. These initiatives showcase our company's steadfast dedication to environmental responsibility and sustainability.



### Waste management

Equipment designed and supplied by us finds utility in waste management across various industries. In the face of growing concerns regarding environmental degradation, our Paddle dryers have emerged as a sustainable solution for drying sludge. These advanced dryers play a pivotal role, especially in regions where stringent pollution norms are mandated, compelling industries to adopt eco-friendly practices.



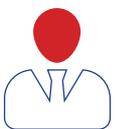
### Our Paddle Dryer minimises environmental impact

By efficiently extracting moisture from sludge, these dryers significantly diminish the volume of waste produced, thereby minimising the environmental impact of industrial processes. Embracing such environmentally conscious technologies not only ensures compliance with regulations but also exemplifies a dedication to safeguarding our planet.

## ESG COMMITMENTS



### Social commitments



#### Employee

We strongly believe that our employees are our most valuable asset, and we are committed to continuously training and developing them to ensure they are future-ready. Our employees' dedication and hard work give us a competitive edge in the market, and we recognise the importance of investing in their growth and development. To achieve this, we focus on attracting talented individuals and providing them with comprehensive training to sharpen their skills.

Our training structure is designed to ensure that all employees receive adequate training, including job-related modules and safety training. We believe that these initiatives aid in continuously improving employee performance and help us retain the best talent in the industry. In addition to induction training, regular training sessions are conducted to ensure that our employees remain up-to-date with the latest industry trends and technologies. Through these efforts, we aim to foster a culture of learning and innovation, promoting the growth and development of our employees and the company as a whole.



#### Community

We recognise our role as responsible corporate citizens and are committed to contributing to the welfare and sustainable development of the community at large. Our CSR initiatives focus on creating a positive impact on society, particularly for underprivileged and deprived individuals. Our Company made a Contribution of ₹ 10 Lakhs to MCKS Food for Hungry Foundation during 2022-23 for providing food for the underprivileged.

## Good governance

Our philosophy on corporate governance emphasises the highest levels of transparency, accountability, awareness, and equity in all our operations. As a listed company, we comply with the applicable provisions of the Listing Regulations, including the appointment of independent directors and the constitution of committees. We also have both internal and external auditors to ensure statutory compliance.

We prioritise fostering a diverse and energetic work environment, supporting honesty in all our dealings, and empowering and protecting the integrity and safety of our people. Our robust corporate governance has enabled us to earn and maintain the trust of our employees, clients, business partners, and other stakeholders.

Additionally, we ensure that all our business operations comply with moral standards, corporate rules, and applicable laws and regulations, which allows us to steadily increase our operational capacity while upholding the highest ethical standards.



## CORPORATE INFORMATION

CIN: L24232WB1987PLC042956

### BOARD OF DIRECTORS

#### Chairman

#### (Non-Executive Independent)

Mr. Manmohan Singh

#### Managing Director

Mr. Ranjit Pamo Lala

#### Whole Time Director (Operations)

Mr. Anil S. Karnad

#### Non Executive Directors

Mr. Amritanshu Khaitan

Mr. Aditya Khaitan

Mr. Navin Nayar

Mr. Vasumitra Sharma

(Demise on 10/08/2023)

#### Independent Directors

Mr. Mahesh Shah

Ms. Priya Saran Chaudhri

Mr. Amitav Roy Choudhury

Mr. Shourya Sengupta

Ms. Arundhuti Dhar

(resigned w.e.f. 08/08/2022)

### CHIEF FINANCIAL OFFICER

Mr. Sachin Vijayakar

### COMPANY SECRETARY

Mr. Arvind Bajoria

### BOARD COMMITTEES

#### Audit Committee

Mr. Mahesh Shah (Chairman)

Mr. Manmohan Singh

Mr. Amitav Roy Choudhury

#### Stakeholders Relationship Committee

Mr. Amitav Roy Choudhury

(Chairman)

Mr. Mahesh Shah

Mr. Shourya Sengupta

#### Nomination and Remuneration

##### Committee

Mr. Amitav Roy Choudhury (Chairman)

Mr. Mahesh Shah

Mr. Navin Nayar

#### Corporate Social Responsibility (CSR)

##### Committee

Mr. Amritanshu Khaitan (Chairman)

Mr. Mahesh Shah

Mr. Amitav Roy Choudhury

### STATUTORY AUDITORS

V. Singhi & Associates

Chartered Accountants

### COST AUDITORS

M/s. D. Sabyasachi & Co.

### SECRETARIAL AUDITOR

M/s. Nitin S. Sharma & Associates

### REGISTERED OFFICE

Four Mangoe Lane

Surendra Mohan Ghosh Sarani,

Kolkata-700 001

Tel. No.- (033) 2231 3337/3450

Email: cs@kilburnengg.com

### CORPORATE OFFICE

Plot no. 6, MIDC – Saravali, Taluka

Bhiwandi, Kalyan - Bhiwandi Road,

Thane 421 311 Maharashtra

Tel. No. - (02522) 663800

Email: cs@kilburnengg.com





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## Kilburn Engineering Limited

CIN : L24232WB1987PLC042956

**Regd. Office:** Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001

**TEL:** 033-2231-3337, 3450 **FAX:** 91-33-2231-4768

**E-Mail:** cs@kilburnengg.com ; **Website:** www.kilburnengg.com

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty Fifth Annual General Meeting of the Company will be held on Wednesday, 27<sup>th</sup> September, 2023 at 11:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2023 and Report of Directors and Auditors' Report thereon.
2. To declare dividend of Re 1/- per equity share for the Financial Year 2022 - 23
3. To appoint a Director in place of Mr. Navin Nayar (DIN 00136057), who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Aditya Khaitan (DIN 00023788), who retires by rotation and being eligible offers himself for reappointment.

### Special Business

To consider and, if thought fit, to pass the following Resolutions :-

#### 5. As an Ordinary Resolution - Remuneration of Cost Auditor:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, and the Rules thereof, (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment and remuneration of the Cost Auditors, M/s. D. Sabyasachi & Co., for auditing the Cost Accounts of the Company in respect of the products, as may be applicable, for the year ending March 31, 2024, as approved by the Board of Directors on the recommendation of the Audit Committee and as set out in the Explanatory Statement in respect of this item of business, be and is hereby ratified."

#### 6. As a Special Resolution - revision of remuneration of Managing Director, Mr. Ranjit Pamo Lala w.e.f. 1<sup>st</sup> April, 2023

**"RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of

Association of the Company, approval of the Company be and is hereby accorded for payment of remuneration to Mr. Ranjit Pamo Lala (DIN: 07266678), Managing Director of the Company, w.e.f. 1<sup>st</sup> April, 2023 upto 14<sup>th</sup> May, 2025 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and Audit Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits.

**FURTHER RESOLVED THAT** even in the event of loss or inadequacy of profits in any financial year commencing from 01<sup>st</sup> April, 2023, the Company will pay Mr. Ranjit Pamo Lala remuneration and perquisites not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors

**FURTHER RESOLVED THAT** Board of Directors of the Company be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto.

**FURTHER RESOLVED THAT** Mr. Sachin Vijayakar, Chief Financial Officer and Mr. Arvind Bajoria - Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution including filing of the required forms and documents with the Ministry of Corporate Affairs and other authorities."

#### 7. As a Special Resolution - revision of remuneration w.e.f. 1<sup>st</sup> April, 2023 and terms of re-appointment of Mr. Anil S. Karnad, Whole Time Director (Operations)

**"RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, approval of the Company be and is hereby accorded for payment of remuneration to Mr. Anil Somshekar Karnad (DIN: 07551892), Whole Time Director - Operations of the Company, w.e.f. 1<sup>st</sup> April,

2023 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits.

**FURTHER RESOLVED THAT** in accordance with Section 196 of the Companies Act, 2013 and other applicable provisions of the act and on recommendation of the Nomination & Remuneration Committee the tenure for appointment of Mr. Anil Somshekar Karnad shall be further extended upto 31<sup>st</sup> March, 2025.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Anil S. Karnad, remuneration and perquisites not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors

**FURTHER RESOLVED THAT** Board of Directors of the Company be and is hereby authorised severally to do all such acts, deeds, matters and things as may be

considered necessary or desirable to give effect to this resolution and matters incidental thereto.

**FURTHER RESOLVED THAT** Mr. Sachin Vijayakar, Chief Financial Officer and Mr. Arvind Bajoria - Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution including filing of the required forms and documents with the Ministry of Corporate Affairs and other authorities.

**By Order of the Board of Directors**

**Arvind Bajoria**

Company Secretary

Kolkata

4<sup>th</sup> August, 2023

Regd. Office :  
FOUR MANGOE LANE,  
SURENDRA MOHAN GHOSH SARANI  
KOLKATA – 700 001  
CIN : L24232WB1987PLC042956

**NOTES:**

1. Explanatory Statement for Special Business in terms of Section 102 of the Companies Act, 2013 is enclosed and constitutes part of this Notice.
2. Additional information, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, in respect of the Directors seeking appointment /re- appointment at this AGM, forms part of the Notice.
3. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. M/s. V. Singhi & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 31<sup>st</sup> Annual General Meeting held on 13<sup>th</sup> Aug, 2019, to hold office from the conclusion of that Annual General Meeting ("AGM"), until the conclusion of the fifth consecutive AGM of the Company to be held in year 2024 (subject to ratification of the appointment by the Members at every AGM held after that AGM). Pursuant to Notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
5. The Ministry of Corporate Affairs (MCA) has, pursuant to Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No.19/2021 dated December 8, 2021 Circular No. 2/2022 dated May 5, 2022 and Circular No. 10/2022 dated December 28, 2022 (MCA Circulars), permitted holding of the Annual General 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 requirements as provided. The Securities and Exchange Board of India (SEBI) has also, vide its Circular No. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/ HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 5, 2023 (SEBI Circulars), granted relaxation in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and aforesaid MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and 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.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to aforesaid MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kilburnengg.com](http://www.kilburnengg.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

11. The AGM has been convened through VC/OAVM in Compliance with aforesaid Circulars of MCA and SEBI.

## 12. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Kilburn Engineering Limited (“KEL” or “the Company”) is offering e-voting facility to its Members in respect of the businesses to be transacted at the Thirty Second Annual General Meeting

The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facilities.

The Instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, 23<sup>rd</sup> September, 2023 from 10:00 a.m. (IST) and ends on Tuesday, 26<sup>th</sup> September, 2023 up to 5:00 p.m. (IST). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, 20<sup>th</sup> September, 2023 i.e. the cut-off date, may cast their vote electronically. The e- voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</li> </ol>

Type of shareholders	Login Method
	<p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22- 23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to www.evotingindia. com and voted on an earlier e-voting of any company, then your existing password is to be used.

- 6) If you are a first-time user follow the steps given below:

Login type	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha- numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@kilburnengg.com](mailto:cs@kilburnengg.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [cs@kilburnengg.com](mailto:cs@kilburnengg.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@kilburnengg.com](mailto:cs@kilburnengg.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM 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 system available during the /AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the /AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**OTHER INFORMATION FOR MEMBERS**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [cs@kilburnengg.com](mailto:cs@kilburnengg.com) or [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) before 20<sup>th</sup> September, 2023 without which the vote shall not be treated as valid.

2. In case you have any queries or issues regarding e-voting, please contact the Company or Registrar & Share Transfer Agents or send mail to [cs@kilburnengg.com](mailto:cs@kilburnengg.com) or [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). You may also send mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evotingindia.com/>.
3. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company held on the cut-off date of 20<sup>th</sup> September, 2023.
4. Record date for payment of dividend declared at AGM is 20<sup>th</sup> September, 2023.
5. The member already cast his/her vote through remote e-voting would not be allowed to cast vote again through e-voting at the AGM. However, he/ she can attend the AGM.
6. Mr. A. K. Labh, Practicing Company Secretary (FCS: 4848) of M/s. A.K. Labh & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com).
7. The Scrutinizer shall within a period not exceeding 48 hrs from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
8. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kilburnengg.com](http://www.kilburnengg.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company. On receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.

Members holding shares in physical form are requested to notify immediately change of address, transfer, demat, ECS credit request, if any, to the Registrars and Transfer Agents of the Company i.e. M/s Maheshwari Datamatics Pvt. Ltd. at 23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata - 700 001. Tel No.: (033) 2243 5809 / 5029; 2248 2248; Fax No.: (033) 2248 4787; e-mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) shareholders may also note that the Notice of the 35<sup>th</sup> AGM and the Annual Report 2022 -23 will be available on the Company's website, [www.kilburnengg.com](http://www.kilburnengg.com).

9. Members holding shares in demat mode are requested to notify any change in address, Bank Details, ECS Credit

request to their respective depository participants and make sure that such changes are recorded by them.

10. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 21<sup>st</sup> September, 2023 to Wednesday, 27<sup>th</sup> September, 2023 (both days inclusive). Duly executed and stamped transfer deeds, along with the relative Share Certificates, should be submitted to the Company's Registrar & Share Transfer Agents before the closure of the Register of Members for registration of transfers.
11. The members who have not encashed their Dividend warrants or who have not received the Dividend for the FY 2015-16, FY 2016-17, FY 2017- 18 and FY 2018-19 should approach the Registrars & Transfer Agents of the Company. It may be noted that the amount of dividend remaining unclaimed for a period of Seven (7) years shall be transferred to the Investor Education and Protection Fund as per the provisions of Section 124 of the Companies Act, 2013.
12. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market transaction and off-market/ private transaction including, transfer of shares held in physical form, deletion of name of the

deceased shareholder(s), where the shares are held in the name of two or more shareholders, transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares and transposition of shares - when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**By Order of the Board of Directors**

**Arvind Bajoria**

Company Secretary

Kolkata

4<sup>th</sup> August, 2023

Regd. Office :  
FOUR MANGOE LANE,  
SURENDRA MOHAN GHOSH SARANI  
KOLKATA – 700 001  
CIN : L24232WB1987PLC042956

**Details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India for the Directors seeking Appointment / re-appointment in the Annual General Meeting are as under:**

<b>Name of Director</b>	<b>Mr. Navin Nayar</b>	<b>Mr. Aditya Khaitan</b>	<b>Mr. Anil Somshekar Karnad</b>
Category	Non Executive Director	Non Executive Director	Executive Director
Date of Birth and Age	12/10/1962 (61 Years)	30/01/1968 (55 Years)	14/11/1965 (58 Years)
Date of Appointment	21/04/2021	31/03/2015	01/12/2021
Qualification	B.Com. (Hons.) , Chartered Accountant (FCA)	B.Com.(Hons.)	B.E. (Prod. Engg.)
No. of Equity Shares held	Nil	1,50,000 + 50,000 ( Aditya Khaitan HUF)	Nil
Brief Resume and Experience and Expertise in specific functional areas	He is a Chartered Accountant by profession and Partner at Firm M/s. Navin Nayar & Co., Chartered Accountants. He has over 30 years of experience and expertise in the fields of Audit, taxation and financial services.	He has a rich experience of corporate management as Managing Director of Mcleod Russel India Limited and as a member of Board of Directors of several other listed and unlisted companies.	He has completed B.E. (Prod. Engg.) from Mumbai University. Mr. Karnad has a varied and diverse experience and expertise in sectors such as oil & gas, fertilizers, power and chemicals. Responsible for all verticals of deliveries, including Production, Quality, Engineering, Procurement, Subcontracting, Site Erection & Commissioning and Personnel.
Terms and conditions of appointment/ re-appointment	Appointed as Non-Executive Director, subject to retirement by rotation	Appointed as Non-Executive Director, subject to retirement by rotation	As per the details provided in the explanatory statement
Remuneration last drawn	Entitled to sitting fees for attending meetings of the Board and its Committees	Entitled to sitting fees for attending meetings of the Board and its Committees	As per the details provided in the corporate governance report annexed herewith
Remuneration proposed to be paid	sitting fees for attending meetings of the Board and its Committees	sitting fees for attending meetings of the Board and its Committees	As per the details provided in the Explanatory Statement
Number of Meetings of the Board attended during the FY 2022-23	5	5	5
Directorships held in other Companies (as on 31-03-2023)	OCL Investments And Leasing Ltd Cheviot Co Ltd Crest Holdings Pvt.Ltd. Amar Vanijya Limited Kanco Tea & Industries Limited Bengal Tea & Fabrics Limited Duncan International (India) Ltd. Nidhi Private Limited JSVM Plywood Industries Limited Winnow Investments And Securities Private Limited Cosmopolitan Investments Limited Rungamattee Tea & Industries Ltd	McNally Bharat Engineering Co. Limited Mcleod Russel India Limited Williamson Financial Services Ltd. Prana Lifestyle Pvt. Limited	None

Name of Director	Mr. Navin Nayar	Mr. Aditya Khaitan	Mr. Anil Somshekar Karnad
Particulars of Committee Chairmanship / Membership held in other Companies	<p><b>Bengal Tea &amp; Fabrics Ltd. :</b> Audit Committee – Member Stakeholder Relationship Committee – Member Nomination &amp; Remuneration Committee – Member</p> <p><b>Amar Vanijya Ltd :</b> Audit Committee – Chairman Nomination &amp; Remuneration Committee – Member</p> <p><b>Cheviot Company Limited :</b> Audit Committee – Chairman Nomination &amp; Remuneration Committee – Member</p> <p><b>Kanco Tea &amp; Industries Limited :</b> Audit Committee – Chairman Stakeholder Relationship Committee – Member Nomination &amp; Remuneration Committee – Member Corporate Social Responsibility - Member</p>	<p><b>McLeod Russel India Limited</b> Member - Audit Committee</p> <p><b>McNally Bharat Engg. Company Limited</b> Member - Nomination and Remuneration Committee</p> <p><b>Williamson Financial Services Limited</b> Chairman – CSR Committee Member – Share Transfer Committee Member – Committee of Investments, Loans and Borrowings</p>	None
Listed companies from which Director has resigned in the past 3 years	NIL	Eveready Industries India Limited McNally Sayaji Engineering Co. Ltd. Williamson Magor & Co. Ltd.	NIL
Relationship with other directors / KMPs	NIL	NIL	NIL

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of M/s. D. Sabyasachi & Company, Cost Accountants, as Cost Auditors of the Company, subject to approval(s) as may be necessary, for auditing the cost accounts of the Company relating to any products as may be applicable for the financial year 2023 -24 at a remuneration of ₹ 40,000/- and GST at the applicable rate and reimbursement of out of pocket expenses at actuals. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Shareholders of the Company.

The Board recommends the resolution set out at Item no. 5 for the approval of the Members of the Company by way of Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 5.

### Item No. 6

The members of the Company by way of Postal Ballot the result of which was declared on 12<sup>th</sup> August, 2022 appointed Mr. Ranjit Pamo Lala as a Managing Director on the Board of the Company w.e.f. 15<sup>th</sup> May, 2022. Considering his valuable expert contribution to the Company, the Board of Directors on the recommendation of the Nomination and Remuneration Committee and Audit Committee has approved the revision of remuneration of Mr. Ranjit Pamo Lala, Managing Director w.e.f. 1<sup>st</sup> April, 2023 subject to the approval of the members.

The detailed terms and conditions of revision in the remuneration are set out below :

#### Revised Remuneration

**Salary (Basic):** ₹ 5,70,000 /- (Rupees Five Lacs Seventy Thousand Only) per month with such revision as the Board may approve from time to time.

**Performance Bonus:** Managing Director is entitled to annual variable performance bonus upto ₹ 30,00,000/- (Rupees Thirty Lacs only) which will be payable subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board / committees thereof. This amount (if any) will be paid after the Annual Accounts have been approved by the Board.

Other allowances / perquisites will be as per Company's policy, briefed as following :

**HRA:** Managing Director will be paid House Rent Allowance @ ₹ 2,85,000 /- monthly.

**Medical Allowance:** Family medical insurance coverage will be provided by the Company to Managing Director as per the scheme applicable to the senior executive staff of the Company.

**Other Allowances:** A special pay of ₹ 6,280 /- (Rupees Six Thousand Two Hundred Eighty only) per month.

In the event of inadequacy of profits or no profits, the Company will pay the above remuneration as minimum remuneration to Mr. Ranjit Pamo Lala subject to limits laid down under Section 197, Schedule V and all other applicable provisions of the Act, as amended from time to time.

Pursuant to the provisions of Section 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the members in the Annual General Meeting.

The Board recommends the resolution set out at Item no. 6 for the approval of the Members of the Company by way of Special Resolution.

None of the directors and Key Managerial Personnel of the Company and their relatives except Mr. Ranjit Pamo Lala is concerned or interested, financial or otherwise, in the resolution set out at Item no. 6.

## INFORMATION IN TERMS OF SCHEDULE V TO THE COMPANIES ACT, 2013

### I. General Information:

<b>Nature of Industry</b>	: Engineering
Date of commencement of commercial Production	: The Company was incorporated in 1987 and had already commenced production

### Financial performance based on given indicators: (For the year ended March 31, 2023)

Particulars	₹ In Lacs
Sales and other Income	23,618.91
Gross Profit before interest, finance charges and depreciation	4,933.12
Interest & Finance Charges	791.58
Depreciation	265.00
Profit before Tax	3,876.54
Exceptional Items	-
Tax Expenses	863.15
Profit after Tax	3,013.39

**Export Performance and net foreign exchange earnings:**

	Foreign Exchange Earnings ₹ Crores
2022 – 2023	32.72
2021 – 2022	16.11
2020 – 2021	10.27

Foreign Investments or collaborators, if any:	Foreign Collaborators are as following :
	i. M/s. Nara Machinery Co. Ltd. (Japan)
	ii. M/s. Carrier Vibrating Equipment Inc (USA)
Investment in subsidiaries during 2022-23	- Nil
Investment in Share Capital by Foreign Companies	- Nil

**II. Information about the appointee / director :****Background Details**

<b>Name of Director</b>	Mr. Ranjit Pamo Lala
<b>Age</b>	54 years
<b>Qualification</b>	B.E(MachineTool Engg.), Masters in Marketing Management

**Past Remuneration:**

Salary (monthly) - ₹ 3,25,000, Other allowances (monthly) - ₹ 4,53,053, Joining Bonus (one time) - ₹ 12,00,000, Performance Bonus (one time) - ₹ 25,00,000, retiral benefits ( P.F. and Gratuity)

**Recognition or awards:** None

**Job profile and his suitability:**

Mr. Lala is responsible for the overall management of the Company. The Board is of the opinion that he has the requisite qualifications, expertise and experience for the job he is holding.

**Remuneration proposed:**

Already given in the Explanatory Statement.

**Pecuniary and other relationships:**

Except for receiving remuneration as a Managing Director, Mr. Lala has no pecuniary relationship with the Company. He is not related to any other managerial personnel of the Company.

**Comparative remuneration profile with respect to industry, size of the Company, profile of position and person:**

Mr. Lala's proposed remuneration matches his background, proven capabilities and vast experience in Industries. His remuneration is commensurate with the norms in the industry having regard to the size, complexities of this Company and the job responsibilities.

**I. Other Information****Reasons of loss or inadequate profits:**

The company currently has profitable operations. The Company has earned a net profit of ₹ 3013.39 Lakhs during the year 2022-23 as compared to net profit of ₹ 155.05 Lakhs in the previous year. The Company's operations are on a strong footing from a market perspective and is expected to maintain high operating margins in the forthcoming years, barring unforeseen circumstances and business exigencies. The Company is confident that it will be able to capture growth, riding on its obvious strengths of premium quality offering, brand and the overall demand.

In terms of the net profits of the company calculated as per the provisions of Section 198 of the Act, for the financial year ended 31<sup>st</sup> March, 2023, the remuneration payable to the said directors is within the permissible limits of the said section, however, the Company in spirit of good compliance has decided to take approval of shareholders through Special Resolution, as recommended.

**Steps taken or proposed to be taken for improvement**

Company aims to execute high value orders and strengthen management in the coming years to achieve higher profitability.

**Expected increase in productivity and profits in measurable terms**

Aforesaid steps are likely to result in higher productivity and profits in the coming years, though it cannot be precisely determined.

**II. Disclosures****Information on the remuneration package of the managerial personnel:**

The shareholders are notified of the remuneration package through explanatory statement annexed to the Notice of Meeting in which proposal for their appointment are placed before the shareholders.

**Details of fixed component and performance linked incentives along with the performance criteria -**

The details of remuneration have been mentioned in Explanatory Statement;

**Service contracts, notice period, severance fees -**

The details of remuneration have been mentioned in respective Explanatory Statement;

**Stock option details, if any, and whether the same had been issued at a discount as well as the period over which accrued and over which exercisable:** There is no stock option scheme available in the Company.

**Memorandum of Interest:**

Except Mr. Lala, seeking revision in his remuneration, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

**Item No. 7**

At the Extra-Ordinary General Meeting of the Company held on 15<sup>th</sup> February, 2022, Mr. Anil Somshekar Karnad was appointed as a Whole-time Director on the Board w.e.f. 1<sup>st</sup> December, 2021 for a period of two years i.e. upto 30<sup>th</sup> November, 2023. Since, the tenure of appointment of Mr. Anil Somshekar Karnad shall end on 30<sup>th</sup> November, 2023, the Board of Directors on the recommendation of Nomination and Remuneration Committee has approved the extension of the tenure of appointment of Mr. Anil Somshekar Karnad, Whole Time Director – Operations upto 31<sup>st</sup> March, 2025 along with following revision in his terms of remuneration.

**Revised Remuneration**

**Salary (Basic):** ₹ 3,90,000 /- (Rupees Three Lacs Ninety Thousand Only) per month with such revision as the Board may approve from time to time.

**Performance Bonus:** Whole Time Director (operations) is entitled to annual variable performance bonus upto ₹ 20,00,000/- (Rupees Twenty Lacs only) which will be payable subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board / committees thereof. This amount (if any) will be paid after the Annual Accounts have been approved by the Board.

Other allowances / perquisites will be as per Company's policy, briefed as following :

**HRA:** Whole Time Director (operations) will be paid House Rent Allowance @ ₹ 80,000 /- monthly.

**Medical Allowance:** Family medical insurance coverage will be provided by the Company to Whole Time Director as per the scheme applicable to the senior executive staff of the Company.

**Leave Travel Allowance (LTA):** The Whole Time Director will be entitled to Leave Travel Allowance (LTA) per year of ₹ 1,44,000/-.

**Other Allowances:** A special pay of ₹ 40,000 /- (Rupees Forty Thousand only) per month.

In the event of inadequacy of profits or no profits, the Company will pay the above remuneration as minimum remuneration to Mr. Anil Somshekar Karnad subject to limits laid down under Section 197, Schedule V and all other applicable provisions of the Act, as amended from time to time.

Pursuant to the provisions of Section 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the members in the Annual General Meeting.

The Board recommends the resolution set out at Item no. 7 for the approval of the Members of the Company by way of Special Resolution.

None of the directors and Key Managerial Personnel of the Company and their relatives except Mr. Anil Somshekar Karnad is concerned or interested, financial or otherwise, in the resolution set out at Item no. 7.

**INFORMATION IN TERMS OF SCHEDULE V TO THE COMPANIES ACT, 2013****I. General Information:**

<b>Nature of Industry</b>	<b>: Engineering</b>
Date of commencement of commercial Production	: The Company was incorporated in 1987 and had already commenced production

**Financial performance based on given indicators: (For the year ended March 31, 2023)**

<b>Particulars</b>	<b>₹ In Lacs</b>
Sales and other Income	23,618.91
Gross Profit before interest, finance charges and depreciation	4,933.12
Interest & Finance Charges	791.58
Depreciation	265.00
Profit before Tax	3,876.54
Exceptional Items	-
Tax Expenses	863.15
Profit after Tax	3,013.39

**Export Performance and net foreign exchange earnings:**

	Foreign Exchange Earnings ₹ Crores
2022 – 2023	32.72
2021 – 2022	16.11
2020 – 2021	10.27

Foreign Investments or collaborators, if any:	Foreign Collaborators are as following :
	i. M/s. Nara Machinery Co. Ltd. (Japan)
	ii. M/s. Carrier Vibrating Equipment Inc (USA)
Investment in subsidiaries during 2022-23	- Nil
Investment in Share Capital by Foreign Companies	- Nil

**II. Information about the appointee / director :**

Background Details	
Name of Director	Mr. Anil Somshekar Karnad
Age	58 years
Qualification	B.E (Mech.)

**Past remuneration:**

Salary (monthly) - ₹ 3,10,000, Other allowances (monthly) - ₹ 1,20,950, Fixed Bonus (monthly) - ₹ 1,00,000, Performance Bonus (one time) - ₹ 15,00,000, retiral benefits ( P.F. and Gratuity)

**Job profile and his suitability:**

Mr. Anil Somshekar Karnad is responsible for the overall operational management of the Company. The Board is of the opinion that he has the requisite qualifications, expertise and experience for the job he is holding.

**Recognition or awards:**

Nil

**Job profile and his suitability:**

He has completed B.E. (Mech.) from Mumbai University.

Mr. Karnad has a varied and diverse experience and expertise in sectors such as oil & gas, fertilizers, power and chemicals, responsible for all verticals of deliveries, including Production, Quality, Engineering, Procurement, Subcontracting, Site Erection & Commissioning and Personnel.

**Remuneration proposed :**

As prescribed above in the Explanatory Statement.

**Pecuniary and other relationships:**

Except for receiving remuneration as Whole Time Director – Operations, Mr. Anil Somshekar Karnad has no pecuniary relationship with the Company. He is not related to any other managerial personnel of the Company.

**Comparative remuneration profile with respect to industry, size of the Company, profile of position and person:**

Mr. Anil Somshekar Karnad proposed remuneration matches his background, proven capabilities and vast experience in Industries. His remuneration is commensurate with the norms in the industry having regard to the size, complexities of this Company and the job responsibilities.

**III. Other Information****Reasons of loss or inadequate profits:**

The company currently has profitable operations. The Company has earned a net profit of ₹ 3013.39 Lakhs during the year 2022-23 as compared to net profit of ₹ 155.05 Lakhs in the previous year. The Company's operations are on a strong footing from a market perspective and is expected to maintain high operating margins in the forthcoming years, barring unforeseen circumstances and business exigencies. The Company is confident that it will be able to capture growth, riding on it's obvious strengths of premium quality offering, brand and the overall demand.

In terms of the net profits of the company calculated as per the provisions of Section 198 of the Act, for the financial year ended 31<sup>st</sup> March, 2023, the remuneration payable to the said directors is within the permissible limits of the said section, however, the Company in spirit of good compliance has decided to take approval of shareholders through Special Resolution, as recommended.

**Steps taken or proposed to be taken for improvement**

Company aims to execute high value orders and strengthen management in the coming years to achieve higher profitability.

**Expected increase in productivity and profits in measurable terms**

Aforesaid steps are likely to result in higher productivity and profits in the coming years, though it cannot be precisely determined.

#### IV. Disclosures

**Information on the remuneration package of the managerial personnel:**

The shareholders are notified of the remuneration package through explanatory statement annexed to the Notice of Meeting in which proposal for their appointment are placed before the shareholders.

**Details of fixed component and performance linked incentives along with the performance criteria -**

The details of remuneration have been mentioned in respective Explanatory Statement;

**Service contracts, notice period, severance fees -**

The details of remuneration have been mentioned in respective Explanatory Statement;

**Stock option details, if any, and whether the same had been issued at a discount as well as the period over which accrued and over which exercisable:** There is no stock option scheme available in the Company.

**Memorandum of Interest:**

Except Mr. Karnad, seeking revision in his remuneration and extension of his tenure, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

**By Order of the Board of Directors**

**Arvind Bajoria**

Company Secretary

Kolkata

4<sup>th</sup> August, 2023

Regd. Office :  
FOUR MANGOE LANE,  
SURENDRA MOHAN GHOSH SARANI  
KOLKATA – 700 001  
CIN : L24232WB1987PLC042956

# REPORT OF THE DIRECTORS

For The Financial Year Ended 31<sup>st</sup> March, 2023

The Directors of your Company are pleased to present the 35<sup>th</sup> Annual Report and Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2023.

## FINANCIAL RESULTS

Financial Results	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue from Operations	22,153	12,275
Total Expenses (excluding finance cost & depreciation)	18,685	10,979
<b>Profit from Operations before Depreciation, Finance cost and Tax</b>	<b>3,468</b>	<b>1,296</b>
Other Income	1,466	165
Finance Costs	792	878
Depreciation & Amortization Expenses	265	279
<b>Profit Before Tax</b>	<b>3,877</b>	<b>304</b>
Tax Expenses	863	149
Profit/(Loss) for the Year	3,014	155

## STATE OF COMPANY'S AFFAIRS

Revenue from Operations for the year under review increased to ₹ 22,153 Lakhs as against ₹ 12,275 Lakhs for the previous year registering an increase of 80.47%. Profit from Operations before Depreciation, Interest and taxation excluding other income was higher by ₹ 2,172 Lakhs. Profit after taxation stood at ₹ 3,014 Lakhs against ₹ 155 Lakhs in the previous year.

## TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to general reserves for the financial year ended March 31, 2023.

## DIVIDEND

The Board is pleased to recommend a dividend of ₹ 1/- per share for the Financial Year 2022-23. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The Register of Members and Share Transfer Books will remain closed from 21-09-2023 to 27-09-2023 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2023.

## SHARE CAPITAL

The issued, subscribed and paid-up equity share capital as on March 31, 2023 was ₹ 35,80,85,940/-

During the year 2022 – 23, the Company has redeemed 1,55,00,000 Cumulative Redeemable Preference Shares (CRPS) amounting to ₹ 1550 Lakhs, allotted to RBL Bank Ltd. at a Fair Value of ₹ 535 Lakhs. The resultant gain on early redemption of CRPS amounting to ₹ 1015 Lakhs, has been included in "Other Income" during the year 2022 – 23.

## Issue of equity shares on conversion of warrants on preferential basis

During the year 2022 – 23, the Company has allotted by way of preferential issue, 15,00,000 equity shares of ₹ 10 each at a premium of ₹ 24 per equity share to the allottees in Promoter Category upon conversion of equivalent number of warrants on 29<sup>th</sup> November, 2022.

## MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE BOARD REPORT

The Company on April 21, 2023, issued and allotted by way of Preferential Issue, 34,50,000 warrants convertible into equivalent number of Equity Shares of the Company at an issue Price of ₹ 80/- (including premium of ₹ 70/- each) to the persons belonging to Public and promoter Category. The Company has received ₹ 6,90,00,000/- being 25% of issue price as application money.

Further, the Company on April 21, 2023 also issued and allotted by way of Preferential Issue 5,50,000 equity shares of ₹ 10/-each at a premium of ₹ 70/- per share to the persons belonging to Public Category amounting to ₹ 4,40,00,000/-.

The Company had issued 44,11,764 Convertible Warrants of face value of ₹ 10/- each at a premium of ₹ 24/- each on preferential basis to the allottees under Promoter Category in FY 2021-22. Out of the total warrants issued in the previous year, 12,11,764 warrants pending for conversion into equity shares were converted into 12,11,764 equity shares of face value of ₹ 10/- each at a premium of ₹ 24/- each on 19<sup>th</sup> June, 2023.

BSE's in-principal approval and Listing approval were received on submission of required documents for the aforesaid issue of securities and the proceeds thereof were utilized for working capital requirements of the Company.

Other than the aforesaid issue of securities, there have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

## OPERATIONAL REVIEW & STATE OF THE COMPANY'S AFFAIRS

As you are aware your company is primarily engaged in Designing, Manufacturing, & Commissioning Customized / Critical Equipment/Systems for critical applications across a wide range of industries.

**Process Equipment (PE):** An improved economic environment led to a substantially higher inflow of orders as compared to the previous year.

Some of the orders which have been received and which were and are being executed during the year under review are :

- Silos for storage of PTA.
- Metal extraction plant for extraction of exotic material from refinery spent catalyst.
- Dryer, cooler, Granulator and Coater for fertilisers.
- Calciner package for API (Active Pharmaceutical Ingredients) industry.

### Food Processing Equipment

During the year under review we have bagged a total of 103 orders in the domestic market and 5 from overseas Market for tea dryers.

### Order Booking

The total order booking during the year was ₹ 354 Crores (previous year ₹ 163 Crores) and total unexecuted orders as on 31<sup>st</sup> March, 2023 stood at ₹ 246 Crores (previous year ₹ 110 Crores)

## FUTURE OUTLOOK

Your Company operates primarily in two divisions viz. Process Equipment and Tea Drying Equipment. The future outlook based on orders in hand and the expected order inflow appears to be encouraging.

A detailed review of the outlook of each division is incorporated in the Management Discussion and Analysis Report in **Annexure I** which forms part of this Report.

## CHANGE IN THE NATURE OF BUSINESS

During the year there was no change in nature of business.

## COMMITTEES OF THE BOARD

**The Board of Directors has the following Committees:**

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders' Relationship Committee
- d) Corporate Social Responsibility Committee

The details of the requisite Committees of the Board along with their composition, number of meetings and attendance at the meetings are provided in the Report on Corporate Governance

## AUDITORS & AUDIT REPORT

**a) Statutory Auditors :** At the AGM on 13.08.2019 M/s V. Singhi & Associates, Chartered Accountants (FRN :311017E) were appointed as Statutory Auditors for a tenure of five years upto AGM to be held in 2024.

Statutory Audit Report for FY 2022-23, has an unmodified opinion.

**b) Internal Auditors :** M/s. Bhide & Bhide, Chartered Accountants were appointed as Internal Auditors by the Board of Directors for 2022-23 and they have conducted internal audits periodically and submitted their reports to the Audit Committee. Their reports have been reviewed by the Statutory Auditors and the Audit Committee.

**c) Cost Auditors :** Your Company appointed M/s. D. Sabyasachi & Co. (FRN : 00369) Cost Accountants as Cost Auditors of the Company for the Financial Year 2022-23 and their appointment is proposed for 2023-24 at the remuneration set out in the notice of AGM and explanatory statement thereto.

The Provisions of Section 148(1) of the Act continue to apply to the Company and accordingly the Company has maintained cost accounts and records in respect of the applicable products for the year ended March 31, 2023.

**d) Secretarial Auditors :** M/s. Nitin Sharma & Associates, Mumbai were appointed as secretarial auditor of the Company for the Financial Year 2022-23, as required under section 204 of the Companies Act, 2013 read with the applicable rules. The Secretarial Audit Report for 2022-23 forms part of the Annual Report as **Annexure - VI**.

## Explanations or comments by the Board on every qualification, reservation or observations made by the Secretarial Auditor

The observations of secretarial Auditor as per audit report in Form MR-3 attached herewith are self explanatory, and Company has established necessary systems to ensure timely compliance with the applicable statutory provisions in future.

### DECLARATION AS PER SECTION 134(3)(CA) OF THE COMPANIES ACT, 2013

During the year, the statutory auditors and secretarial auditor have not reported any instances of frauds committed by or against the Company by its Directors/Officers/ Employees to the Audit Committee or Board under section 143(12) of the Companies Act, 2013 and rules made thereof. Therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

### SECRETARIAL STANDARDS

Your Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India, New Delhi for the financial year ended March 31, 2023.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision of Section 134 (5) of the Companies Act, 2013, the Board of Directors of your Company hereby confirms:

- 1) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- 2) that the Directors 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 the end of the financial year and of the Profit and Loss of the Company for the period;
- 3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) that the Directors have prepared the annual accounts on a going concern basis.
- 5) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 6) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### MANAGEMENT DISCUSSION & ANALYSIS

A separate report on Management Discussion & Analysis is appended to the Annual Report as **Annexure "I"** and forms part of this Directors Report;

### CORPORATE GOVERNANCE

Report on Corporate Governance has been attached herewith as **Annexure - II** pursuant to the provisions of Regulation 34(3)

and 53(f) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### EMPLOYEE RELATIONS

Employee relations remained cordial throughout the year.

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

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, as amended, is appended to this Annual Report as **Annexure VII** and forms part of this Directors' Report.

### ADEQUACY OF INTERNAL CONTROL SYSTEM WITH RESPECT TO THE FINANCIAL STATEMENTS

The Company has a comprehensive system of internal control which is being strengthened. The internal control system is also subject to review by auditors. The Company has appointed a firm of auditors for conducting internal audit periodically and the report is considered by the Audit Committee of the Board headed by a Non-executive Independent Director.

### DIRECTORS

Mr. Navin Nayar (DIN : 00136057) and Mr. Aditya Khaitan (DIN : 00023788) retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Ranjit Pamo Lala (DIN : 07266678) was appointed as additional director and designated as Managing Director w.e.f. 15<sup>th</sup> May, 2022 and his appointment as Managing director and terms of remuneration were proposed for approval of members by postal ballot on 14<sup>th</sup> July, 2022 and the outcome of postal Ballot was announced on 12<sup>th</sup> Aug., 2022 .

Ms. Arundhuti Dhar (DIN : 03197285) resigned as Independent Director w.e.f. 8<sup>th</sup> August, 2022. The Board places on record its sincere appreciation for the valuable contribution made by Ms. Arundhuti Dhar during her tenure of association with the Company.

Ms. Priya Saran Chaudhri (DIN : 00704863) was appointed as additional director w.e.f. 3<sup>rd</sup> November, 2022 for a term of 5 years subject to the approval of the Members. Thereafter, her appointment as Independent Woman director and terms of remuneration were approved by members through Postal Ballot (no. 01/ 2022 – 23) on 1<sup>st</sup> February, 2023.

### DECLARATIONS BY INDEPENDENT DIRECTORS

Necessary declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed, have been received.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and

expertise in the fields of science and technology, digitalization, human resources, strategy, auditing, tax and risk advisory services, financial services, corporate governance, etc. and that they hold highest standards of integrity.

### KEY MANAGERIAL PERSONNEL

During the year 2022-23, following officials continued as Key Managerial Personnel, pursuant to section 203 of The Companies Act, 2013 :

- i. Mr. Ranjit Pamo Lala, Managing Director w.e.f 15<sup>th</sup> May, 2022
- ii. Mr. Anil S. Karnad, Wholetime Director (operations)
- iii. Mr. Sachin J. Vijayakar, Chief Financial Officer
- iv. Mr. Arvind Bajoria, Company Secretary

### BOARD EVALUATION

Securities Exchange Board of India (SEBI) vide its circular no. SEBI /HO /CFD /CMD /CIR /P /2017/004 dated 5<sup>th</sup> January, 2017 had issued a guidance note on Board Evaluation which inter alia contains indicative criterion for evaluation of the Board of Directors, its Committees and the individual members of the Board.

The Nomination and Remuneration Committee of the Board of the Company has devised a policy for performance evaluation of the Directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the new Evaluation Framework adopted by the Board, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2022-23. After the evaluation process was complete, the Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the Listing Regulations and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the Listing Regulations and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

A separate meeting of the Independent Directors was also held for the evaluation of the performance of Non-Independent Directors and the performance of the Board as a whole.

### HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Your Company has no holding or subsidiary company. As on 31<sup>st</sup> March, 2023 Firstview Trading Private Limited holds 1,20,70,000 (33.71%) shares of your company and therefore your company can be termed as associate Company of Firstview Trading Private Limited within section 2(6) of the Companies Act, 2013.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has complied with the applicable provisions of Section 186 of the Act during the year.

Pursuant to Section 186 of the Act, details of the Investments & loans made by the Company are provided in Note no. 5a & 5b of the financial statement.

### RELATED PARTY TRANSACTIONS

Your Board has developed and approved a Related Party Transactions Policy for purposes of identification and monitoring of related party transactions and the same has been displayed on the Company's website at [http:// www.kilburnengg.com/company-policy-main](http://www.kilburnengg.com/company-policy-main).

The Statement in Form **AOC -2** containing the details of the Related Party Transactions pertaining to contracts with Related Parties forms a part of this Report as **Annexure - VIII**.

### MANAGERIAL REMUNERATION

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as per **Annexure - IX**. Mr. Ranjit Pamo Lala, Managing Director and Mr. Anil S. Karnad, Whole Time Director (operations) are the only Executive Directors in receipt of remuneration during 2022- 23, and remuneration details are available in the corporate governance details attached to this directors' report.

### VIGIL MECHANISM

The Company has formulated a vigil mechanism for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The VIGIL MECHANISM POLICY is available on the website of Company and can be accessed at <http://www.kilburnengg.com/company-policy-main>.

### REMUNERATION POLICY

The Company has formulated a Remuneration Policy for Directors, Key Managerial Personnel and employees of the

Company to ensure that adequate remuneration paid to attract, retain and motivate the senior management employees to run the company successfully. The Policy is available on the website of the Company at [http:// www.kilburnengg.com/company-policy-main/](http://www.kilburnengg.com/company-policy-main/) and also annexed herewith as **Annexure - V**.

### RISK MANAGEMENT

Directors have adopted risk management policy to identify the risks involved in all activities of the Company. The main objective of this policy is to ensure sustainable business growth and to promote a pro-active approach in identifying, reporting, evaluating and mitigating risks associated with the business. The policy guides the board in identification of various business risks and to take appropriate steps to mitigate the same.

### CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with provisions of Section 135 of the Companies Act 2013 and SEBI Listing Regulations, with Mr. Amritanshu Khaitan (Chairman), Mr. Shourya Sengupta (Member) and Mr. Amitav Roy Choudhury (Member). The CSR Committee laid down the CSR policy of the Company which can be accessed at <http://www.kilburnengg.com/company-policy-main/>. The Company made a total CSR expenditure amounting to ₹ 10.00 Lakhs during the FY 2022-23. The details of said expenditure are given in Annual Report on CSR Activities, attached herewith as **Annexure - IV** in the form prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### EXTRACT OF THE ANNUAL RETURN

As per the provisions of Section 92 (3) and Section 134(3) of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 as amended from time, the Annual return of the Company for the year 2022 – 23 has been uploaded on the website of the Company at <http://www.kilburnengg.com/annual-returns-of-the-company>.

### MEETINGS OF THE BOARD

During the financial year ended March 31, 2023, Five Board Meetings were held. Details of meetings held and attended by each Director are given in the Corporate Governance Report forming part of this Annual Report.

### TRANSFER OF UNCLAIMED AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND, WHERE NECESSARY

The details of proposed transfer of unclaimed amount to Investor Education and Protection Fund are given in the Corporate Governance Report forming part of this Annual Report.

### OTHER DISCLOSURES

#### During the year under review:

- a. Your Company has constituted an Internal Committee (IC) to consider and resolve all sexual harassment complaints reported by women employees. The constitution of IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints reported or cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- b. Your Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- c. There were no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### COLLABORATORS

The Directors place on record its sincere appreciation to all its Collaborators for extending their valuable support and co-operation.

### ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to their Customers, Bankers, Dealers, Suppliers, Stock Exchanges, Government and all other Stakeholders for the excellent assistance and cooperation. The Directors also thank all the employees of the Company for their valuable service and support during the year.

**For and on behalf of the Board**

**Manmohan Singh**  
Chairman  
(DIN : 00699314)

Place : Kolkata  
Date : 4<sup>th</sup> August, 2023

## ANNEXURE - I

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## MACRO-ECONOMIC SCENARIO

### Global economy

The financial year 2022-2023 commenced with a progressive stance. During the first half, mass vaccinations were carried out in phases, leading to the easing of restrictions and the gradual reopening of post-pandemic economies. These measures presented nations with opportunities to recover some of the economic losses they had suffered. However, the global economy remains in a state of uncertainty due to the cumulative effects of multiple adverse shocks experienced over the past three years, primarily attributed to the Covid-19 pandemic and Russia's invasion of Ukraine. To mitigate the impact of these shocks, various measures were implemented. Quantitative easing, relaxation of restrictions, support packages, and government initiatives aimed at achieving maximum employment and price stability helped stimulate economic recovery.

In early 2023, the global economy began showing signs of nascent recovery after enduring the negative consequences of Russia's invasion of Ukraine and the ongoing war. These events had significant repercussions on commodity and energy prices, as well as trade disruptions, prompting economies to undergo substantial reorientation and adjustment. Some financial systems experienced stress due to a combination of factors, including interest rate hikes by central banks, regulatory gaps, and reduced bank-specific risks. Consequently, concerns about financial stability arose.

Recent instances of banking instability serve as a reminder that the world economic outlook remains fragile, with prevailing downside risks and increasing uncertainty. Inflation has proven to be more persistent than initially anticipated, as core inflation rates continue to peak in several countries. Robust labor markets in most advanced economies indicate stronger-than-expected aggregate demand, which may necessitate further tightening of monetary policy or an extended period of tighter policy measures compared to previous expectations.

However, according to the International Monetary Fund (IMF), global growth is projected to slow from 3.4% in 2022 to 2.8% in 2023. Furthermore, advanced economies are expected to experience a significant slowdown in growth, dropping from 2.7% in 2022 to 1.3% in 2023. Meanwhile, emerging market economies (EMEs) are predicted to have an average growth rate of 3.9% in 2023, with a projected increase to 4.2% in 2024.

### Global economy

The Indian economy has shown remarkable progress since the onset of the Covid-19 pandemic, surpassing many other countries by achieving a complete rebound in FY 2021-22. This strong momentum has positioned India to return to its pre-pandemic growth trajectory in FY 2022-23. According to

the IMF, India is expected to be one of the fastest-growing economies globally, with a growth forecast of 7% in the current fiscal year. This forecast, coupled with the expected easing of headline retail inflation from 6.7% in the previous year to 4.9% in 2023-24, highlights India's economic resilience and unwavering determination to overcome challenges. Various factors have contributed to the growth of the Indian economy in FY 2022-23. Notably, the Union Government's steady increase in capital expenditure (capex) has served as a significant catalyst for growth.

The adverse impacts of earlier disruptions, such as inflation, the Russia-Ukraine war, supply chain disruptions, and semiconductor shortages, have diminished as the economy experienced remarkable growth in the first half of FY 2022-23. This upward trajectory has propelled the manufacturing sector into a cruise mode, resulting in a notable acceleration in both manufacturing and investment. These positive developments indicate progress and a promising outlook for the Indian economy.

## INDUSTRY SCENARIO AND BUSINESS OUTLOOK

The Company specializes in the design and manufacturing of specialized process equipment and systems for critical applications, with a primary focus on the chemical, refineries and petrochemical, nuclear power sectors and tea industry. The company's key products include rotary dryers, calciners, air preheaters, paddle dryers, VFBD (vibratory fluid bed dryers) and fabrication services at sites amongst others.

The overall outlook for chemical industry, integrated petrochemical and refinery complexes and tea is highly favourable for the company's versatile array of products. This versatility in the company's product range acts both an opportunity in growing sectors and risk mitigation on any unanticipated downturns in a particular industry

The Indian Carbon Black industry is in the range of ₹ 80 billion and expected to grow at a CAGR of 9% p.a. to reach ₹ 130+ Billion by 2028. The typical applications are Tire, non-tire rubber, plastics, packaging, industrial films, laminations and inks. The new uses of carbon black include high performance coatings in wood, marine, aerospace, decorative and industrial applications for pigmentation and UV Protection, toner for printers etc. This bodes well for its equipment's like rotary dryers and pelletizers.

The Indian Soda Ash market is expected to grow at a steady CAGR of 5% from now till 2030. The growing use of same in metallurgical processes, detergents, flue gas treatment and wastewater treatment is expected to increase the demand of soda ash in India. The company products viz Calcliner and cooler packages, Hydrator and FBD packages cater to the soda ash industry.

The Company has also forayed into offering fabrication of equipment (Silos and vessels) at a refinery site to an EPC company in East India. A strong reference in the refinery vertical would enhance its opportunities in the upcoming refinery and petrochemical complexes both for green field and brown field projects.

Petrochemical vertical provides opportunities for all types of dryers (FBD, VFBD and Paddle dryers) in both brown and green field projects, and turnarounds.

**The strengths of the company and Opportunities dovetail well with the industry trends:**

The chemical industry is experiencing robust demand, and the company is well-positioned to capitalize on this opportunity. Furthermore, the favorable policies and support from the government are driving substantial investments in the country, which is expected to directly enhance the company's order intake in the upcoming quarters.

The government of India has announced an outlay of ₹ 1.97 Lakh Crores for the Production Linked Incentive (PLI) Schemes across 14 key sectors. These schemes aim to foster the development of national manufacturing champions. Several of these sectors have a need for drying solutions in their operational processes.

India's chemical industry has experienced exceptional demand growth on a global scale. As a result, it is positioned to assume a prominent role in both consumption and manufacturing worldwide. In recent years, shifting geopolitical scenarios have prompted many countries to prioritize domestic self-sufficiency and localized supply chains. However, when compared to other major global chemical clusters, India's manufacturing competitiveness demonstrates a strong starting point, suggesting the potential for India to become a prominent chemical manufacturing hub. Domestic consumption in India is expected to achieve a remarkable CAGR of 9-10% in the coming years. This growth can be attributed to various factors, including increasing disposable incomes, a favorable demographic dividend, a rising global preference for environmentally friendly alternatives, and the growing diversification of global chemical supply chains. With this projected growth, India's share in the global chemicals sector could triple to 10-12% by 2040, resulting in an additional market value of USD 700 billion, surpassing the current contribution of USD 170-180 billion (as of 2021). The Specialty Chemicals segment is poised to be a significant driver of this growth, with the potential to contribute over USD 20 billion to India's net exports by 2040.

The carbon black market, explained earlier, is expected to witness steady growth in India. This can be attributed to the rising demand for carbon black in the tyre, construction, and manufacturing industries. Carbon black is widely utilized to enhance the durability of industrial rubber compounds and various equipment, leading to increased demand in these sectors. The future of the carbon black market globally, also, looks promising with opportunities in the transportation, industrial, and building and construction sectors. The major

drivers for this market are increasing tyre production and growth in plastic and coating market.

India has emerged as the sixth largest player in the global petrochemical business in 2022, boasting a market size of approximately USD 190 billion. The country's remarkable economic progress, supported by robust macro fundamentals and population growth, serves as key catalysts for establishing India as a prominent petrochemical manufacturing hub. Government initiatives like Make in India and the Aatmanirbhar Bharat Abhiyan provide guidance and create a conducive environment to attract further investments in this sector. The forward integration of India's petroleum industry into petrochemicals and subsequent polymer derivatives has the potential to be a game changer. This integration ensures the availability of feedstock and intermediate products for downstream polymer industries, resulting in increased value maximization across the entire polymer molecule chain. India's petrochemical sector is poised for significant growth, driven by factors such as impressive returns on investment in financial markets, the country's favourable demographics, increasing affluence, and its rising global stature.

The above sectors are key to our business and have in the past generated significant number of orders of high value.

In the wake of increasing concerns about environmental degradation, our Paddle dryers have emerged as a sustainable solution for drying sludge. These advanced dryers play a vital role in states where strict pollution norms have been enforced, making it imperative for industries to adopt eco-friendly practices. By efficiently removing moisture from sludge, these dryers significantly reduce the volume of waste generated, thereby minimizing the environmental footprint of industrial processes. Embracing such environmentally conscious technologies ensures compliance with regulations and exemplifies a commitment to protecting our planet for generations to come.

In the tea industry, the Company maintains a dominant market position. We are actively reinforcing our stronghold by providing comprehensive services to our esteemed customers. Here are some noteworthy trends in this industry:

The tea market in India is experiencing robust growth driven by both healthy production and consumption of the beverage. It is projected to maintain a strong Compound Annual Growth Rate (CAGR) of nearly 4.5% during the forecast period of 2023-2028. India holds the notable position of being the world's second-largest tea producer, closely trailing China.

Exploring its new initiatives, the Company has a breakthrough in procuring an order for C-PVC powder drying in Fluid Bed Dryer and order for calciner package for Activated Pharma Ingredients (API). Successful execution of these orders will help us in procuring further orders for such applications.

Overall, the Company continues to enjoy the benefit available to the Indian manufacturing industry vis-à-vis other global players, due to the cost advantages.

## FINANCIAL PERFORMANCE

Discussion on financial performance with respect to operational performance.

Significant Changes in some Key Financial Ratios (i.e change of 25% or more as compared to the immediately previous financial year) are as following:

Key Financial Ratios	FY2022-23	FY 2021-22	Change (%)	Reasons
Net Profit Margin (%)	13.60%	1.26%	976.90%	During the year, the Company has earned higher profits along with achievement of increased turnover.
Operating profit margin (%)	22.27%	11.90%	87.12%	Economics of scale due to increased turnover.
Return on Net Worth (%)	28.56%	2.11%	1253.08%	During the year, the Company has earned higher profits along with achievement of increased turnover.
Debtors Turnover Ratio (Number of times)	4.68	2.66	75.99%	During the year, sales of the Company have increased with the reduced level of Trade Receivables.
Debt Equity Ratio (Number of times)	0.61	1.20	49.15%	During the year, the Company has redeemed the CRPS which was redeemable in the year 2035 and 2036. The Company has also partly repaid the Term Loans in advance during the year. Further, the retained earnings of the Company have increased due to adequate profits during the year.
Interest Coverage Ratios (Number of times)	8.00	1.84	334.78%	Reduction in interest expense, along with increased profitability.

### Segment-wise or Product-wise Performance

The Company is primarily engaged in designing and manufacture of drying systems for diverse applications. The Company's performance in respect of these business groups has been outlined in the Directors Report.

### 1. RISKS CHALLENGES AND THREATS :

Risks	Mitigation
<ul style="list-style-type: none"> <li>➤ Infringement of Intellectual property Rights. (IPR)</li> </ul>	<ul style="list-style-type: none"> <li>a) Constant innovation of the Company's products to deter copying of the product by unscrupulous competitors.</li> <li>b) Your Company is providing a total system to customers against products by some competitors which mitigate the risk from competition to an extent</li> </ul>
<ul style="list-style-type: none"> <li>➤ Business Risk The primary risk faced by your Company comes from increased competition in various segments due to entry of large number of domestic and international players.</li> </ul>	Your Company provides a performance guarantee to its customers which in short guarantees the technology provided which many of the smaller players are unable to provide. Chinese challenge is being mitigated by providing post commissioning support and strengthening the trust with the customers.
<ul style="list-style-type: none"> <li>➤ Long execution periods expose your Company to the risk of price variations.</li> </ul>	At the time of quotation your Company executes Suitable contracts with vendors where price & credit period are matched with the buyers terms.
<ul style="list-style-type: none"> <li>➤ As significant portion of the Company's sales is export the Company also faces the risk of currency fluctuations.</li> </ul>	Your Company has a policy of hedging currency exposures to optimum levels.
<ul style="list-style-type: none"> <li>➤ As the Company's products are capital goods in nature, cyclical dip in sales is an inherent risk in its business.</li> </ul>	Your Company is continuously developing several new products and expanding geographically which helps to bridge dip in sales if any of established products.

Risks	Mitigation
<ul style="list-style-type: none"> <li>➤ Due to changing economic environment Customers delaying               <ul style="list-style-type: none"> <li>i) Payments</li> <li>ii) Taking Delivery of the manufactured product on committed date</li> </ul> </li> </ul>	<p>The Company insists Letter of Credit (LC) terms with new and overseas customers.</p> <p>However, there remains a risk about the customers asking for postponing delivery when Company's manufacture is completed. Such demands are settled through negotiations.</p>

### INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has a system of regular internal audit and they report inter-alia on the adequacy of the internal controls. The internal audit reports are presented to the Audit Committee and are discussed at the Board meeting. Their recommendations are duly compiled with.

### HUMAN RESOURCE DEVELOPMENT

Human resources are the key to the success of any organization and the company continues to induct young talent with a futuristic view. There were 262 employees on the roles of Company as on 31<sup>st</sup> March, 2023. Training and development of employees is continuous and aligned to the changing needs of the engineering industry. The overall industrial and employees relations has remained cordial and positive.

### GENTLE WORD OF CAUTION

Some of the statements in this management discussion and analysis report describing the Companies objectives, projections, estimates and expectation may be Forward Looking Statements within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India, tax laws, foreign exchange fluctuation, custom duties, litigations and labour relations.

**For and on behalf of the Board**

Place : Kolkata  
Date : 4<sup>th</sup> August, 2023

**Manmohan Singh**  
Chairman  
(DIN: 00699314)

## ANNEXURE - II

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to applicable provisions of the SEBI (LODR) Regulations, 2015)

**I. COMPANY'S PHILOSOPHY**

Corporate Governance is very important for an organization as it shows the effectiveness of governance, the strength and standard of the Company. Your Company always follows principles and standards, ethical practices and remains transparent when it deals with stake holders.

The Company has adopted Code of Conduct for its employees including Executive and Non- Executive Directors. Human resource policy of the Company is also modified from time to time keeping the principles and culture of work in the interest of the employees and growth of the Company and its stakeholders.

The Company has strong legacy of fair, transparent and ethical governance practices. Compliance of all the provisions, rules and regulations is regularly audited to fulfill the demand of regulators and stakeholders and to give worth to their money, time, effort and investment.

**II. BOARD OF DIRECTORS****Composition of Board of Directors**

i) As on 31<sup>st</sup> March 2023, the Company had Eleven directors including a Non-Executive, Independent

Chairman. The Board consists of optimum numbers of Non-Executive and Independent Directors as per Regulation 17 of the SEBI (LODR) Regulations, 2015. There are Four Non- Executive Directors and Five Independent Directors out of total Eleven Directors in the Board.

ii) In terms of Regulation 25(8) of SEBI Listing Regulations, declarations were received from the Independent Directors and the Board of Directors has confirmed that all the independent Directors meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

iii) None of the Directors hold membership in more than ten committees and chairmanship in more than five committees. The names and categories of the Directors on the Board, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as on 31<sup>st</sup> March, 2023 is given below:

Sr. No.	Names of the Directors	Category	No. of Board Meetings during the year		Attendance at the last AGM held on 19.09.22	Directorship in other public companies	Committee position held in other public companies <sup>2</sup>	
			Held	Attended			Chairman	Member
1	Mr. Manmohan Singh, Chairman	Independent	5	3	No	-	-	-
2	Mr. Ranjit Pamo Lala, Managing Director	Executive	5	4	Yes	-	-	-
3	Mr. Anil S. Karnad, Whole Time Director	Executive	5	5	Yes	-	-	-
4	Mr. Aditya Khaitan	Non-Executive, Promoter	5	5	Yes	3	-	1
5	Mr. Amritanshu Khaitan	Non-Executive, Promoter	5	5	Yes	-	-	-
6	Mr. Navin Nayar	Non-Executive, Promoter	5	5	Yes	6	3	2
7	Mr. Vasumitra Sharma	Non-Executive, Promoter	5	5	Yes	-	-	-

Sr. No.	Names of the Directors	Category	No. of Board Meetings during the year		Attendance at the last AGM held on 19.09.22	Directorship in other public companies	Committee position held in other public companies <sup>2</sup>	
			Held	Attended			Chairman	Member
8	Mr. Amitav Roy Choudhury	Independent	5	5	No	-	-	-
9	Mr. Mahesh Shah	Independent	5	5	Yes	1	1	1
10	Ms. Arundhuti Dhar	Independent	2	2	No	5	5	5
11	Mr. Shourya Sengupta	Independent	5	5	Yes	-	-	-
12	Ms. Priya Saran Chaudhri	Independent	3	2	No	1	-	-

<sup>1</sup> Directorship held in Private Companies, Not for profit Companies and Foreign Companies and alternate directorship is not included.

<sup>2</sup> Only Audit Committee and Stakeholders' Relationship Committee are taken into consideration as per the provisions of SEBI (LODR) Regulations, 2015.

<sup>3</sup> Mr. Ranjit Pamo Lala was appointed as an Additional Director w.e.f. 15<sup>th</sup> May, 2022.

<sup>4</sup> Ms. Arundhuti Dhar resigned w.e.f. 8<sup>th</sup> August, 2022 and Ms Priya Saran Chaudhri was appointed as an additional director w.e.f. 3<sup>rd</sup> November, 2022.

### The Company's Chairman is a Non- Executive Independent Director as at March 31, 2023.

Independent Directors comprise of more than one-third of the Board strength. Composition of Board has changed since the last report, due to resignation of Ms. Arundhuti Dhar and appointment of additional directors during the year

Ms. Arundhuti Dhar (DIN: 03197285) resigned as Independent Director w.e.f. 8<sup>th</sup> August, 2022 due to increase in her personal commitments and she has confirmed that there was no other material reason for her resignation.

- i) The fees / compensation, if any, paid to the Non-Executive Directors has been disclosed hereafter in this Report. None of the Non- Executive Directors of the Company has any pecuniary relationship and / or transaction with the Company.
- ii) Board has met from time to time as detailed hereafter taking into consideration the compliance reports of all applicable laws. The information as specified in Part A of Schedule II to SEBI (LODR) Regulations, 2015 is provided to the Board as and when applicable and material.
- iii) Composition of Board had undergone change during 2022-23, due to resignation of Ms. Arundhuti Dhar and appointment of additional directors during the year.
- iv) The Board has adopted "Code of Conduct for Board Members and Senior Management of the Company". All the Board Members and Senior Management have

affirmed the compliance with the said Code of Conduct during the year 2022-23. A declaration to this effect signed by Managing Director is appended to this Report of Corporate Governance. The Code of Conduct is available on the website of the Company i.e., [www.kilburnengg.com](http://www.kilburnengg.com)

## II. BOARD MEETINGS AND COMMITTEE MEETINGS

The Board of Directors of the Company regularly meets as per the provisions of the Companies Act, 2013 and other rules, regulations and agreement etc. to take note of the compliance of transactions & activities of the Company from time to time. All major decisions of the Company are taken by the Board in duly held meetings of it and its committees.

- i) The Board has been called within the required time gap under the listing agreement. During the financial year 2022-23, the Board has met five times as on 11/05/2022, 05/08/2022, 10/11/2022, 02/02/2023 and 23/02/2023. The meetings are convened by giving appropriate advance notice with material and important items pertaining to the development and working of the Company in an explanatory agenda leading to take strategic decisions. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Board members for facilitating meaningful, informed and focused decisions at the meetings. All the meetings of the Board and its committees were completed with proper quorum.

ii) Names of listed entities (other than Kilburn Engineering Limited) where the person is a Director and Category of Directorship:

Sr. No.	Name of the Director	Name of the Company	Category of Directorship
1.	Mr. Ranjit Pamo Lala	Not Applicable	Not Applicable
2.	Mr. Anil Somshekar Karnad	Not Applicable	Not Applicable
3.	Mr. Manmohan Singh	Not Applicable	Not Applicable
4.	Mr. Aditya Khaitan	Mcnally Bharat Engg Co Ltd Mcleod Russel India Limited Williamson Financial Services Limited	Non Executive Non Independent Director Managing Director Non Executive Non Independent Director
5.	Mr. Amritanshu Khaitan	Mcleod Russel India Limited	Non Executive Non Independent Director
6.	Mr. Navin Nayar	Kanco Tea & Industries Limited Bengal Tea & Fabrics Limited Cheviot Co Ltd Amar Vanijya Limited	Independent Director Independent Director Independent Director Independent Director
7.	Mr. Mahesh Shah	Eveready Industries India Ltd	Independent Director
8.	Mr. Amitav Roy Choudhury	Not Applicable	Not Applicable
9.	Mr. Vasumitra Sharma	Not Applicable	Not Applicable
10.	Mr. Shourya Sengupta	Not Applicable	Not Applicable
11.	Ms. Priya Saran Chaudhri	Not Applicable	Not Applicable

iii) Details of remuneration and sitting fees to Directors (for attending meetings of Board of Directors, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Share Allotment Committee) for the year 2022-23 are as under:

Names of Directors	Designation	Sitting Fees	Salary & Perquisites**	Commission	Total
Mr. Manmohan Singh	Independent	1,35,000	Nil	Nil	1,35,000
Mr. Anil S. Karnad	Whole Time Director (Operations)	NA	₹ 78.71 Lakhs**	Nil	₹78.71
Mr. Ranjit Pamo Lala	Managing Director	NA	93.64 Lakhs	Nil	93.64 Lakhs
Mr. Aditya Khaitan	Non-Executive	1,25,000	NA	NA	1,25,000
Mr. Amritanshu Khaitan	Non-Executive	1,70,000	NA	NA	1,70,000
Mr. Navin Nayar	Non-Executive	1,40,000	NA	NA	1,40,000
Mr. Vasumitra Sharma	Non-Executive	1,25,000	NA	NA	1,25,000
Mr. Amitav Roy Choudhury	Independent	2,45,000	NA	NA	2,45,000
Mr. Mahesh Shah	Independent	2,75,000	NA	NA	2,75,000
Ms. Arundhuti Dhar	Independent	65,000	NA	NA	65,000
Mr. Shourya Sengupta	Independent	1,70,000	NA	NA	1,70,000
Ms. Priya Saran Chaudhri	Independent	65,000	NA	NA	65,000

\*\* Includes salary, house rent allowance, bonus and other allowances.

Ms. Arundhuti Dhar resigned as on Independent Director on 8<sup>th</sup> August, 2022 and Ms. Priya Saran Chaudhri was appointed as additional director on 3<sup>rd</sup> November, 2022 and Mr. Ranjit Pamo Lala was appointed as additional director w.e.f. 15<sup>th</sup> May, 2022.

Directors have not been granted any stock options during the year.

### Shareholding of Non-Executive Directors

Details of the equity shares held by Non-Executive Directors (Individually) as on 31<sup>st</sup> March, 2023 were as under

Names of Directors	Nature of Directorship	No. of Equity shares held
Mr. Manmohan Singh	Independent Director	NIL
Mr. Aditya Khaitan	Non-Executive	1,50,000
Mr. Amritanshu Khaitan	Non-Executive	1,30,000
Mr. Navin Nayar	Non-Executive	NIL
Mr. Vasumitra Sharma	Non-Executive	NIL
Mr. Amitav Roy Choudhury	Independent Director	NIL
Mr. Mahesh Shah	Independent Director	NIL
Ms. Priya Saran Chaudhri	Independent Director	NIL
Mr. Shourya Sengupta	Independent Director	NIL

### Core Skills of the Board

The following is a list of core skills/expertise/competencies mapped with every director of the Company identified by the Board of Directors of the Company as required in the context of the Company's business(es) and sector(s) for the Company to function effectively and those available with the Board :

Core skills/expertise/competencies Company operates	Adequate knowledge of the Company's business and the industry in which the	Strategy Acumen	Financial Skills	Communication Skills	Leadership & Management
Mr. Manmohan Singh	Y	Y	Y	Y	Y
Mr. Anil S. Karnad	Y	Y	Y	Y	Y
Mr. Aditya Khaitan	Y	Y	Y	Y	Y
Mr. Amritanshu Khaitan	Y	Y	Y	Y	Y
Mr. Navin Nayar	Y	Y	Y	Y	Y
Mr. Vasumitra Sharma	Y	Y	Y	Y	Y
Mr. Amitav Roy Choudhury	Y	Y	Y	Y	Y
Mr. Mahesh Shah	Y	Y	Y	Y	Y
Ms. Priya Saran Chaudhri	Y	Y	Y	Y	Y
Mr. Shourya Sengupta	Y	Y	Y	Y	Y

Here 'Y' stands for yes and 'N' for no

### Familiarisation programmes for Board Members

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, strategies, business, functions, policies, industry and environment in which it functions and the regulatory environment applicable to it and operations of its subsidiaries. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuous basis.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes to its Directors including review of long-term strategy, industry outlook, regulatory updates at the Board and Audit Committee Meetings, Corporate Social Responsibility and Litigation updates. The Directors are also kept continuously updated by regularly sharing various useful articles relating to the Company's performance, operations, its market and competition on the Board Application.

Pursuant to Regulation 46 of the Listing Regulations, the details of such familiarisation programme are available on the website of the Company at : [www.kilburnengg.com](http://www.kilburnengg.com).

### III. AUDIT COMMITTEE

#### i) Members of the Audit Committee:

All members of the Audit Committee are financially literate and have acquired financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. The Audit Committee is constituted as per regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013 has following members:

Names of the Members	Position Held	Category
Mr. Mahesh Shah	Chairman	Non-Executive Independent Director
Mr. Manmohan Singh	Member	Non-Executive Independent Director
Mr. Amitav Roy Choudhury	Member	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

#### ii) Details of the meetings of the Audit Committee during the year 2022-23 and its objectives :-

During the year 2022-23, five meetings of the Audit Committee were held and attended by the members as per the details given below;

Sr. No.	Name of Members	Meetings / Attendance				
		11/05/2022	05/08/2022	10/11/2022	02/02/2023	23/02/2023
1	Mr. Mahesh Shah	Present	Present	Present	Present	Present
3	Mr. Manmohan Singh	Absent	Present	Present	Present	Absent
4	Mr. Amitav Roy Choudhury	Present	Present	Present	Present	Present

Chief Financial Officer of the Company and Statutory Auditors are invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

#### iii) Terms of reference

The terms of reference of Audit Committee cover the matters specified under regulation 18 of SEBI (LODR) Regulations, 2015 as well as section 177 of the Companies Act, 2013 and broadly following functions are performed by it:

- a) Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law requirements and to ensure that the financial statements are correct and credible.
- b) Review of quarterly, half yearly and annual financial statements before submission to the Board for approval.
- c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions.
- d) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and Internal Auditors and the fixation of audit fees.
- e) Review of the adequacy of internal control systems, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit and further recommending to the Internal Auditors regarding the nature and scope of internal audit. Review of reports of Statutory and Internal Auditors and replies of the management thereof.
- f) Disclosure of any related party transactions, approval or any subsequent modification of transactions of the company with related parties.
- g) Scrutiny of inter-corporate loans and investments.
- h) Valuation of undertakings or assets of the Company, wherever it is necessary.
- i) Review of the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Review of the annual financial statements with the management before submission to the Board for approval, with particular reference to :
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (5) of Section 134 of the Companies Act, 2013.

- Changes, if any, in the accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment of the management.
- Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Qualifications in the draft audit report.
- k) Review of management representation letters to be issued to the Statutory Auditors.
- l) Looking into the reasons for substantial defaults in payments to the lenders, preference shareholders, shareholders (in case of non-payment of declared dividends) and creditors.
- m) Reviewing compliances as regards the Company's Whistle Blower Policy.
- n) Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate.

#### Change in constitution of Audit Committee during FY 2022-23 :

There has been no change in the constitution of Audit Committee during the financial year 2022-23.

#### IV. Nomination and Remuneration Committee

##### i) The Nomination and Remuneration Committee consisted of the following members during the year 2022-23 :

Names of the Members	Position Held	Category
Mr. Amitav Roy Choudhury	Chairman	Non-Executive Independent Director
Mr. Mahesh Shah	Member	Non-Executive Independent Director
Mr. Navin Nayar	Member Appointed w.e.f. 1 <sup>st</sup> November, 2022	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

One meeting of the Committee were held during the financial year 2022-23 on 10<sup>th</sup> May, 2022 (attended by Mr. Amitava Roy Choudhury, Ms Arundhuti Dhar and Mr. Mahesh Shah), in which the committee members recommended the terms of appointment of Mr. Ranjit Pamo Lala as Managing Director w.e.f. 15<sup>th</sup> May, 2022.

During the year there was a change in the composition of Nomination & Remuneration Committee. Ms. Arundhuti Dhar resigned w.e.f. 8<sup>th</sup> August, 2022 from the Board of Directors of the company. Due to her resignation, Nomination & Remuneration Committee was reconstituted w.e.f. 1<sup>st</sup> November, 2022 and Mr. Navin Nayar was appointed as a member of Nomination & Remuneration Committee.

##### ii) Terms of reference:

- a) To determine and set forth, in consultation with the Board, the Remuneration package of Executive Directors of the Company;
- b) To determine and approve the remuneration and commission / incentive payable to the Managing Director of the Company for each financial year;

- c) To approve the sitting fees / commission payable to the Non-Executive Directors of the Company;
- d) To approve, in the event of loss or inadequacy of profits in any given financial year, the minimum remuneration payable to the Managing Director and Whole-time Directors within the limits as specified in Schedule V of the Companies Act, 2013.

##### iii) Employee Stock Option Scheme:

The Company does not have any Employee Stock Option Scheme in place.

##### iv) Remuneration Policy:

Mr. Ranjit Pamo Lala was appointed as Additional Director and designated as Managing Director w.e.f. 15<sup>th</sup> May, 2022 during the year 2022-23, he was paid

Salary and other benefits as per below mentioned details. He did not hold any equity shares in the Company as on his appointment. His tenure as per the agreement was approved by shareholders upto 14<sup>th</sup> May, 2025. His remuneration during the last year (inclusive of Bonus paid for previous year) was as following :

Remuneration details (Mr. Ranjit Lala)	₹ in lacs
	2022-23
Salary	34,07,258
Perquisites (Car, Gas, Electricity etc.)	Nil
Bonus and allowances	59,57,057
Contribution to Super Annuation Fund	Nil

Mr. Anil Karnad was appointed as an additional director and designated as Whole Time Director (Operations) w.e.f. 1<sup>st</sup> December, 2021, during the year 2021-22, and was paid ₹ 12.40 Lakhs as Salary, ₹ 9.24 Lakhs as bonus and allowances, and other benefits as per below mentioned details. He does not hold any equity shares in the Company His tenure as per the agreement was approved by shareholders upto 30<sup>th</sup> November, 2023.

Remuneration details (Mr. Anil Karnad)	₹ in lacs	
	2022-23	2021-22
Salary	37,20,000	12,40,000
Bonus and allowances	41,51,400	8,83,800

#### Remuneration of Non Executive Directors :

The details of relationship between Directors inter-se, sitting fees paid to Non-Executive Directors during the year 2022-23 (for attending the meetings of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Share Allotment Committee) and the number of equity shares held by them is as follows:

Names of Directors	Relationship between Directors inter-se	Sitting fees paid for Board Meetings and Committee Meetings	₹ in lacs
			Number of Equity Shares held in KEL as on 31st March, 2023
Mr. Manmohan Singh	-	1,35,000	NIL
Mr. Aditya Khaitan	-	1,25,000	1,50,000
Mr. Amritanshu Khaitan	-	1,70,000	1,30,000
Mr. Navin Nayar	-	1,40,000	NIL
Mr. Mahesh Shah	-	2,75,000	NIL
Mr. Amitav Roy Choudhury	-	2,45,000	NIL
Ms. Arundhuti Dhar	-	65,000	NIL
Mr. Vasumitra Sharma	-	1,25,000	NIL
Mr. Shourya Sengupta	-	1,70,000	NIL
MS. Priya Saran Chaudhri	-	65,000	NIL

The Non-Executive Directors were paid sitting fees of ₹ 25,000/- for each meeting of the Board and ₹ 15,000/- each for Committee meeting thereof (other than Corporate Social Responsibility Committee) attended by them. Except for sitting fees, Non- Executive Directors are not paid any remuneration and / or commission.

#### v) Board Evaluation :

The Board has devised the process and the criteria for the performance evaluation which has been recommended by the Nomination & Remuneration Committee and approved by the Board.

The process for performance evaluation is as under:

- The Board evaluates the performance of the Directors excluding the Director being evaluated.

- The Nomination & Remuneration Committee evaluates the performance of each Director.
- The Independent Directors evaluate the performance of the Non- Independent Directors including the Chairperson of the Company taking into account the views of the Executive and Non- Executive Directors and of the Board as a whole.

- Performances of the Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committees are also evaluated.

The criteria for performance evaluation as laid down by the Nomination & Remuneration Committee, inter alia include:

- Appropriate Board size, composition, independence, structure
- Appropriate expertise, skills and leadership initiatives
- Attendance in meetings and participation in discussions
- Adequate knowledge about the Company's business and the economic scenario

- Innovative ideas for growth of the Company's business and economic scenario
- Effectiveness in discharging functions, roles and duties as required
- Review and contribution to strategies, business and operations of the Company
- Expression of independent opinion on various matters taken up by the Board
- Timely flow of information and effective decision making
- Defining roles and effective coordination and monitoring
- Effective and prompt disclosures and communication
- Compliance with applicable laws and adherence to Corporate Governance
- Compliance with Policies, Code of Conduct etc.

**V. Stakeholders' Relationship Committee**

i) During 2022-23, the Company had a Stakeholders' Relationship Committee pursuant to section 178 (5) of the Companies Act, 2013 for effective redressal of shareholders' complaints like transfer of shares, non-receipt of Annual Report, non- receipt of declared dividend etc. and reporting of the same to the Board periodically. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

ii) The Committee as on 31<sup>st</sup> March, 2023 comprised of following members:

Names of the Members	Position Held	Category
Mr. Shourya Sengupta	Chairman	Non-Executive Independent Director
Mr. Mahesh Shah	Member	Non-Executive Independent Director
Mr. Amitav Roy Choudhury	Member	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

Change in constitution of Stakeholders' Relationship Committee during 2022-23 :

There has been no change in the Constitution of Stakeholders' Relationship Committee during the year 2022-23.

iii) Procedure for approval and details of meetings and attendance during the year 2022-2023:

During the year 2022-2023, one meeting was held and attended by all the committee members on 30<sup>th</sup> March, 2023.

The power to approve the share transfer / transmission and dematerialization and / or rematerialisation has been delegated severally to Chief Financial Officer and Company Secretary. The request for share transfer/transmission, dematerialization / rematerialisation and issue of new share certificates in lieu of old/worn-out/lost/ defaced/split/ consolidation etc. is processed and attended at least once in a fortnight in co-ordination with Maheshwari Datamatics Private Limited, Registrars & Transfer Agents of the Company.

All the above requests processed during a quarter are then taken into record for approval of Shareholders / Investors' Grievance cum Share Transfer Committee.

**iv) Name, Designation and Contact details of Compliance Officer:**

Mr. Arvind Bajoria  
 Company Secretary & Compliance Officer  
 Plot No.6, MIDC Industrial Area, Kalyan Bhiwandi Road, Saravali, Thane 421 311, Maharashtra – India.  
 Phone: 91 2522 283000  
 Fax: 91 2522 281026  
 E-mail: cs@kilburnengg.com

v) **Details of Investors Complaints/Grievances and their status:**

The details of Investors' Complaints received and redressed by the Company and its registrars Maheshwari Datamatics Pvt. Ltd. during the year 2022-23 is as follows:

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Declared Dividend	NIL	NIL
Non-receipt of Share Certificates	1	1
Non-receipt of Annual Reports	NIL	NIL
Shares not dematerialized / rematerialized	NIL	NIL
Others	NIL	NIL
<b>Total</b>	<b>1</b>	<b>1</b>

No complaint was pending on March 31, 2023.

**VI. Subsidiary Companies**

The Company does not have any subsidiary companies.

**VII. General Body Meetings**

i) **Details of Annual General Meetings (AGM) / Extra Ordinary General Meetings (EGM) in the last three years :**

Financial year	AGM / EGM	Day & Date	Venue	Time
2022-23	EGM	Monday, 20 <sup>th</sup> March, 2023	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at regd. Office of the Company at Four Mangoe Lane, S. M. Ghosh Sarani, Kolkata – 700 001.	11:00 a.m.
	34 <sup>th</sup> AGM	Monday, 19 <sup>th</sup> September, 2022	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at regd. Office of the Company at Four Mangoe Lane, S. M. Ghosh Sarani, Kolkata – 700 001.	11:00 a.m.
2021-22	EGM	15 <sup>th</sup> February, 2022	Through Video Conferencing ("VC") Other Audio Visual Means ("OAVM") at regd. Office of the Company at Four Mangoe Lane, S. M. Ghosh Sarani, Kolkata – 700 001.	11:00 a.m.
	33 <sup>rd</sup> AGM	Wednesday, 29 <sup>th</sup> September, 2021	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at regd. Office of the Company at Four Mangoe Lane, S. M. Ghosh Sarani, Kolkata – 700 001.	11:00 a.m.
2020-21	EGM	Wednesday, 27 <sup>th</sup> March, 2021.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at regd. Office of the Company at Four Mangoe Lane, S. M. Ghosh Sarani, Kolkata – 700 001.	11:00 a.m.
	32 <sup>nd</sup> AGM	Wednesday, 30 <sup>th</sup> September, 2020.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at regd. Office of the Company at Four Mangoe Lane, S. M. Ghosh Sarani, Kolkata – 700 001.	11:00 a.m.

ii) **Details of Special resolutions passed in Annual General Meetings (AGM) / Extra Ordinary General Meetings (EGM) in the last three years :**

AGM / EGM	No. of Special resolutions	Particulars of Special resolutions
EGM dt 20.03.2023	2 (Two)	1. Issue of Equity Shares on Preferential Allotment Basis 2. Issue of Convertible Warrants on Preferential Allotment Basis
34 <sup>th</sup> AGM 19.09.2022		1. Ratification of re-appointment of Mr. Manmohan Singh (DIN: 00699314) as an Independent Director for a second term of 5 years and continuation of directorship after attainment of 75
EGM dt 15.02.2022	3 (Three)	1. Approval for the appointment of Mr. Anil Somshekar Karnad as a Director of the Company and the terms and conditions of his appointment as Whole Time Director (operations) 2. Issue of Equity Shares on Preferential Allotment Basis. 3. Issue of Convertible Warrants on Preferential Allotment Basis.
33 <sup>rd</sup> AGM 29.09.2021	3 (Three)	1. Appointment of Mr. Subir Chaki as Whole Time Director w.e.f. 1 <sup>st</sup> April, 2021 upto 30 <sup>th</sup> June, 2021 2. Appointment of Mr. Subir Chaki as Managing Director w.e.f. 1 <sup>st</sup> July, 2021 upto 31 <sup>st</sup> March, 2023 3. Approval of continuation of Mr. Manmohan Singh as director, even after completion of 75 years of age.
EGM dt 27.03.2021	3 (Three)	1. Issue of Equity Shares on Preferential Allotment Basis to RBL Bank Limited. 2. Issue of Equity Shares on Preferential Allotment Basis to Firstview Trading Private Limited 3. Issue of Cumulative Redeemable Preference Shares (CRPS) to RBL Bank Ltd.
32 <sup>nd</sup> AGM 30.09.2020	2 (Two)	1. Approval of appointment of Mr. Subir Chaki as Whole Time Director 2. Ratification of appointment of Mr. Amitav Roy Choudhury as Independent Director.

iii) **Details of resolutions passed through Postal Ballot in the past three years :**

During the Financial Year 2022-23, two special resolutions were passed through Postal Ballot.

Date of Notice Of Postal Ballot	Description	% of votes cast in favour of resolution
13/07/2022	Appointment of Mr. Ranjit Pamo Lala (DIN: 07266678) as a Director and his designation as Managing Director of the Company w.e.f. 15 <sup>th</sup> May, 2022.	99.99%
02/01/2023	Appointment of Ms Priya Saran Chaudhri (DIN: 00704863) as an Independent Woman Director for a tenure of five years w.e.f. 3 <sup>rd</sup> November, 2022.	99.99%

The Company had complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Shri A K Labh, Proprietor / Partner of M/s A K Labh & Co., Practicing Company Secretary, was appointed as the Scrutinizer for conducting the voting process in a fair and transparent manner.

The results of the Postal Ballots were announced on August 13, 2022 and February 02, 2023.

There is no immediate proposal for passing any resolution through Postal Ballot.

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.

## 2. Disclosures

### i) Related party transactions:

Related party transactions have been disclosed under Note 35 of Audited Financial Statement in accordance with Indian Accounting Standard - 24 "Related Party Disclosures". A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

No material transactions are entered with related parties in conflict with the interest of the Company's business. All the transactions with related parties are entered at arm's length price. The Disclosure of interest in any of the transaction is made to the Board every year by the Directors as and when they become interested. Further, interested Directors neither participate nor vote in the transaction wherein they have potential interest.

### ii) Disclosure of Accounting Policies:

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2023 are prepared in conformity with the Accounting Standards. Refer Note 2 to the Audited Financial Statements.

### iii) Risk Assessment:

The Company has an effective and efficient Risk Assessment and Management System to track, analyze and mitigate the risks associated with the Company. The Board of Directors periodically reviews the procedure of Risk Assessment and Management and thereby frame a properly defined network with help of which executive management can control risks. The details of risks associated with the Company and the ways to mitigate those risks are discussed in Management Discussion & Analysis Report annexed to the Directors' Report.

### iv) Proceeds from public issues, rights issues, preferential issues, etc.:

44,11,764 convertible warrants were allotted to three investors in promoter category for cash consideration @ ₹ 34 per share, inclusive of premium of ₹ 24 per share on 07-03- 2022 on receipt of 25% of the total issue price of warrant as application money.

Out of above convertible warrants, 17,00,000 convertible warrants held by Firstview Trading Private Limited were converted into equal no. of equity shares on payment of balance 75% of issue price during the year 2021-22.

During the current year 2022-23, further 15,00,000 convertible warrants were converted into equal no. of equity shares on payment of balance 75% of issue price, as following:

Sr. no.	Name of Allottees of convertible warrants	Number of warrants Converted
1.	Firstview Trading Private Limited	10,00,000
2.	Ekta Credit Pvt. Limited	2,50,000
3.	Vivaya Enterprises Pvt. Limited	2,50,000

The proceeds from preferential issue of Convertible warrants and from conversion of Convertible warrants in to the equivalent number of Equity Shares was utilized for the object stated in the Explanatory Statement of the respective notice of Extra Ordinary General Meeting i.e. to meet the additional working capital requirements of the Company.

### v) Remuneration of Directors:

Already disclosed in Clause V which is "Nomination and Remuneration committee" section.

### vi) Management:

- Management Discussion & Analysis report is attached as Annexure - I to Directors' Report.
- There were no material financial and commercial transactions by Senior Management as defined in regulation 23 SEBI (LODR) Regulations, 2015 where they have personal interest that may have a potential conflict with the interests of the Company at large.

### vii) Shareholders:

The brief profile and other information pertaining to Directorship held in other Companies, shareholding etc. of the Directors proposed to be re-appointed at the ensuing Annual General Meeting of the Company are attached to the Notice of Annual General Meeting.

### viii) Compliances:

- Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

During the last three years ending on 31<sup>st</sup> March, 2023, there were no strictures imposed on the Company. Further, the details of non-compliance by the listed entity & penalties imposed on the Company during the last three years are as follows:

Financial Year	Deviation of Compliances	Name of the Regulatory / enforcement agencies / judicial Institutions	Penalty / Fine
2020-21	The Company has not submitted the financial results in XBRL mode for the quarter ended March 31, 2020 within the timeline. The Company has submitted the aforesaid financial results in XBRL mode with the delay of 9 days	BSE	Nil
2020-21	The Company has not submitted the Related Party Transactions Statement for the year ended March 31, 2020 within the timeline. The Company has submitted the aforesaid statement with the Stock Exchanges on September 08, 2020.	BSE	Nil
2022-23	The Company has delayed the submission of Related Party Transactions Statement in pdf and XBRL format for the year ended March 31, 2022	BSE	Imposed a fine of ₹ 5,000/ day for delay submission of the Related Party Transactions Statement in pdf and XBRL. The total fine amount was ₹ 65,000/- + 18% GST aggregating to ₹ 76,700/-
2022-23	The Company has delayed the submission of Statement of Deviation(s) or Variation(s) in pdf and/or XBRL format for the quarter ended March 31, 2022 and December 31, 2022	BSE vide its e-mail dated April 19, 2023 advised the Company to submit the Statement of Deviation(s) or Variation(s) in pdf and/or XBRL format	-

b) The Company has fully complied with all the statutory requirements of Listing Agreement entered into with Stock Exchanges including mandatory requirements of SEBI (LODR) Requirements, 2015.

c) The details of compliance with non- mandatory requirements of SEBI (LODR) Requirements, 2015 is as follows;

i) The Board has set up a Remuneration Committee to determine competitive remuneration package of Executive Directors of the Company. The details of Remuneration Committee are given earlier in this report.

**ii) Whistle Blower Policy:**

The Company has established a mechanism for employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguard to the victimized employees and spreads the

way to curb those practices being followed in the office premises. None of the personnel of the Company has been denied access to the Audit Committee.

**ix) Means of Communication:**

Kilburn's commitment to the principles of transparency in all its dealings is the foundation of its continuous endeavours to create sustainable value for all its stakeholders. In this pursuit, the Company places highest emphasis on communicating information to its stakeholders.

In line with SEBI (LODR) Requirements, 2015 Company has maintained a functional website at [www.kilburnengg.com](http://www.kilburnengg.com) containing basic information about the Company, financial information, shareholding pattern, Notices, compliance with corporate governance, contact information of the Compliance Officer, Investor Relation Officer and Registrar and Transfer Agent of the Company for investor grievances. The contents of the said website are updated from time to time.

**a) Financial results**

The quarterly/half-yearly/annual financial results are displayed under 'Investor' section of the Company's website viz. [www.kilburnengg.com](http://www.kilburnengg.com).

They are also filed with the BSE through BSE Online Portal as per the applicable provisions of the SEBI (LO&DR) Regulations, 2015 as amended from time to time.

The shareholders are provided with the necessary information with notices sent for the Annual General Meeting / Extraordinary General Meeting. Any other information sought by shareholders is being provided on request.

**b) News Paper where results normally published**

The quarterly, half yearly and annual results of the Company in the format prescribed under regulation 33 of the SEBI (LODR) Regulations, 2015 are published in prominent dailies such as Business Standard (English), Mint (English) and Duronto Barta (Bengali) and also posted on the website of the Company i.e., [www.kilburnengg.com](http://www.kilburnengg.com)

**c) Media Releases and Presentations:**

Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations, if any, made to media, analysts, institutional investors, etc, if any are posted on the Company's website.

**d) Company Website**

The Company's website [www.kilburnengg.com](http://www.kilburnengg.com) contains a separate dedicated section called 'Investors' Details.'. It contains comprehensive database of information of interest to our investors including the financial results, Annual Reports of the Company, information disclosed to the concerned regulatory authorities from time to time business activities and the services rendered/facilities

extended by the Company to our investors, in a user friendly manner.

The information about the Company as called for in terms of the Listing Regulations is provided on the Company's website and the same is updated regularly.

**e) Other information**

Important official news and presentation made to institutional investors or to the analysts is also posted on the Company's website [www.kilburnengg.com](http://www.kilburnengg.com), as and when released.

**x) CEO / CFO Certificate:**

The CEO/CFO Certificate for the year ended 31<sup>st</sup> March, 2023 as required under SEBI Listing Regulations, 2015 was placed and taken on record at the Board Meeting of the Company held on 4<sup>th</sup> August, 2023 .

**xi) Certificate of compliance:**

The Certificate of a Practicing Company Secretary confirming compliance with all requirements of the SEBI (LODR) Regulations for the year ended 31<sup>st</sup> March, 2023 is appended to this report.

**xii) Insider Trading Code:**

The Company has adopted Code of Conduct for Prevention of Insider Trading in line with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct elaborates ways and measures to deal with unpublished price sensitive information and restricts the insider trading by any of the Directors and Senior Management personnel of the Company.

**xiii) Credit Ratings for Debt Instruments, Fixed Deposit Programmes or any other scheme involving mobilisation of funds :**

The Credit ratings of the Company's debt facilities is available on the Company's website (<http://www.kilburnengg.com/credit-rating/>)

**CREDIT RATINGS**

The following ratings have been reaffirmed / assigned to the Company for its Bank facilities during 2022-23:

Instrument Type	Rating/Outlook	Rating Action and date
Term Loan	ACUITE BBB -; stable (Acuite triple B, minus; Outlook : stable)	Assigned on 24-02-2023
Fund Based Limits (existing and proposed)	ACUITE BBB -; stable (Acuite triple B, minus; Outlook : stable)	Assigned on 24-02-2023
Non Fund Based Limits (existing and proposed )	ACUITE A3 (A Three)	Assigned on 24-02-2023
Term Loan	IND BB+ (Positive)	Reaffirmed on 17-06-2022
Fund Based Limits (existing and proposed)	IND BB+ (Positive)	Reaffirmed on 17-06-2022
Non Fund Based Limits (existing and proposed )	IND A4+	Reaffirmed on 17-06-2022

**xiv) General Shareholders Information:****a) Annual General Meeting**Date : 27<sup>th</sup> September, 2023 Time : 11:00 A.M.

Venue : Through Video conferencing or other Audio Visual means

**b) Financial year 2023 -2024 (tentative schedule)**

Quarter Results Ending on June 30, 2023 : First week of August 2023

Ending on September 30, 2023 : First week of November 2023

Ending on December 31, 2023 : First week of February 2024

Year ended March 31, 2024 : AGM is proposed to be held in August/September, 2024

**c) Date of Book Closure** : 21<sup>st</sup> September, 2023 to 27<sup>th</sup> September, 2023 (Both days inclusive)**d) Dividend Payment date** : The dividend, if declared, shall be paid/credited to the respective bank account of members on upto 26<sup>th</sup> October, 2023 subject to deduction of applicable taxes.

The dispatch of dividend warrants/demand drafts will be completed on same day.

**e) Listing on Stock Exchanges** : BSE Limited (BSE), Mumbai  
The Calcutta Stock Exchange Limited (CSE), Kolkata  
The Annual Listing fees for the year 2023-2024 has been paid.**f) Stock Code**

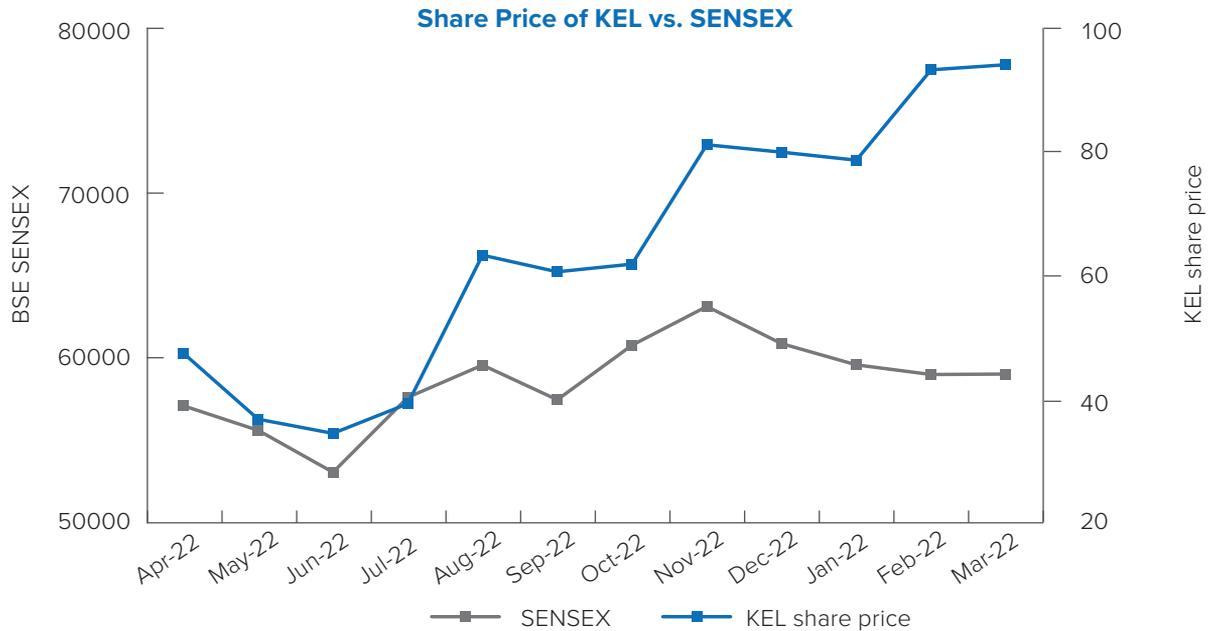
BSE Ltd : 522101

The Calcutta Stock  
Exchange Association Ltd. : 21022**g) Corporate Identification Number** : L24232WB1987PLC042956**h) ISIN number** : INE338F01015**i) Stock Market Price Data**

Performance of share price of the Company in comparison to BSE Sensex, for FY : 2022-23 was as following:

Month & Year	Share Price of KEL on BSE			Volume of Shares Traded
	Month's High	Month Low	Month Close	
Apr-22	53.60	41.60	47.50	584791
May-22	45.35	34.00	36.80	300132
Jun-22	37.30	30.50	34.50	154079
Jul-22	39.30	32.70	39.30	131080
Aug-22	63.40	35.00	63.40	18663400
Sep-22	68.60	55.00	60.70	5710067
Oct-22	66.85	57.10	61.95	1084426
Nov-22	87.10	60.75	81.30	6115016
Dec-22	91.00	73.05	80.10	2424891
Jan-23	84.00	73.75	78.80	1943210
Feb-23	94.00	73.55	93.45	2340934
Mar-23	103.95	85.07	94.28	1581465

## j) Performance in comparison to broad-based indices such as BSE Sensex etc.



- k) **Registrars and Transfer Agents** : Maheshwari Datamatics Private Limited 5<sup>th</sup> Floor, 23, R. N. Mukherjee Road, Kolkata – 700 001.  
Tel No.: (033) 2243 5809 / 5029; 2248 2248  
Fax No.: (033) 2248 4787  
E-mail: mdpldc@yahoo.com

l) **Share Transfer System:**

The physical transfer of shares is processed and approved by the Company in co-ordination with Maheshwari Datamatics Private Limited, at least once in every fortnight. The Share Certificates after effecting transfer are dispatched to the shareholders within 15 days from the date of receipt of transfer request, if the transfer documents are found technically in order and complete in all respects. The transfer of shares held in Demat mode is processed electronically by Maheshwari Datamatics Private Limited within 15 days from the date of receipt of the request.

The Shares of the Company are compulsorily traded in dematerialized form.

m) **Distribution of shareholding as on 31st March, 2023:**

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
UPTO – 500	6616	82.7931	944051	2.6364
501 – 1000	542	6.7826	445953	1.2454
1001 – 2000	297	3.7167	463252	1.2937
2001 – 3000	143	1.7895	371041	1.0362
3001 – 4000	53	0.6632	188089	0.5253
4001 – 5000	54	0.6758	257711	0.7197
5001 – 10000	108	1.3515	875369	2.4446
10001 and above	178	2.2275	322631128	90.0988
<b>TOTAL</b>	<b>7991</b>	<b>100.0000</b>	<b>35808594</b>	<b>100.0000</b>

## Shareholding pattern as on 31st March, 2023:

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
<b>A Promoters' Holding</b>			
<b>1 Promoters</b>			
Indian	15	20392137	56.95
Foreign	-	-	-
<b>B Public Shareholding</b>			
<b>2 Institutional Investors</b>	-		
a. Mutual Funds and UTI	2	800	0.01
b. Banks, Financial Institutions	2	299200	0.84
c. Insurance Companies	-	-	-
d. Foreign Institutional Investors	-	-	-
<b>3 Others</b>			
a. Bodies Corporate	85	4506506	12.59
b. Indian Public	7585	9519464	26.58
c. NRIs / OCBs	76	116663	0.36
d. IEPF	1	144381	0.40
e. Others	225	829443	2.32
<b>Total (1+2+3)</b>	<b>7991</b>	<b>35808594</b>	<b>100.00</b>

## n) Dematerialization of shares and liquidity: Details of Shares in Physical &amp; Electronic Mode as on 31st March 2023

The Company's Shares are traded in Stock Exchange in dematerialized form and are available for trading in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2023 the data are as follows.

Particulars	No. of Shares	Percentage of Total Shares
Physical Segment	2,34,103	0.6538 %
NSDL	2,58,24,797	72.1190 %
CDSL	97,49,694	27.2272 %
<b>Grand Total</b>	<b>3,58,08,594</b>	<b>100.00 %</b>

ISIN No. of the Company's Equity Shares is: INE338F01015

## o) Dividend

## Dividend History

Financial Year	Type	Dividend		
		Per share	Face Value	% on face value
2018-2019	Equity	₹ 1/-	₹ 10/-	10 %
2017-2018	Equity	₹ 1/-	₹ 10/-	10 %
2016-2017	Equity	₹ 2/-	₹ 10/-	20 %
2015-2016	Equity	₹ 2/-	₹ 10/-	20 %

- p) Transfer of Unpaid / Unclaimed dividend and the shares to Investor Education and Protection Fund (IEPF). Section 124 of the Companies Act, 2013, mandates that the companies transfer dividend that has been unclaimed for a period of 7 years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years, will be transferred to IEPF.

Financial Year	Unclaimed dividend amount as on 31.03.2023 (in ₹)	Date of Declaration	Dividend Payment Date	Due date for transfer to IEPF
2015-2016 Final	593634	22 <sup>nd</sup> September, 2016	10 <sup>th</sup> October, 2016	9 <sup>th</sup> October, 2023
2016-2017 Final	587570	25 <sup>th</sup> September, 2017	10 <sup>th</sup> October, 2017	9 <sup>th</sup> October, 2024
2017-2018 Final	222185	28 <sup>th</sup> September, 2018	12 <sup>th</sup> October, 2018	11 <sup>th</sup> October, 2025
2018-2019 Final	175746	13 <sup>th</sup> August, 2019	26 <sup>th</sup> August, 2019	25 <sup>th</sup> August, 2026

#### Transfer of Shares to IEPF

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read alongwith the Investor Education and Protection Fund Authority (Accounting Audit, Transfer and Refund) Rules, 2016 ("The Rules") notified by the Ministry of Corporate Affairs, New Delhi, transfer of all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years was made to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, individual communication was sent to those shareholders whose shares were liable to be transferred to IEPF under the said Rules at their latest available address alongwith the notice in the newspaper and thereafter the shares were transferred in 2018.

#### q) Investors Safeguards:

##### ➤ Dematerialization of Shares and Liquidity

Shareholders are requested to convert their physical holding to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

##### ➤ Update Address Details and Bank Details To receive all communications/corporate actions promptly, shareholders holding shares

in dematerialized form are requested to please update their address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

##### ➤ National Electronic Clearing Service (NECS) / Electronic Clearing Services (ECS) mandate for Dividend

NECS/ECS facility ensures timely remittance of dividend without possible loss/delay in postal transit. Shareholders/Members holding shares in electronic form may register their NECS/ ECS details with the respective DPs and Shareholders/Members holding shares in physical form may register their NECS/ECS details with the Registrars and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd., 5<sup>th</sup> Floor, 23, R.N. Mukherjee Road, Kolkata – 700 001 to receive dividends, if declared, via the NECS / ECS mode.

##### • Register Nomination(s)

Members holding shares in physical form are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/ submit the prescribed Form 2B from/with the Registrars & Share Transfer Agents. Members holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

##### • Register E mail Address

As you all may be aware, Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance by issuing Circulars 17/2011 and 18/2011 dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011, whereby Companies are permitted to send Notices/documents including Annual Report comprising Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc. in electronic mode (hereinafter referred to as 'documents'), provided the Company has obtained email addresses of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email address

and changes therein from time to time with the Company. Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email address along with details such as name, address, folio no., no. of shares held to the Registrars and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. In respect of shares held in electronic form, the email address along with DP ID/ Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective Depository Participants. Upon registration of the email address, the Company proposes to send notices and documents, in electronic form, to such shareholders.

- a) Outstanding GDRs /ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: 34.50 Lakhs warrants allotted on 21-04-2023 are outstanding for conversion into equivalent no. of equity shares upto 20-10-2024, on payment of balance allotment money of ₹ 60.00 per warrant.
- c) Total fees paid to statutory auditor for all services rendered on consolidated basis by listed entity and its subsidiaries

Particulars	Total Fees (₹ in Lakhs)
Statutory Audit Fees	12.60
Taxation Matters	5.25
Other Matters	12.40
Reimbursement of Expenses	0.52

- d) Plant Location : Kilburn Engineering Limited  
Plot No. 6, MIDC Industrial Area, Kalyan Bhiwandi Road, Saravali, Thane 421 311, Maharashtra.
- e) Address for Correspondence : Registered Office Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001.  
Tel. No. : 033 22313337/3450  
Fax No. : 033 22314768  
E-mail: cs@kilburnengg.com

#### Corporate Office

Plot No. 6, MIDC Industrial Area, Kalyan Bhiwandi Road, Saravali, Thane 421 311, Maharashtra.  
Phone: 91 2522 663800  
Fax: 91 2522 281026  
E-mail: cs@kilburnengg.com

#### Registrars & Transfer Agents

M/s Maheshwari Datamatics Pvt. Ltd., 5<sup>th</sup> Floor, 23, R.N. Mukherjee Road, Kolkata – 700 001.  
Tel No.: (033) 2243 5809 / 5029; 2248 2248  
Fax No.: (033) 2248 4787  
E-mail: mdpldc@yahoo.com

**For and on behalf of the Board**

**Ranjit Pamo Lala**  
Managing Director  
(DIN: 07266678)

Place : Kolkata  
Date : 4<sup>th</sup> August, 2023

## ANNEXURE - III

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**KILBURN ENGINEERING LTD**

I have examined all the relevant records of Kilburn Engineering Ltd ('the Company') for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31<sup>st</sup> March, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the said Listing regulations.

I 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 **Nitin S. Sharma & Associates**

UDIN: F008518E000743593

**Nitin Sharma**

Practising Company Secretary  
CP 8518; FCS 9761

Place: Mumbai  
Date: 4<sup>th</sup> August, 2023

**DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT**

I, Ranjit Pamo Lala, Managing Director of the Company do hereby give this declaration pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has laid down code of conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e., www.kilburnengg.com. All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended 31<sup>st</sup> March, 2023.

**For and on behalf of the Board**

**Ranjit Pamo Lala**  
Managing Director  
(DIN : 07266678)

Place : Kolkata  
Date : 4<sup>th</sup> August, 2023

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
**Kilburn Engineering Ltd.**,  
4, Mangoe Lane, Kolkata, WB - 700001.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kilburn Engineering Ltd** having CIN: **L24232WB1987PLC042956** and having registered office at 4, Mangoe Lane, Kolkata, West Bengal - 700001, India (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (**DIN**) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities.

Sr. No.	Names of Director	DIN	Date of appointment
1.	Ranjit Pamo Lala <sup>1</sup>	07266678	15/05/2022
2.	Anil Somshekar Karnad	07551892	01/12/2021
3.	Aditya Khaitan	00023788	31/03/2015
4.	Amritanshu Khaitan	00213413	27/05/2005
5.	Amitav Roychoudhury	08501895	29/05/2019
6.	Mahesh Shah	00405556	06/08/2019
7.	Arundhuti Dhar <sup>2</sup>	03197285	06/08/2019
8.	Navin Nayar	00136057	21/04/2021
9.	Manmohan Singh	00699314	21/04/2021
10.	Vasumitra Sharma	09177255	29/06/2021
11.	Shourya Sengupta	09216561	29/06/2021
12.	Priya Saran Chaudhri <sup>3</sup>	00704863	03/11/2022

## Note:

<sup>1</sup>Mr. Ranjit Pamo Lala appointed as an Additional Director in Executive Director Category w.e.f. May 15, 2022 and was regularised as a Managing Director in Executive Director Category through resolution passed by way of postal ballot on August 12, 2022.

<sup>2</sup>Ms. Arundhuti Dhar Ceased to be an Independent Director of the Company due to increase in her personal commitments w.e.f. August 08, 2022.

<sup>3</sup>Ms. Priya Saran Chaudhri appointed as an Additional Director in Independent Woman Director Category w.e.f. November 03, 2022 and was regularised as a Director in Independent Woman Director Category through resolution passed by way of postal ballot on February 01, 2023.

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

For **Nitin Sharma & Associates**  
Practising Company Secretaries  
PR: 2212/2016

**Nitin Sharma**

Proprietor

M. No. F8518, C. P. No. 9761  
UDIN: F008518E000743626

Place: Mumbai  
Date: August 04, 2023

## ANNEXURE – IV

## ANNUAL REPORT ON CSR ACTIVITIES

## 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

The Company's Corporate Social Responsibility (CSR) Policy encompasses the Company's philosophy for delineating its responsibility as a Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large. In alignment with the vision of the Company, KEL, through its CSR initiatives, strives to create and enhance value in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth and development and welfare for the society and community at large, more specifically for the deprived and underprivileged persons.

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for the Company to undertake and fulfil its Corporate Social Responsibility. The Policy functions as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms. In brief, the Policy provides inter alia, the following:

- a. CSR Activities identified are related to the activities included in the Companies Act, 2013 (the Act) and the Companies (CSR Policy Rules) 2014 and exclude the activities undertaken in the normal course of business as well as exclude projects or programmes or activities that benefit only the employees of the Company and their families.
- b. CSR Activities may be through a registered Trust or a registered society or a Company established under section 8 of the Act, subject to provisions in the Act and the CSR Rules.
- c. The Company may also collaborate with other Companies for undertaking projects or programmes for CSR activities in such manner as provided.
- d. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities but does not include any expenditure on an item not in conformity with the CSR Policy.
- e. CSR expenditure of at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of CSR Policy.
- f. CSR expenditure excludes any amount contributed, directly or indirectly to any political party u/s 182 of the Act.
- g. Any surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.

Being aware of its CSR, the Company continues to be associated with a unique sustainable initiative- purpose of eradication of hunger and poverty and promotion of education, special education for differently abled, promotion of sports and education for rural development, details of which are provided below

The Policy is available on the Company's website at <http://www.kilburnengg.com/company-policy- main/>

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship		Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
		Designation	Nature of Directorship		
1	Mr. Amritanshu Khaitan	Chairman	Non- executive Independent Director	One	One
2	Mr. Shourya Sengupta	Member	Non- executive Independent Director	One	One
3	Mr. Amitav Roy Choudhury	Member	Non- executive Independent Director	One	One

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<http://www.kilburnengg.com/company-policy-main/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135. ₹ 269.48 Lakhs  
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135. ₹ 5.39 Lakhs  
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.  
 (d) Amount required to be set-off for the financial year, if any. ₹ 3.19 Lakhs  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. ₹ 2.20\* Lakhs

\*The Company was obligated to spend ₹ 5.39 Lakhs towards its CSR Activities for the financial year 2022-23. However, during the year the Company was eligible to set-off ₹ 3.19 (excess spent in the financial year 2021-22). After Consideration of aforesaid set-off, the Company was obligated to spend on CSR Activities, the Company has spent amount of RS 10 Lakhs during the financial year 2022-23 and thus is eligible to set-off ₹ 7.80 Lakhs towards its CSR Obligations for the financial year 2023-24.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 10 Lakhs  
 (b) Amount spent in Administrative Overheads. Nil  
 (c) Amount spent on Impact Assessment, if applicable. Nil  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 10 Lakhs  
 (e) CSR amount spent or unspent for the Financial Year:

Amount Unspent (in ₹)					
Total Amount Spent for the Financial Year. (in ₹)	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
10 Lakhs	NA	NA	NA	NA	NA

- f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	2.20
(ii)	Total amount spent for the Financial Year	10.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	7.80
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	7.80

- 7 a) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (₹ in Lakhs).	Amount spent in the current financial Year (₹ in Lakhs).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs).	Mode of implementation-Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.						Name	CSR Registration number.
NA												

b)

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent (₹ in Lakhs).	Mode of implementation-Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR Registration number.
1.	Free food distribution to underprivileged people	Schedule VII Item (i)	(i) Local Area (ii) Howrah, Hooghly and Kolkata, where the Company has its regd. Office	West Bengal	Howrah, Hooghly and Kolkata	10.00	Yes Through MCKS Foundation		
<b>TOTAL</b>						<b>10.00</b>			

- c) Amount spent in Administrative Overheads: NA

- d) Amount spent on Impact Assessment, if applicable: NA

- e) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 10 Lakhs

- f) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years :

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Not Applicable								

- g) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No

If Yes, enter the number of Capital assets created/ acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	2	3	4	5	5	6	7
NA							

h) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. Not Applicable

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
NA							

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹).	Status of the project - Completed /Ongoing.
NA								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

a) Date of creation or acquisition of the capital asset(s).

b) Amount of CSR spent for creation or acquisition of capital asset.

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). :Not Applicable

Sd/-

**Ranjit Pamo Lala**

Managing Director

(DIN – 07266678)

Sd/-

**Amritanshu Khaitan**

(Chairman CSR Committee)

(DIN – 00213413)

Date: 4<sup>th</sup> August, 2023

Place: Kolkata

## ANNEXURE – V

## REMUNERATION POLICY

The Remuneration Policy of Kilburn Engineering Ltd (the “Company”) is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company’s objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to the Company’s senior management, including its Key Managerial Persons (KMPs) and Board of Directors

### GUIDING PRINCIPLES

The Guiding Principle is that the remuneration and other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.

The Remuneration Policy for executives reflects the overriding remuneration philosophy and principles of the Kilburn. When determining the remuneration policy and arrangements for Whole time Directors / KMPs, the Nomination and Remuneration Committee, constituted in accordance with Section 178 of the Companies Act, 2013, considers parity with peers and employment conditions elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Nomination and Remuneration Committee while considering a remuneration package must ensure a direct relationship with the Key Result Areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the company and its goals.

The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The Remuneration policy is guided by a common reward framework and set of principles and objectives as envisaged under section 178 of the Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 inter-alia principles pertaining to determining qualifications, positive

attributes and independence of the Directors, integrity, etc. The main objectives are –

**Attract and retain:** Remuneration packages are designed to attract high-calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

**Motivate and reward:** Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful short and long-term targets.

**The principal terms of non-monetary benefits:** The Executives will also be entitled to customary non- monetary benefits such as Company Cars, Telephones/ Mobiles, Health care facilities, etc. In addition thereto, in specific cases, particularly at the Unit levels, company may also provide housing and other benefits.

### EXECUTIVE REMUNERATION – SENIOR MANAGEMENT

Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors and further by the shareholders and central Government as per legal requirements. Executive remuneration is evaluated annually against performance and a benchmark of international companies, which are similar to Kilburn in size and complexity.

Benchmarking is done with the help of reports generated by/through internationally recognized compensation service consultancies. In determining remuneration packages, the Committee may consult with the Chairman/ Managing Director and Independent Directors as well, as appropriate. Total remuneration shall include of following:

- **A fixed base salary**, set at a level aimed at attracting and retaining executives with professional and personal competencies required to drive the Company’s performance.
- **Other allowances / incentives**, based on the work profile / achievement of individuals as per business targets, duly approved by the Managing Director.
- **Pension / ESI contributions**, made in accordance with applicable laws and employment agreements.
- **Loyalty / Belongness to Company**, to be achieved by aligning the rewards and recognitions for longer

association of the employees with the organization and encouraging Referrals as one of the sources of recruitment to strengthen the company work- force. Necessary steps to be taken to introduce it in the Company.

- **Working Atmosphere at the workplace,** company committed to provide good working atmosphere conducive to efficient and effective functioning of the employees with excellent culture and good inter-personal relationship within the organization as well as with external business associates.
- **Female employees,** HR policy of the company gives fair chance to males as well as females in employment and prefers to maintain the reasonable balance. It also provides requisite protection to female employees through effective implementation of HR Policies to safeguard against Sexual Harassment, etc.

Severance payments in accordance with termination clauses in employment agreements. Severance payments shall comply with the legal framework.

#### DISCLOSURE OF INFORMATION

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of

Management and senior management may be disclosed in the Company's annual financial statements. This includes any

deferred payments and extraordinary contracts during the preceding financial year.

#### APPROVAL OF THE REMUNERATION POLICY

This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.

The Remuneration Policy is binding for the Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board and shall be modified /revised with the consent of the Nomination and Remuneration committee and Board of Directors of the company from time to time as may be required. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

#### DISSEMINATION

The Company's Remuneration Policy shall be published on its website.

**Amitav Roy Choudhury**

Chairman  
(DIN: 08501895)

Date: 4<sup>th</sup> August, 2023

Place: Kolkata

## ANNEXURE – VI

## FORM NO MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To  
The Members,  
**KILBURN ENGINEERING LIMITED**  
4, Mangoe Lane, Kolkata, WB - 700001.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KILBURN ENGINEERING LTD** (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, the explanations and clarifications given to us and the representations made by the Management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2023** generally 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 maintained by the Company for the financial year ended **March 31, 2023** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- 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 and Sweat Equity) Regulations, 2021; **Not Applicable to the Company during the period under review;**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not Applicable to the Company during the period under review;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable to the Company during the period under review**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable to the Company during the period under review**
- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has informed that there are no laws which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses / regulations of the followings:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### Observations:

- i. The listed entity has generally complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to the following observations:

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practising Company Secretary
1	Regulation 23 (9) of SEBI (LODR) Regulation, 2015	Not submitted within the timeline	The Company has submitted the Related Party Transactions Statement in pdf and Xbrl format for the year ended March 31, 2022 with the Stock Exchanges on June 08, 2022 and accordingly the Company has paid the fine levied by the BSE amounting to ₹ 76,700/- for delayed filing.
2.	Regulation 32 (1) of the SEBI (LODR) Regulation, 2015	Not submitted within the timeline	The Company has submitted the Statement of Deviation or Variation in xbrl and pdf format for the quarter ended March 31, 2022 and December 31, 2022 with the Stock Exchanges on April 27, 2023 and May 29, 2023 respectively. Further, there is no deviation or variation in the use of funds raised through Preferential Issue of Shares and Convertible Warrants from the objects stated in the Explanatory Statement to the Notice of Extra Ordinary General Meeting of the Company dated February 15, 2022.

- ii. The following are the details of actions taken against the listed entity by the Stock Exchange (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

Sr. No.	Action taken by Stock Exchange	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practising Company Secretary, if any.
1.	Notice of BSE dated July 14, 2022 for the delayed Submission of Related Party Transactions Statement in pdf and XBRL format for the year ended March 31, 2022 with the Stock Exchanges	Delayed submission of Related Party Transactions Statement in pdf and XBRL format for the year ended March 31, 2022	Imposed a fine of ₹ 5,000/day for delay submission of the Related Party Transactions Statement in pdf and XBRL format on consolidated basis for the year ended March 31, 2022. The total fine amount was ₹ 65,000/- + 18% GST aggregating to ₹ 76,700/-.	The Company has filed the statement and paid the fine levied by the BSE.

Sr. No.	Action taken by Stock Exchange	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practising Company Secretary, if any.
2.	The BSE vide its email dated April 19, 2023 advised the Company to submit the Statement of Deviation(s) or Variation(s) in pdf and/or XBRL format for the quarter ended March 31, 2022 and December 31, 2022	Delayed submission of Statement of Deviation(s) or Variation(s) in pdf and/or XBRL format for the quarter ended March 31, 2022 and December 31, 2022	The BSE vide its e-mail dated April 19, 2023 advised the Company to submit the Statement of Deviation(s) or Variation(s) in pdf and/or XBRL format	The Company has filed the Statement of Deviation(s) or Variation(s) in pdf and/or XBRL format with the BSE.

#### I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman 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, 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 operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The following event has occurred during the year which has a major bearing on the company's affairs in pursuance of the Laws, Rules, Regulations, Guidelines Standards etc. referred to above.

- The Authorised Share Capital of the Company has been altered by re-classifying unissued 1,00,00,000 Redeemable Preference Shares of ₹ 10/- each to 1,00,00,000 equity shares of ₹ 10/- each.
- The Company has redeemed the remaining 1,55,00,000 Preference Shares of ₹ 10/- each aggregating to ₹ 15,50,00,000/-.

- The Company has allotted by way of Preferential Issue 15,00,000 Equity Shares at an issue price of ₹ 34.00/- each upon conversion of equivalent number of warrants on receipt of entire issue price in terms of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the same are listed with Stock Exchange.
- The Company has obtained approval of members by way of Special Resolution for Issue and Allotment of 5,50,000 Equity Shares at an issue price of ₹ 80.00/- aggregating to ₹ 4,40,00,000/- on preferential basis under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- The Company has obtained approval of members by way of Special Resolution for Issue and Allotment of 34,50,000 Convertible Warrants at an issue price of ₹ 80.00/- aggregating to ₹ 27,60,00,000/- on preferential basis under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

For **Nitin Sharma & Associates**  
Practising Company Secretaries  
PR: 2212/2016

**Nitin Sharma**  
Proprietor

Place: Mumbai  
Date: August 04, 2023

M. No. F8518, C. P. No. 9761  
UDIN: F008518E000743626

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

**ANNEXURE - I**

(To the Secretarial Audit Report)

To,  
The Members,

**KILBURN ENGINEERING LIMITED**

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

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- 2) We have followed the audit practices and processes as 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 the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Nitin Sharma & Associates**  
Practising Company Secretaries  
PR: 2212/2016

**Nitin Sharma**  
Proprietor

M. No. F8518, C. P. No. 9761  
UDIN: F008518E000743626

Place: Mumbai  
Date: 4<sup>th</sup> August, 2023

**ANNEXURE - VII****INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2023 .****A. CONSERVATION OF ENERGY-****a) steps taken or impact on conservation of energy:**

- i. Purchase of 28 nos. inverter based welding machines to reduce the consumption of energy by replacement of conventional welding machines.
- ii. Active monitoring of utilization of energy to reduce wastage.

**b) Steps taken by company for utilizing alternate sources of energy: Nil****c) Capital investment on energy conservation equipments :**

₹ 22 Lakhs were invested in inverter based welding machines.

**I) TECHNOLOGY ABSORPTION****Utilization of waste heat in Carbon Black dryer**

Developed process in CB dryer to utilize the waste heat going to chimney by adding external snorkel and with that adding flue gas back to dryer to heat the Carbon Black there by utilising waste heat.

**Developed technology for roasting of vanadium based raw material.**

Heat from exhaust gases from kiln is recovered in waste heat boiler.

We are in the process of developing dryer for API application in pharmaceutical industry.

**II) BENEFITS DERIVED**

This has resulted in reduction in gas consumption.

**III) INFORMATION RELATED TO IMPORTED TECHNOLOGY (Three years)**

- a) Technology from M/s Carrier Vibrating system for heavy duty vibratory fluid bed dryer has been fully utilized for supply of large size fluid bed dryer.

- b) Whether the technology been fully absorbed - Yes

**IV) BENEFIT FROM IMPORTED TECHNOLOGY.**

Improvement in equipment performance and product quality

**B. EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT:****Expenditure on R&D:**

- a) Capital - Nil
- b) Recurring ₹ 12.86 Lakhs
- c) Total ₹ 12.86 Lakhs
- d) Total R&D expenditure as a 0.06 percentage of total turnover

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans:

The Company's executives regularly interacted with prospective customers overseas. The Company also actively participated in international trade fairs to explore available opportunities.

- b) Total foreign exchange used and earned: Total foreign exchange used - ₹ 1405.69 Lakhs  
Total foreign exchange earned - ₹ 3272.46 Lakhs

**For and on behalf of the Board**

**Manmohan Singh**

Chairman

(DIN : 00699314)

Place : Kolkata

Date : 4<sup>th</sup> August, 2023

## ANNEXURE - VIII

## FORM NO. AOC-2

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms- length transactions under third proviso thereto**

(Pursuant to Section 134 (3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**1. Details of contract or arrangements or transactions at arm's length basis during the year ended 31st March 2023 :**

The Omnibus approval was given by Audit Committee and Board in the meeting held on 11<sup>th</sup> May, 2022.

Name of Party	Relationship	Nature of transaction and date of approval of audit committee	Date / Duration	Salient terms including value (₹ Lakhs)
Mrs. Isha Khaitan	Spouse of Director (Mr. Amritanshu Khaitan)	Payment of Salary	April 1, 2022 to March 31, 2023	27
Mrs. Yashodhara Khaitan	Mother of Director (Mr. Amritanshu Khaitan)	Payment of consultancy fees	April 1, 2022 to March 31, 2023	27

There were no material contracts or arrangements or transactions entered into by the Company with related parties which may have a potential conflict with the interests of the Company at large. Disclosure of other Directors' remuneration has been made in the Directors Report.

**For and on behalf of the Board**

**Manmohan Singh**  
Chairman  
(DIN : 00699314)

Place : Kolkata  
Date : 4<sup>th</sup> August, 2023

## ANNEXURE - IX

## REMUNERATION AND OTHER SPECIFIED PARTICULARS OF EMPLOYEES

Information pursuant to Section 197(12) of the Companies Act, 2013 (the Act) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each director to the median remuneration of the employees and other details in terms of Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of

Sr. no.	Requirements	Disclosure
1.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	<p><b>Managing Director</b></p> <p>Mr. Ranjit Pamo Lala 25.59 : 1</p> <p><b>Whole Time Director</b></p> <p>Mr. Anil S. Karnad 21.51 : 1</p> <p><b>Non Executive Directors</b></p> <p>Mr. Manmohan Singh 0.37 : 1</p> <p>Mr. Aditya Khaitan 0.34 : 1</p> <p>Mr. Amritanshu Khaitan 0.46 : 1</p> <p>Mr. Amitav Roy Choudhury 0.67 : 1</p> <p>Mr. Mahesh Shah 0.75 : 1</p> <p>Mr. Navin Nayar 0.38 : 1</p> <p>Mr. Vasumitra Sharma 0.34 : 1</p> <p>Ms. Arundhuti Dhar 0.18 : 1</p> <p>Mr. Shourya Sengupta 0.46 : 1</p> <p>Ms. Priya Saran Chaudhri 0.18 : 1</p>
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	M.D. - Nil, W.T.D. - Nil, CFO - 50%, CS - 16% (as compared to FY: 2021-22)
3	The percentage increase in the median remuneration of employees in the financial year	There was 10% increase in the median remuneration of employees during 2022-23.
4	The number of permanent employees on the rolls of the Company	262 employees were on the rolls of company as on March 31, 2023.
5	The explanation on the relationship between average increase in remuneration and Company performance	During 2022-23, Net Profit (PAT) of Company is 13.61 % (approx.) as compared to the Net Profit of 1.26% for the Company during 2021-22.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	There was 12 % increase in remuneration of managerial personnel and wages of workmen increased by 10% as per agreement with workmen. Total remuneration of Key Managerial Personnel is 5.50% of the Profit before Tax for the year 2022 - 23.
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The Market capitalization of the Company has increased from ₹ 171.03 Crores as on March 31, 2022 to ₹ 337.61 Crores as of March 31, 2023. Over the same period, the price to earnings ratio moved from 92.30. to 10.89. The stock price of the Company as at March 31, 2023 has increased by 177.29% to ₹ 94.28 over the last offering of equivalent equity shares of ₹ 10/- each on preferential allotment basis in March, 2022 at an issue price of ₹ 34/- share.

Sr. no.	Requirements	Disclosure
8	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 in the managerial remuneration and justification thereof.	There was approx. 10% increase in the salary of workmen and 12% increase in the remuneration of managerial personnel during the year 2022-23.
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Remuneration of Key Managerial Personnel was 5.50% of the Total Profit before Tax for the year 2022 -23. MD (2.42%), WTD (2.03%), CFO (0.64%) and CS (0.42%)
10	The key parameters for any variable component of remuneration availed by the directors.	Variable component of executive directors is based on Company's performance during the year
11	The ratio of the remuneration of the highest paid directors to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	No employee in the company is paid remuneration higher than the Managing Director
12	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, affirmed

**For and on behalf of the Board**

**Manmohan Singh**  
Chairman  
(DIN : 00699314)

Place : Kolkata  
Date : 4<sup>th</sup> August, 2023

# INDEPENDENT AUDITOR'S REPORT

To the Members of KILBURN ENGINEERING LIMITED

## Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS Financial Statements of Kilburn Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, and its profit (including other comprehensive income), the changes in Equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the 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 Ind AS Financial Statements.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended 31<sup>st</sup> March, 2023. These matters were addressed in the context of our audit of the Ind AS 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 matter described below to be the key audit matters to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Ind AS Financial Statements.

Key Audit Matters	Auditor's Response
<p><b>Revenue recognition from design, construction and commissioning contracts with customer</b> (as described in Note 42 to the accompanying Ind AS Financial Statements)</p> <p>The Company's significant portion of business is from design, construction and commissioning contracts with customer. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers.</p>	<p>Our audit procedures included the following, among others:</p> <ul style="list-style-type: none"> <li>➤ We tested the effectiveness of controls relating to (1) recording of costs incurred and estimation of costs required to complete the remaining contract performance obligations and (2) evaluated the design and operative effectiveness of the financial controls;</li> <li>➤ We selected a sample of fixed price contracts with customers accounted using percentage of completion method and performed the following:</li> </ul>

Key Audit Matters	Auditor's Response
<p>Due to the nature of the contracts, revenue is accounted over a period of time (using input method) which involves significant judgments and estimates including:</p> <ul style="list-style-type: none"> <li>➤ Identification of contractual obligations and the Company's rights to receive payments for performance completed till date,</li> <li>➤ Changes in scope and consequential revised contract price including provision of liquidated damages and recognition of the liability for loss making contracts/onerous obligations,</li> <li>➤ Estimation of total contract costs to be incurred.</li> </ul> <p>Revenue and profits may deviate significantly on account of change in judgements and estimates. Accordingly, revenue recognition for contracts is considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>a) Compared costs incurred with Company's estimate of costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs to complete the contract.</li> <li>b) Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs to complete the remaining performance obligations.</li> <li>c) We evaluated the revenue recognized over a period of time, status of the project and of contractual obligation, total cost estimates and re-calculated the arithmetic accuracy of the same.</li> </ul> <p>Based on the audit procedures performed, we did not identify any material exceptions in the revenue recognition.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's information, but does not include the Ind AS Financial Statements and our Auditor's Report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position and financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

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

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

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

### Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Financial Statements.

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

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

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 Ind AS Financial Statements for the financial year ended 31<sup>st</sup> March, 2023 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness

of such controls, refer to our separate Report in “Annexure 2” to this Report.

- (g) in our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2023 has been paid/ provided by the Company to the directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on the financial position in the Ind AS Financial Statements – Refer Note 34 to the Ind AS Financial Statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, during the year;
  - (b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entities, including foreign entities (“Funding

Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, during the year; and

- (c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph 2(h) (iv)(a) &(b) above, contain any material mis-statement.

- v. The Company has declared and paid dividend on Cumulative Redeemable Preference Shares during the year in compliance with Section 123 of the Act.

As disclosed in Note 31B to the Financial Statements, the Board of Directors of the Company have proposed Final Dividend for the financial year ended 31<sup>st</sup> March, 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 1<sup>st</sup> April, 2023. Accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

For **V. Singhi & Associates**  
Chartered Accountants  
Firm Registration No.: 311017E

**(Sampat Lal Singhvi)**  
Partner

Place: Kolkata  
Date: 9<sup>th</sup> May, 2023

Membership No.: 083300  
UDIN: 23083300BGWJPV6912

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF KILBURN ENGINEERING LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2023.**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of business, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including Right of use assets.
- (B) The Company has maintained proper records showing full particulars of Intangibles Assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such physical verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company. In respect of immovable properties of land and building that have been taken on lease and disclosed under Right of Use asset under Note 3 to the Financial Statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or Intangible Assets during the year ended 31<sup>st</sup> March, 2023.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company as at the balance sheet date for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) to (d) and (f) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(d) and (f) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us and based on our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- (iv) In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees, and security made /provided by the Company during the year in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the Rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, related to the manufacture or service of Process Equipment and Tea Dryer, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determine whether the same are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory

dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs and other statutory dues applicable.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Provident Fund, Employees' State Insurance, Goods and Service Tax, Duty of Customs, duty of excise and cess which have not been deposited on account of any dispute. The particulars of statutory dues on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (in ₹ lakhs) – net of amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Dues	8.67	AY 2009-10	Assessing Officer
Income Tax Act, 1961	Income Tax Dues	14.14	AY 2010-11	Assessing Officer
Income Tax Act, 1961	Income Tax Dues	125.79	AY 2011-12	Assessing Officer
Income Tax Act, 1961	Income Tax Dues	42.28	AY 2017-18	Assessing Officer

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not raised any term loans during the year.
- (d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company during the year.
- (e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds during the year from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013, during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to information and explanations given to us and on overall examination of the balance sheet, the Company has made preferential allotment on private placement basis of Equity Shares (warrants converted) during the year under review. We report that the applicable requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Therefore, the requirement to report on clause 3(xii)(a) (b) & (c) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, reporting under clause 3(xvi) (a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amount that are required to be transferred to a fund specified in Schedule VII to the Act, in compliance with second proviso to sub-section (5) of section 135 of the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no unspent amount in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.
- (xxi) The Company is not required to prepare Consolidated Financial Statements. Accordingly, requirement to report on clause 3 (xxi) of the Order is not applicable to the Company.

For **V. Singhi & Associates**  
Chartered Accountants  
Firm Registration No.: 311017E

**(Sampat Lal Singhvi)**  
Partner

Place: Kolkata  
Date: 9<sup>th</sup> May, 2023

Membership No.: 083300  
UDIN: 23083300BGWJVP6912

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF KILBURN ENGINEERING LIMITED

### Report on the Internal Financial Controls with reference to the accompanying Ind AS Financial Statements under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of Kilburn Engineering Limited ("the Company") as of 31<sup>st</sup> March, 2023, in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS Financial Statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 with reference to these Ind AS Financial Statements were established and maintained and whether 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 with reference to these Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls

with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to these Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to these Ind AS Financial Statements.

#### Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

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

#### Inherent Limitations of Internal Financial Controls with Reference to these Ind AS Financial Statements

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

that the internal financial control over financial reporting with reference to these Ind AS Financial Statements 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, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS Financial Statements and such internal financial controls over financial reporting with reference to Ind AS Financial Statements were operating effectively as of 31<sup>st</sup> March, 2023, 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 **V. Singhi & Associates**

Chartered Accountants  
Firm Registration No.: 311017E

**(Sampat Lal Singhvi)**

Partner

Place: Kolkata  
Date: 9<sup>th</sup> May, 2023

Membership No.: 083300  
UDIN: 23083300BGWJPV6912

# BALANCE SHEET

as at 31<sup>st</sup> March, 2023

₹ in lacs

Particulars	Notes	As at	
		31st March, 2023	31st March, 2022
<b>A. Assets</b>			
<b>1. Non-current Assets</b>			
Property, Plant and Equipment	3	4,290.71	4,154.59
Capital Work-in-Progress	3	69.60	-
Intangible Assets	4	23.42	6.83
Financial Assets			
- Investments	5a	823.05	967.44
- Loans	5b	-	-
- Other Financial Assets	5c	302.48	26.15
Income Tax Assets (net)	9	358.20	268.22
Deferred Tax Assets (net)	21	2,439.54	3,302.69
Other Non-Current Assets	10	49.07	49.07
<b>Total Non-current Assets</b>		<b>8,356.07</b>	<b>8,774.99</b>
<b>2. Current Assets</b>			
Inventories	11	2,837.42	1,026.78
Financial Assets			
- Trade Receivables	6	4,426.03	5,045.78
- Cash and Cash Equivalents	7	87.54	709.92
- Bank Balance other than included in Cash and Cash Equivalents above	8	1,466.46	939.39
- Other Financial Assets	5c	54.36	37.70
- Contract Assets	5d	7,712.03	5,692.89
Other Current Assets	12	1,284.17	1,071.47
<b>Total Current Assets</b>		<b>17,868.01</b>	<b>14,523.93</b>
<b>Total Assets</b>		<b>26,224.08</b>	<b>23,298.92</b>
<b>B. Equity and Liabilities</b>			
<b>1. Equity</b>			
Equity Share Capital	13	3,580.86	3,430.86
Other Equity	14	6,968.88	3,913.59
<b>Total Equity</b>		<b>10,549.74</b>	<b>7,344.45</b>
<b>2. Non-current Liabilities</b>			
Financial Liabilities			
- Borrowings	15	5,315.18	6,145.47
- Other Financial Liabilities	17	-	1,173.02
<b>Total Non-Current Liabilities</b>		<b>5,315.18</b>	<b>7,318.49</b>
<b>3. Current Liabilities</b>			
Financial Liabilities			
- Borrowings	15	1,104.31	1,470.98
- Trade Payables	16		
a) Total Outstanding dues of Micro Enterprises and Small Enterprises		67.78	54.67
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,477.16	2,466.16
- Other Financial Liabilities	17	20.43	28.91
Provisions	18	116.00	59.13
Contract Liabilities	19	6,254.83	4,279.11
Other Current Liabilities	20	318.65	277.02
<b>Total Current Liabilities</b>		<b>10,359.16</b>	<b>8,635.98</b>
<b>Total Equity and Liabilities</b>		<b>26,224.08</b>	<b>23,298.92</b>

Significant Accounting Policies 1 & 2

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date  
For **V. Singhi & Associates**  
Chartered Accountants  
Firm Registration No.: 311017E

For and on behalf of the Board of Directors of  
**Kilburn Engineering Limited**

(Sampat Lal Singh)  
Partner  
Membership No.: 083300

(Manmohan Singh)  
Director  
DIN : 00699314

(Ranjit Lala)  
Managing Director  
DIN : 07266678

Place : Kolkata  
Date : 9<sup>th</sup> May, 2023

(Sachin Vijayakar)  
Chief Financial Officer

(Arvind Kumar Bajoria)  
Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2023

₹ in lacs

Particulars	Notes	Year ended	Year ended
		31st March 2023	31st March 2022
<b>Income</b>			
Revenue from Operations	22	22,153.28	12,275.36
Other Income	23	1,465.63	164.77
<b>Total Income (I)</b>		<b>23,618.91</b>	<b>12,440.13</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	12,788.94	6,473.02
Subcontracting Charges	25	1,689.30	1,068.78
Changes in inventories of Finished Goods and Work-in-progress	26	(542.67)	(207.92)
Employee Benefit Expenses	27	1,878.89	1,442.04
Finance Costs	28	791.58	877.74
Depreciation and Amortisation Expenses	29	265.00	279.47
Other Expenses	30	2,871.33	2,203.38
<b>Total Expenses (II)</b>		<b>19,742.37</b>	<b>12,136.51</b>
<b>Profit / (Loss) before Exceptional Items and Tax III (I-II)</b>		<b>3,876.54</b>	<b>303.62</b>
<b>Profit / (Loss) before Tax (III-IV)</b>		<b>3,876.54</b>	<b>303.62</b>
<b>Tax Expenses</b>			
Current Tax	21	-	-
Tax for Earlier Years		-	24.24
Deferred Tax Expense /(Income)		863.15	124.33
<b>Total Tax Expense</b>		<b>863.15</b>	<b>148.57</b>
<b>Profit/(Loss) for the year</b>		<b>3,013.39</b>	<b>155.05</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement Gains / (Losses) on defined benefit plan		(64.01)	(11.29)
Income Tax charge / (credit) on above	21	(17.81)	(3.14)
Net Gain/(Loss) on equity instruments at Fair Value through Other Comprehensive Income		(144.39)	154.10
Income Tax charge / (credit) on above	21	-	-
<b>Net Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods</b>		<b>(190.59)</b>	<b>145.95</b>
<b>Items that will be reclassified to Profit or Loss</b>			
Net gain/(loss) on cash flow hedges		-	-
Income tax charge / (credit) on above	21	-	-
<b>Net Other Comprehensive Income to be reclassified to Profit or Loss in subsequent periods</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(190.59)</b>	<b>145.95</b>
<b>Total Comprehensive Income for the year, net of tax</b>		<b>2,822.80</b>	<b>301.00</b>
<b>Earnings Per Share</b>			
Basic Earnings Per Share (₹)	31A	8.66	0.54
Diluted Earnings Per Share (₹)		8.66	0.54

Significant Accounting Policies 1 & 2

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date  
For **V. Singhi & Associates**  
Chartered Accountants  
Firm Registration No.: 311017E

For and on behalf of the Board of Directors of  
**Kilburn Engineering Limited**

**(Sampat Lal Singhvi)**  
Partner  
Membership No.: 083300

**(Manmohan Singh)**  
Director  
DIN: 00699314

**(Ranjit Lala)**  
Managing Director  
DIN: 07266678

Place : Kolkata  
Date : 9<sup>th</sup> May, 2023

**(Sachin Vijayakar)**  
Chief Financial Officer

**(Arvind Kumar Bajoria)**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2023

### a. Equity Share Capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of shares	₹ in lacs
<b>As at 1st April, 2021</b>	2,82,05,768	2,820.58
Changes in Equity Share Capital during the year	61,02,826	610.28
<b>As at 31st March, 2022</b>	3,43,08,594	3,430.86
Changes in Equity Share Capital during the year	15,00,000	150.00
<b>As at 31st March, 2023</b>	<b>3,58,08,594</b>	<b>3,580.86</b>

### b. Other Equity:

For the year ended 31st March 2023

Particulars	Reserves and Surplus					Fair value through Other Comprehensive Income		Total
	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Net Gain/(Loss) on equity instruments at Fair Value through Other Comprehensive Income	Money received against share warrants	
	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	
<b>As at 1st April 2022</b>	<b>24.00</b>	<b>4,697.31</b>	<b>0.09</b>	<b>843.10</b>	<b>(1,447.98)</b>	<b>(433.42)</b>	<b>230.50</b>	<b>3,913.59</b>
Net Profit/(Loss) for the year	-	-	-	-	3,013.39	-	-	3,013.39
Conversion of Warrants into Equity Shares	-	360.00	-	-	-	-	(127.50)	232.50
Other Comprehensive Income	-	-	-	-	(46.20)	(144.39)	-	(190.60)
<b>As at 31 March 2023</b>	<b>24.00</b>	<b>5,057.31</b>	<b>0.09</b>	<b>843.10</b>	<b>1,519.21</b>	<b>(577.81)</b>	<b>103.00</b>	<b>6,968.88</b>

₹ in lacs

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2023

For the year ended 31st March 2022

₹ in lacs

Particulars	Reserves and Surplus					Fair value through Other Comprehensive Income		Total
	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Net Gain/(Loss) on equity instruments at Fair Value through Other Comprehensive Income	Money received against share warrants	
	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	
<b>As at 1st April 2021</b>	<b>24.00</b>	<b>3,266.74</b>	<b>0.09</b>	<b>843.10</b>	<b>(1,594.88)</b>	<b>(587.52)</b>	<b>-</b>	<b>1,951.52</b>
Net Profit for the year	-	-	-	-	155.05	-	-	155.05
Issue of Equity Shares	-	1,464.68	-	-	-	-	230.50	1,695.18
Transaction Cost on issue of Equity Shares	-	(34.11)	-	-	-	-	-	(34.11)
Other Comprehensive Income	-	-	-	-	(8.15)	154.10	-	145.95
<b>As at 31st March 2022</b>	<b>24.00</b>	<b>4,697.31</b>	<b>0.09</b>	<b>843.10</b>	<b>(1,447.98)</b>	<b>(433.42)</b>	<b>230.50</b>	<b>3,913.59</b>

As per our Report of even date  
For **V. Singhi & Associates**  
Chartered Accountants  
Firm Registration No.: 311017E

**(Sampat Lal Singhvi)**

Partner

Membership No.: 083300

Place : Kolkata

Date : 9<sup>th</sup> May, 2023

For and on behalf of the Board of Directors of  
**Kilburn Engineering Limited**

**(Manmohan Singh)**

Director

DIN : 00699314

**(Sachin Vijayakar)**

Chief Financial Officer

**(Ranjit Lala)**

Managing Director

DIN : 07266678

**(Arvind Kumar Bajoria)**

Company Secretary

# STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March, 2023

₹ in lacs

Particulars	For the Year ended 31st March 2023	For the Year ended 31st March 2022
<b>Cash Flows from Operating Activities :</b>		
<b>Profit /(loss) before Tax</b>	3,876.54	303.62
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows:</i>		
Depreciation and Amortisation Expense	265.00	279.47
Foreign Exchange (Gain)/Loss	14.70	2.27
Loss /(Profit) on disposal of Property, Plant and Equipment	5.82	0.86
Finance Costs	791.58	877.74
Bad debts written off	298.03	53.55
Provision for Loss Allowance	-	63.03
Liabilities / Provisions no longer required written back	(200.95)	(77.05)
Gain on early redemption of CRPS	(1,014.69)	-
Interest Income	(203.61)	(20.00)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>3,832.42</b>	<b>1,483.49</b>
<i>Working capital adjustments:</i>		
(Increase)/decrease in Contract Assets and Other Financial Assets	(2,311.69)	(1,687.25)
(Increase)/decrease in Trade Receivables	307.02	(974.42)
(Increase)/decrease in Inventories	(1,810.64)	(208.97)
(Increase)/decrease in Other Current Assets	(212.70)	(354.87)
Increase /(decrease) in Trade Payables	234.28	538.64
Increase /(decrease) in Provisions	(7.14)	(28.28)
Increase /(decrease) in Other Financial Liabilities	(8.48)	9.52
Increase /(decrease) in Contract Liabilities and Other Liabilities	2,017.35	1,133.71
<b>Cash generated from / (used in) operations</b>	<b>2,040.42</b>	<b>(86.43)</b>
Income tax paid (net of refunds)	(72.18)	(16.27)
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>1,968.24</b>	<b>(102.70)</b>
<b>Cash Flows from Investing Activities :</b>		
Proceeds from sale of Property, Plant and Equipment	0.67	64.99
Purchase of Property, Plant and Equipment	(493.80)	(31.60)
Net bank balances not considered as Cash and Cash Equivalents	(527.07)	(575.11)
Interest Income Received	203.19	23.13
<b>Net cash flows from / (used in) Investing Activities (B)</b>	<b>(817.01)</b>	<b>(518.59)</b>

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2023

₹ in lacs

Particulars	For the Year ended 31st March 2023	For the Year ended 31st March 2022
<b>Cash Flows from Financing Activities :</b>		
Finance Costs Paid	(754.13)	(859.86)
Proceeds from Issue of Equity Shares including warrants	382.50	2,306.46
Redemption of CRPS	(535.31)	-
Expenses Incurred on Issue of Securities	-	(34.11)
Repayment of Long Term Borrowings	(500.00)	(630.00)
Proceeds from Short Term Borrowings	-	300.00
Repayment of Short Term Borrowings	-	(300.00)
Increase / (decrease) in Working Capital Borrowings (net)	(164.03)	(425.67)
<b>Net cash flows from / (used in) Financing Activities (C)</b>	<b>(1,570.97)</b>	<b>355.82</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(419.74)</b>	<b>(265.47)</b>
Cash and Cash Equivalents at the beginning of the year	507.28	772.75
<b>Cash and Cash Equivalents at the end of the year</b>	<b>87.54</b>	<b>507.28</b>
<b>Components of Cash and Cash Equivalents :</b>		
Balances with banks		
- On current accounts	87.24	706.94
- Cash on hand	0.30	2.98
Less : Bank Overdraft	-	202.64
<b>Total Cash and Cash Equivalents at the end of the year</b>	<b>87.54</b>	<b>507.28</b>

## Notes:

- The Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.
- For changes in liability arising from financing activities, refer Note 7.
- Figures for Previous year have been regrouped / rearranged wherever necessary.

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date

For **V. Singhi & Associates**

Chartered Accountants

Firm Registration No.: 311017E

For and on behalf of the Board of Directors of

**Kilburn Engineering Limited**

**(Sampat Lal Singhi)**

Partner

Membership No.: 083300

**(Manmohan Singh)**

Director

DIN : 00699314

**(Ranjit Lala)**

Managing Director

DIN : 07266678

Place : Kolkata

Date : 9<sup>th</sup> May, 2023

**(Sachin Vijayakar)**

Chief Financial Officer

**(Arvind Kumar Bajoria)**

Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 1. Corporate information

Kilburn Engineering Limited (“the Company”) is primarily engaged in designing, manufacturing and commissioning customized equipment / systems for critical applications in several industrial sectors viz. Chemical including Soda Ash, Carbon Black, Steel, Nuclear Power, Petrochemical and Food Processing etc.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The Registered Office of the company is located at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001, West Bengal.

The financial statements of the Company were authorised for issue in accordance with a resolution of the board of directors on 9<sup>th</sup> May, 2023.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plan - plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

### 2.2 Summary of significant accounting policies

#### a. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### b. Foreign Currencies

The Company’s financial statements are presented in INR which is also its functional currency.

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transactions and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedge.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## c. Fair Value Measurement

The Company measures financial instruments, such as, derivative financial instruments and investments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)
- Disclosure for valuation methods, significant estimates and assumptions.

## d. Revenue Recognition

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

The specific recognition criteria described below must also be met before revenue is recognised.

### Design, construction and commissioning contracts with the customers

These contracts are for design and construction of highly customised drying equipment and range for a period of 3 to 12 months. Since, these equipment's are highly

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customised and do not have any alternative use and as per the terms as agreed in the contracts, in case the contracts get terminated during the design or construction phase, the Company will be entitled to the cost incurred till that date, plus reasonable profit margin. Thus, the Company recognises revenue for these contracts over the time in accordance with the provisions of para 35 (c) of IND AS 115.

## Variable Consideration

These contracts usually have a liquidated damages clause for delay in delivery of these equipment beyond the scheduled dates as agreed in the contracts. The Company estimates the amount to be recognised towards liquidated damages based on an analysis of accumulated historical experience. The Company includes estimated amount in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

## Supply of other drying equipment and spares

These contracts are for supply of other drying equipment and spares. These are standard equipment and spares which are manufactured and sold by the Company with a little modification as per the requirements of the customer. Revenue from these Customers are recognised when the significant risk and rewards of the ownership of goods have passed to the buyer, usually on delivery of the goods to the customer as per the inco-terms as agreed in the contracts. Revenue is measured at the fair value of consideration received or receivable net of return, trade allowances and rebates.

## Service Income

The Company recognises service income over the time based on the terms as agreed in the contracts entered into with the customers.

## Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## Interest income

For all debt instruments and inter-corporate deposits measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross

carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

## e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

## f. Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax

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credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

“Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.”

## Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- ➔ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised

as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- ➔ When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Assets are depreciated to the residual values on the straight line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

Nature of tangible asset	Useful life (years)
Factory buildings	30
Other buildings	60
Roads (RCC)	10
Roads (Non-RCC)	3
Plant & equipment	15
Furniture & fixtures	10
Vehicle	8
Electrical installations	10
Office equipment	5
Computer – Desktop, Laptops	3
Computer – Server and Networks	6

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The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between

the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## Amortisation

Software is amortized over management estimate of its useful life of 5 years on straight line basis.

## i. Leases

### Leases as Lessee (Assets taken on lease)

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

## Transition

Effected April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.

The leasehold land of the Company has been shown as Right of Use asset under note 3 'Property, plant and equipment' and depreciated over the lease term of the asset.

The other lease arrangements of the Company are for a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

## j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

## k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores & spare parts: Cost is determined on First In First Out (FIFO) basis

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the actual operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## l. Impairment of Non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## m. Provisions & contingencies

### General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Contingencies

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

- a present obligation arising from past events, when no reliable estimate is possible;
- a present obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

### Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognises impairment on the assets with the contract.

### Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

## n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts

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included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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

## o. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial assets

#### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)

- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### *Financial assets at amortised cost*

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables. For more information on receivables, refer to note 6 of the financial statements.

#### *Financial assets at fair value through profit or loss*

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### *Equity Investments*

All equity investments in scope of Ind AS109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments,

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the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum

amount of consideration that the Company could be required to repay.

### **Impairment of Financial Assets**

In accordance with Ind AS109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash (including revenue earned in excess of billing) or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- d) Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables (including revenue in excess of billing).

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with

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the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the Statement of Profit and Loss and "Other Income" in case of reversal. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and trade receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI (if any).

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## b) Financial Liabilities

### (i) Initial recognition and measurement of Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

### (ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

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

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

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

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The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## p. **Derivative financial instruments and hedge accounting**

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are

initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**(i) Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

**(ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of

a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**q. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**r. Dividend distribution**

The Company recognises a liability to make cash or non-cash distributions to its equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Dividend paid/payable are recognised in the year in which related dividends are approved by the Shareholders or Board of Directors as appropriate.

## s. Earnings per share

The Company's Earning per Share ("EPS") is determined based on the net profit attributable to the equity shareholders of the Company.

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted Earnings per share is computed using the weighted average number of common and dilutive shares outstanding during the year including share based payments, except where the result would be anti-dilutive.

## t. Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company as manufacturer of Engineering Products, which is considered to be the only reportable segment by the management. Accordingly the Company discloses only the geographical information required to be disclosed in accordance with the requirements of Ind AS 108.

## 2.3 Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as stated below. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

- a. **Ind AS 1 - Presentation of Financial Statements -**  
This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.
- b. **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -**  
This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its financial statements.
- c. **Ind AS 12 - Income Taxes -**  
This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on its financial statements.
- d. **Ind AS 107 - Financial Instruments Disclosures -**  
This amendment has made an addition which says that "Information about the measurement basis for financial instruments used in preparing the financial statements is material accounting policy information and is to be disclosed." The Company has evaluated the amendment and there is no impact on its financial statements.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 3: Property, Plant and Equipment

Particular	Right-of-Use Assets	Buildings	Plant & Equipments	Vehicles	Furniture & Fixtures	Office Equipments	Total	Capital Work-in-Progress
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
<b>Gross Block</b>								
<b>As at 1<sup>st</sup> April, 2021</b>	1,000.19	3,669.56	1,198.61	169.02	272.83	101.61	6,411.82	-
Additions	-	-	7.32	-	1.19	21.39	29.90	-
Disposals	-	-	-	(120.47)	-	(2.86)	(123.33)	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,000.19</b>	<b>3,669.56</b>	<b>1,205.93</b>	<b>48.55</b>	<b>274.02</b>	<b>120.14</b>	<b>6,318.39</b>	-
Additions	-	-	213.43	30.49	71.26	85.99	401.17	69.60
Disposals	-	-	-	-	(4.15)	(8.08)	(12.23)	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>1,000.19</b>	<b>3,669.56</b>	<b>1,419.36</b>	<b>79.04</b>	<b>341.13</b>	<b>198.05</b>	<b>6,707.33</b>	<b>69.60</b>
<b>Accumulated Depreciation and Impairment Losses</b>								
<b>As at 1<sup>st</sup> April, 2021</b>	109.30	805.56	643.17	75.64	254.65	59.42	1,947.74	-
Depreciation charge for the year	21.86	117.66	91.50	16.06	5.14	21.32	273.54	-
Disposals/Adjustments	-	-	-	(54.70)	-	(2.78)	(57.48)	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>131.16</b>	<b>923.22</b>	<b>734.67</b>	<b>37.00</b>	<b>259.79</b>	<b>77.96</b>	<b>2,163.80</b>	-
Depreciation charge for the year	21.86	117.52	83.12	5.84	4.41	25.81	258.56	-
<b>Disposals / Adjustments</b>	-	-	-	-	(4.10)	(1.64)	(5.74)	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>153.02</b>	<b>1,040.74</b>	<b>817.79</b>	<b>42.84</b>	<b>260.10</b>	<b>102.13</b>	<b>2,416.62</b>	-
<b>Net Book Value</b>								
<b>As at 31<sup>st</sup> March, 2023</b>	<b>847.17</b>	<b>2,628.82</b>	<b>601.57</b>	<b>36.20</b>	<b>81.03</b>	<b>95.92</b>	<b>4,290.71</b>	<b>69.60</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>869.03</b>	<b>2,746.34</b>	<b>471.26</b>	<b>11.55</b>	<b>14.23</b>	<b>42.18</b>	<b>4,154.59</b>	-

### Notes:

- Right of use Asset related to leasehold Land and buildings with a carrying amount of ₹ 3,475.99 lacs (31 March 2022: ₹ 3,615.37 lacs) are subject to a first charge to secure Company's credit facilities.

The Company has obtained land on leasehold basis from Maharashtra Industrial Development Corporation for a period of 52 years commencing from 17 November 2009. The lease can be further renewed for 95 years on mutually agreed terms. As per the terms of the agreement, the Company is required to use the leasehold land for the purpose of setting up and operating an engineering factory only and for no other purpose.

- Plant and equipments, Vehicles, Furniture and Fixtures and Office Equipments with a carrying amount of ₹ 814.72 lacs (31 March 2022: ₹ 539.22 lacs) have been hypothecated for Company's cash credit facilities & working capital term loans.
- In accordance with the Ind AS 36 on 'Impairment of Assets', the Company has reassessed the carrying amounts of its Property, plant & equipment and is of the view that no further impairment / reversal is considered to be necessary in view of its expected realisable value at the balance sheet reporting date.
- The Company has not revalued its Property, Plant and Equipment ( including Right of Use Assets ) during the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

- The Company does not have any immovable property, whose title deeds are not held in the name of the Company during the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.
- Capital Work-in-Progress consists primarily of expenditure towards Office Buildings.

### Capital Work-in- Progress Ageing Schedule as on 31st March, 2023

Capital Work-in-Progress	Amount in CWIP for a period of					Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	More than 3 Years	
Projects in Progress	69.60	-	-	-	-	69.60
Projects temporarily suspended	-	-	-	-	-	-
<b>Total</b>	<b>69.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69.60</b>

Note: There are no projects under capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

### Note 4: Intangible Assets

Particulars	Computer - Software ₹ in lacs
<b>As at 1<sup>st</sup> April, 2021</b>	64.39
Additions	1.70
Disposals	(0.12)
<b>As at 31<sup>st</sup> March, 2022</b>	<b>65.97</b>
Additions	23.03
Disposals	-
<b>As at 31 March, 2023</b>	<b>89.00</b>
<b>Accumulated Amortization</b>	
<b>As at 1<sup>st</sup> April, 2021</b>	53.24
Amortisation	5.93
Disposals	(0.03)
<b>As at 31<sup>st</sup> March, 2022</b>	<b>59.14</b>
Amortisation	6.44
Disposals	-
<b>As at 31 March, 2023</b>	<b>65.58</b>
<b>Net Book Value</b>	
<b>As at 31 March, 2023</b>	<b>23.42</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>6.83</b>

#### Notes:

- In accordance with the Ind AS 36 on 'Impairment of Assets', the Company has reassessed the carrying amount of its Intangible assets and is of the view that no further impairment / reversal is considered to be necessary in view of its expected realisable value at the balance sheet reporting date.
- The Company has not revalued its Intangible Assets during the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 5: Financial Assets

### Note 5a. Investments

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
<b>Non-Current Investments- Quoted</b>		
<b>Investments at fair value through OCI (fully paid)</b>		
Investments in Equity Instruments		
a) 2,71,337 (31 <sup>st</sup> March, 2022: 2,71,337) fully paid up equity shares of Face Value ₹ 5 each in Eveready Industries India Limited	783.89	908.16
b) 66,666 (31 <sup>st</sup> March, 2022: 66,666) fully paid up equity shares of Face Value ₹ 5 each in McLeod Russel India Limited *	11.31	15.20
c) 8,54,300 (31 <sup>st</sup> March, 2022: 8,54,300) fully paid up equity shares of Face Value ₹ 10 each in McNally Bharat Engineering Company Limited *	27.85	44.08
<b>Total</b>	<b>823.05</b>	<b>967.44</b>

\* Admitted under Corporate Insolvency Resolution Process under the provisions of Insolvency and Bankruptcy Code, 2016, as at the Balance Sheet Date.

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
Aggregate book value of quoted investments	823.05	967.44
Aggregate market value of quoted investments (refer Note 37 & 38)	823.05	967.44
Aggregate Original cost of investments	2,309.64	2,309.64

Investments at fair value through OCI (fully paid) reflect investments in quoted equity securities. These Equity Shares are designated as FVTOCI as they are not held for trading purpose, thus disclosing their fair value fluctuation in the Statement of Profit and Loss will not reflect the purpose of holding.

### Note 5b. Loans

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
Inter-Corporate Deposits given to Group Companies		
With significant credit risk	353.38	9,920.96
Credit Impaired	9,534.38	
Less: Allowance for impairment (expected credit loss allowance)	(353.38)	(9,920.96)
Less: Credit impaired and written down	(9,534.38)	-
<b>Total</b>	<b>-</b>	<b>-</b>

In earlier years, the Company had advanced Inter-Corporate Deposits ('ICDs') to certain Promoter and Promoter Group companies. Basis the financial position of these recipient companies, the management had recognised provision against outstanding ICDs amounting to ₹ 9,950.18 Lacs and written off the entire accrued interest of ₹ 2,738.72 lacs on such ICDs during the financial year ended 31<sup>st</sup> March, 2021, without prejudice to any of the legal rights and remedies available to recover the outstanding amounts. The aggregate effect of ₹ 12,688.90 lacs had been presented as an exceptional loss in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021. During the year ended 31<sup>st</sup> March, 2023, the Company has decided to classify loan outstanding amount of ₹ 9,534.38 Lacs granted to Babcock Borsig Limited and Williamson Financial Services Limited from "having significant increase in credit risk" to "credit impaired and written down" as per the requirements of IND AS 109 "Financial Instruments".

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

₹ in lacs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding as at 31st March, 2023	Percentage to the total Loans and Advances in the nature of loans
Promoter & Promoter Group (gross of allowances/provisions)	353.38	100%

### Inetr-Corporate Deposits given to Group Companies include:

Name of the Company	Amount Outstanding as at	
	31st March, 2023	31st March, 2022
<b>Williamson Magor &amp; Co Limited (net of provision)</b>	Nil	Nil
Gross Amount as at 31 <sup>st</sup> March 2023 is ₹ 353.80 Lacs (31 <sup>st</sup> March 2022 : ₹ 386.58 Lacs)		
<b>Williamson Financial Services Limited (net of amount written off)</b>	Nil	Nil
Gross Amount as at 31 <sup>st</sup> March 2023 is ₹ 4,254 Lacs (31 <sup>st</sup> March 2022 : ₹ 4,254 Lacs)		
<b>Babcock Borsig Limited (net of amount written off)</b>	Nil	Nil
Gross Amount as at 31 <sup>st</sup> March 2023 is ₹ 5,280.38 Lacs (31 <sup>st</sup> March 2022 : ₹ 5,280.38 Lacs)		

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
<b>Unsecured, considered good, unless otherwise stated</b>		
<b>Non-current</b>		
Bank deposits with maturity more than 12 months**	219.93	19.27
Security Deposit	82.55	6.88
<b>Current</b>		
Interest accrued on Fixed Deposits	3.74	3.31
Security Deposit	31.35	10.54
Export Incentives Receivable	19.27	60.14
Less : Allowance for impairment (expected credit loss allowance)	-	(36.29)
Net Export Incentives Receivable	<b>19.27</b>	<b>23.85</b>
<b>Total</b>	<b>356.84</b>	<b>63.85</b>
Current	54.36	37.70
Non-current	302.48	26.15
	<b>356.84</b>	<b>63.85</b>

\*\*Bank deposits with maturity more than 12 months represents balances with banks held as margin money as lien against bank guarantees and LCs issued by the bank on behalf of the Company having residual maturity of more than 12 months.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 5d. Contract Assets

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
<b>Unsecured, considered good</b>		
<b>Unbilled Revenue:</b>		
Project Revenue	7,821.26	5,820.44
Less : Allowance for impairment (expected credit loss allowance)	(109.23)	(127.55)
<b>Total</b>	<b>7,712.03</b>	<b>5,692.89</b>
Current	7,712.03	5,692.89
	<b>7,712.03</b>	<b>5,692.89</b>

## Note 6: Trade Receivables

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
<b>Unsecured</b>		
Trade Receivables- Considered good	4,426.03	5,045.78
Trade receivables- significant credit risk	214.06	-
Trade receivables- credit impaired	282.81	332.36
Less: Allowance for impairment (expected credit loss allowance)	(214.06)	(332.36)
Less: Credit impaired and written down (lifetime expected credit loss)	(282.81)	-
<b>Total</b>	<b>4,426.03</b>	<b>5,045.78</b>

- No trade receivables are due from directors or other persons in whom directors or promoters are interested.
- Trade receivables are generally non-interest bearing and are on terms of 30 to 90 days.
- The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) and lifetime expected credit loss is recognized during the period is recognized in the Statement of Profit and Loss.

Particulars	Outstanding from due date of transaction as on March 31, 2023					Total
	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
Considered good	3,268.20	380.17	499.94	287.23	487.36	4,922.90
Which have significant increase in credit risk	(142.00)	(16.52)	(21.72)	(12.48)	(21.34)	(214.06)
Credit impaired	-	-	-	-	(282.81)	(282.81)
<b>Disputed</b>						
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>3,126.20</b>	<b>363.65</b>	<b>478.22</b>	<b>274.75</b>	<b>183.21</b>	<b>4,426.03</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Particulars	Outstanding from due date of transaction as on March 31, 2022					
	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed</b>						
Considered good	3,520.10	564.00	395.37	345.26	553.40	5,378.14
Which have significant increase in credit risk	(180.67)	(28.95)	(20.29)	(17.72)	(84.71)	(332.36)
Credit impaired	-	-	-	-	-	-
<b>Disputed</b>						
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>3,339.43</b>	<b>535.05</b>	<b>375.08</b>	<b>327.54</b>	<b>468.69</b>	<b>5,045.78</b>

### Note 7: Cash and Cash Equivalents

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
Cash on hand	0.30	2.98
Balances with Banks		
In Current Accounts	87.24	706.94
<b>Total</b>	<b>87.54</b>	<b>709.92</b>

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following:

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
<b>Balances with banks:</b>		
– In Current Accounts	87.24	706.94
Cash on hand	0.30	2.98
	<b>87.54</b>	<b>709.92</b>
Less – Bank overdraft (note 15)	-	202.64
	<b>87.54</b>	<b>507.28</b>

### Changes in liabilities arising from financing activities:

Particulars	₹ in lacs			
	As at 01st April, 2021	Cash Flows	Ind AS Adjustment	As at 31st March, 2022
<b>Non-Current Liabilities</b>				
Financial Liabilities				
- Borrowings	6,526.94	(430.00)	48.53	6,145.47
Other Financial Liabilities	-	-	-	-
Deferred liability for Cumulative Redeemable Preference Shares	1,210.60		(37.58)	1,173.02

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

₹ in lacs

Particulars	As at 01st April, 2021	Cash Flows	Ind AS Adjustment	As at 31st March, 2022
<b>Current Liabilities</b>				
Financial Liabilities				
- Borrowings	1,857.84	(386.86)	-	1,470.98
Other Financial Liabilities				
- Current maturities of long term debt	200.00	(200.00)	-	-
<b>Total liabilities from Financing Activities</b>	<b>9,795.38</b>	<b>(1,016.86)</b>	<b>10.95</b>	<b>8,789.48</b>

₹ in lacs

Particulars	As at 01st April, 2021	Cash Flows	Ind AS Adjustment	As at 31st March, 2022
<b>Non-Current Liabilities</b>				
Financial Liabilities				
- Borrowings	6,145.47	(838.59)	8.30	5,315.18
Other Financial Liabilities	-			
Deferred liability for Cumulative Redeemable Preference Shares	1,173.02	(196.72)	(976.30)	-
<b>Current Liabilities</b>				
Financial Liabilities				
- Borrowings	1,470.98	(366.67)	-	1,104.31
Other Financial Liabilities				
- Current maturities of long term debt	-	-	-	-
<b>Total liabilities from Financing Activities</b>	<b>8,789.48</b>	<b>(1,401.98)</b>	<b>(968.00)</b>	<b>6,419.49</b>

## Note 8: Bank Balances other than Cash and Cash Equivalents

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
Margin money with banks *	1,290.50	423.59
Fixed Deposit with bank **	160.17	500.00
Earmarked bank balance towards unclaimed dividend	15.79	15.80
<b>Total</b>	<b>1,466.46</b>	<b>939.39</b>

\* Margin money with banks represents margin money held as lien against bank guarantees and LCs issued by the bank on behalf of the Company.

\*\* Fixed deposit with bank represents fixed deposits held as lien against credit facilities sanctioned by the bank.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Categorisation of Financial Assets

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
<b>Financial Assets carried at FVTOCI</b>		
Investments (Note 5a)	823.05	967.44
<b>Financial Assets carried at Amortised Cost</b>		
Trade Receivables (Note 6)	4,426.03	5,045.78
Cash and Cash Equivalents (Note 7)	87.54	709.92
Bank Balance other than Cash and Cash Equivalents (Note 8)	1,466.46	939.39
Other Financial Assets (Note 5c)	356.84	63.85
Contract Assets (Note 5d)	7,712.03	5,692.89
<b>Total</b>	<b>14,871.95</b>	<b>13,419.27</b>

## Note 9: Income Tax Assets (net)

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
Income Tax Assets (net of provision of ₹ 1970.74 lacs, Previous Year ₹ 1988.55 lacs)	358.20	268.22
<b>Total</b>	<b>358.20</b>	<b>268.22</b>

## Note 10: Other Non-current Assets

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
Unsecured, considered good		
Balances with Government Authorities	49.07	49.07
<b>Total</b>	<b>49.07</b>	<b>49.07</b>

## Note 11: Inventories

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
Raw Materials (at lower of cost and net realisable value)*	1,581.49	388.92
Stores and Spares (at lower of cost and net realisable value)	144.50	69.10
Work in Progress (at lower of weighted average cost and net realisable value)	1,111.43	544.39
Finished Goods (at lower of weighted average cost and net realisable value)	-	24.37
<b>Total</b>	<b>2,837.42</b>	<b>1,026.78</b>

\* Net of provision for obsolete and non-moving raw materials, ₹ 74.15 lacs as at 31<sup>st</sup> March, 2023 (₹ 74.15 lacs as at 31<sup>st</sup> March, 2022)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 12: Other Current Assets

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
<b>Unsecured, considered good, unless otherwise stated</b>		
Balance with Government Authorities	490.31	554.88
Prepaid Expenses	57.00	47.87
Advance to Employees	4.05	5.84
Advance to Vendors	732.81	462.88
<b>Total</b>	<b>1,284.17</b>	<b>1,071.47</b>

## Note 13: Share Capital

### Authorised Share Capital

Particulars	Equity Shares of ₹ 10 each		Cumulative Redeemable Preference Shares of ₹ 10 each	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
<b>As at 1<sup>st</sup> April, 2021</b>	3,05,00,000	3,050.00	2,55,00,000	2,550.00
Increase / (decrease) during the year	1,00,00,000	1,000.00	(1,00,00,000)	(1,000.00)
<b>As at 31<sup>st</sup> March, 2022</b>	4,05,00,000	4,050.00	1,55,00,000	1,550.00
Increase / (decrease) during the year	1,00,00,000	1,000.00	(1,00,00,000)	(1,000.00)
<b>As at 31<sup>st</sup> March, 2023</b>	<b>5,05,00,000</b>	<b>5,050.00</b>	<b>55,00,000</b>	<b>550.00</b>

### Issued Subscribed and Fully Paid Up

Particulars	Equity Shares of ₹ 10 each	
	No. of shares	₹ in lacs
<b>As at 1<sup>st</sup> April, 2021</b>	2,82,05,768	2,820.58
Increase during the year	61,02,826	610.28
<b>As at 31<sup>st</sup> March, 2022</b>	3,43,08,594	3,430.86
Increase during the year	15,00,000	150.00
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3,58,08,594</b>	<b>3,580.86</b>

### Terms/ Rights attached to Equity Shares

The Company has only one class of Equity Shares having par value of ₹ 10 each. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the 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 shares held by the shareholders.

### Terms/ Rights attached to Cumulative Redeemable Preference Shares

The Company has only one class of Cumulative Redeemable Preference Share (CRPS) having par value of ₹ 10 each. Each holder of CRPS is entitled to 0.01% coupon rate, payable at the end of every quarter from the date of subscription. The CRPS holders are entitled to have the proceeds of dissolution or winding up applied to pay off their CRPS investment in the Company, prior and in preference to any other payments by the Company to the Equity Share Holders. The CRPS shall not have voting rights on any matter of the Company. (Refer Note 15 and 17)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

### Details of Equity Shareholders holding more than 5% shares in the Company

Name of the Equity Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Equity Shares	% holding	No. of Equity Shares	% holding
Firstview Trading Private Limited	1,20,70,000	33.71	99,00,000	28.86
RBL Bank Limited	-	-	67,50,000	19.67
Williamson Magor & Co. Limited	43,19,043	12.06	43,19,043	12.59

During the year ended 31<sup>st</sup> March, 2022 the Company had issued 44,11,764 Convertible Equity Share Warrants of face value of ₹ 10/- each at a premium of ₹ 24/- on preferential basis to the allottees under Promoter Category out of which holder of 17,00,000 Warrants who had paid 100% subscription money were issued equivalent number of Equity Shares. Holders of the balance warrants had paid 25% of the consideration and to exercise the option to subscribe to the Equity shares had to pay the balance 75% of the consideration of the warrants before expiry of 18 months from the date of allotment i.e 7<sup>th</sup> March, 2022. During the quarter ended, 31<sup>st</sup> December, 2022 holders of 15,00,000 warrants paid the balance 75% of the consideration amounting to ₹ 383 lakhs and were allotted equivalent number of Equity Shares.

### Details of Shareholding of Promoter and Promoters Group

Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Aditya Khaitan	1,50,000	0.42	1,50,000	0.44	-
Amritanshu Khaitan	1,30,000	0.36	1,30,000	0.38	-
Yashodhara Khaitan	10,000	0.03	10,000	0.03	-
Aditya Khaitan HUF	50,000	0.14	50,000	0.15	-
Vanya Khaitan	20,600	0.06	20,600	0.06	-
Kavita Khaitan	20,000	0.06	20,000	0.06	-
Late B.M. Khaitan	16,000	0.04	16,000	0.05	-
Isha Khaitan	10,000	0.03	10,000	0.03	-
Williamson Magor & Co. Limited	43,19,043	12.06	43,19,043	12.59	-
Bishnauth Investments Limited	14,54,200	4.06	14,54,200	4.24	-
United Machine Co. Limited	7,94,126	2.22	9,04,126	2.64	(12.17)
Ekta Credit Private Limited	2,50,000	0.70	-	-	-
Vivya Enterprises Private Limited	2,50,000	0.70	-	-	-
McLeod Russel India Limited	8,48,168	2.37	8,48,168	2.47	-
Firstview Trading Private Limited	1,20,70,000	33.71	99,00,000	28.86	21.92

### Note 14: Other Equity

Capital Redemption Reserve - The Company had made an offer of buyback of its own fully paid up Equity Shares through the methodology of "Open Market Purchase through Stock Exchange" pursuant to the approval of Board of Directors at their meeting held on 29<sup>th</sup> January, 2009. The Company bought back 2,40,032 Equity Shares for an aggregate amount of ₹ 63.54 lacs by utilising Securities Premium Account to the extent of ₹ 39.53 lacs. Capital Redemption Reserve of ₹ 24.01 lacs has been created being the nominal value of the shares bought back.

Securities Premium – Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

issue fully paid-up bonus shares to its members out of the Securities Premium and the Company can use this reserve for buy-back of shares.

Capital Reserve - Capital Reserve contains profit on re-issue of forfeited shares.

General Reserve - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Retained Earnings- Retained Earnings represents surplus at the Balance Sheet date i.e Cumulative balance of statement of Profit & Loss at the balance sheet date.

FVOCI - Net gain/(loss) on FVOCI equity investments - As per Ind AS 109, Investment in Equity Shares are to be initially measured at fair value and subsequently at fair value through profit and loss or other comprehensive income. At initial recognition, an entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of this Standard that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies.

The Company represents that its investments are long term strategic investments and the Company intends to hold the same for an indefinite period. Thus, the Company has decided to subsequently measure Investments at fair value through other comprehensive income.

(Also Refer Statement of Changes in Equity)

## Note 15: Borrowings

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
<b>Non-current Borrowings:</b>		
<b>Secured</b>		
Term Loan from Bank (Refer Note a)	5,315.18	5,806.88
0.01% Cumulative Redeemable Preference Shares of Face Value ₹ 10 each (Refer Note b)	-	338.59
<b>Total</b>	<b>5,315.18</b>	<b>6,145.47</b>
<b>Current Borrowings:</b>		
<b>Loan Repayable on demand</b>		
<b>Secured</b>		
Cash Credit from banks (Refer Note c)	1,104.31	1,268.34
<b>Unsecured</b>		
Overdraft under Channel Finance Scheme (Refer Note d)	-	202.64
<b>Total</b>	<b>1,104.31</b>	<b>1,470.98</b>
<b>Total</b>	<b>6,419.49</b>	<b>7,616.45</b>
<b>Aggregate Secured Loans</b>	<b>6,419.49</b>	<b>7,413.81</b>
<b>Aggregate Unsecured Loans</b>	<b>-</b>	<b>202.64</b>

### a. Term Loan - RBL Bank Limited

The Board of Directors of the Company in its meeting held on 4<sup>th</sup> March, 2021 had considered and approved sanction letter dated 23<sup>rd</sup> February, 2021 for restructuring of debt ("the Resolution Plan") from RBL Bank Limited under the Guidelines of the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated 7<sup>th</sup> June, 2019. In terms of the Resolution Plan implemented during the year ended 31<sup>st</sup> March, 2021, the outstanding principal loan

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

and interest due to RBL Bank Limited of ₹ 9,500 lacs and ₹ 900 lacs respectively aggregating to ₹ 10,400 lacs have been restructured by way of a) allotment of 67,50,000 Equity Shares of ₹ 10 each at a premium of ₹ 10 per share amounting to ₹ 1,350 lacs, b) allotment of 2,55,00,000 0.01% Cumulative Redeemable Preference Shares ("CRPS") of ₹ 10 each issued at par amounting to ₹ 2,550 lacs c) converting balance amount into term loan of ₹ 6,500 lacs (Outstanding balance: ₹ 5,370 lakhs as on 31<sup>st</sup> March, 2023). The restructured term loan of ₹ 6,500 lacs is repayable over a period of 12.5 years in 46 stepped up quarterly instalments. During the Financial Year 2022-23, the Company has repaid the principal balances in advance and next principal repayment is due in September 2025.

### Details of Security :

- Subservient charge by way of hypothecation over entire Current Assets and Movable Fixed Assets of the Company (both present & future) located anywhere.

Rate of Interest : 10.45% p.a. (Linked to Bank's 6 months MCLR)

### b. Cumulative Redeemable Preference Shares - RBL Bank Limited

The 0.01%, 1,55,00,000 CRPS allotted during the financial year 2020-21 was repayable in 2 equal annual instalments at the end of the 14<sup>th</sup> year and 15<sup>th</sup> year (i.e. March, 2035 and March, 2036 respectively) and was recognised as Financial Liabilities in accordance with the requirements of Ind AS 109 "Financial Instruments". With the improvement in liquidity position of the Company and with the support of promoters including investors, the Company has been able to redeem the entire 0.01% 1,55,00,000 CRPS at a fair value of ₹ 535.31 Lacs during the Financial Year 2022-23. Accordingly the liability for CRPS has been derecognised as at 31<sup>st</sup> March, 2023. The resultant gain on early redemption of CRPS amounting to ₹ 1,014.69 Lacs has been considered in "Note- 23 Other Income".

### Reconciliation of Number of CRPS

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
CRPS		
At the beginning of the year	1,55,00,000	1,55,00,000
Add: Issued during the year	-	-
Less: Redeemed during the year	1,55,00,000	-
At the end of the year	-	1,55,00,000

### Details of CRPS Holders holding more than 5% shares in the Company

Name of the CRPS Holder	₹ in lacs	
	As at 31st March, 2023	As at 31st March, 2022
	No. of CRPS, %	No. of CRPS, %
RBL Bank Limited	-	1,55,00,000, 100%

### c. Cash Credit from Banks

- First Pari-Passu Charge on the Company's immovable property situated at Plot No.6, Kalyan Bhiwandi Industrial Area, Thane.
- First Pari-Passu Charge by way of hypothecation on the entire Movable Fixed Assets of the Company both present and future.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

3. Hypothecation of present and future stocks of raw materials, semi-finished goods, finished goods and book debts by way of first charge and also by hypothecation of movable fixed assets by way of first charge.
  4. Outstanding loans carry an average interest rate of 10.95% to 12.50% p.a. (31 March 2022 : 10.70% to 12.50% p.a)
- d. Overdraft under Channel Finance Scheme is backed by Letter of Comfort from Steel Authority of India Limited. This loan carries an interest rate of 7.35% p.a. (31 March 2022 : 7.35%)

## Notes

The Company has used the borrowings from banks and financial institutions for the specific purposes for which it was taken.

The Company has not been declared wilful defaulter by any bank or financial institution or other lenders, as at the reporting date .

The quarterly statements filed by the Company with banks are in agreement with books of accounts maintained by the Company.

## Note 16: Trade Payables

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
Trade payables**		
a) Total outstanding dues of micro enterprises and small enterprises	67.78	54.67
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,477.16	2,466.16
<b>Total</b>	<b>2,544.94</b>	<b>2,520.83</b>

1. Trade payables are generally non-interest bearing and are settled on 30 - 90 day terms.
2. For explanations on the Company's credit risk management processes, refer to Note 39.

\*\* Disclosure as required under Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 ("the Act"):

₹ in lacs

Particulars	31st March, 2023	31st March, 2022
(a) (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	67.78	54.67
(ii) Interest due on above	1.09	1.25
(b) Amount of interest paid by the buyer in terms of section 16 of the Act	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year but without adding the interest specified under this Act)	-	-
(d) Amount of interest accrued and remaining unpaid at the end of each accounting year	1.09	1.25
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	1.09	1.25

The information has been given in respect of such vendors to the extent they could be identified as 'Micro & Small Enterprises' on the basis of information available with the Company.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

### Trade Payables Ageing Schedule

Particulars	Outstanding as on March 31, 2023 from due date of payment				
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed dues of creditors other than micro enterprises and small enterprises	2,439.58	22.05	7.03	8.50	2,477.16
Undisputed dues of micro enterprises and small enterprises	66.75	-	-	1.03	67.78
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>2,506.33</b>	<b>22.05</b>	<b>7.03</b>	<b>9.53</b>	<b>2,544.94</b>

Particulars	Outstanding as on March 31, 2022 from due date of payment				
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed dues of creditors other than micro enterprises and small enterprises	2,308.27	84.38	33.90	39.61	2,466.16
Undisputed dues of micro enterprises and small enterprises	52.85	1.59	-	0.23	54.67
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>2,361.11</b>	<b>85.98</b>	<b>33.90</b>	<b>39.84</b>	<b>2,520.83</b>

### Note 17: Other Financial Liabilities

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
<b>Other Financial Liabilities at Amortised Cost</b>		
<b>Interest accrued and due on borrowings</b>	-	5.54
Interest accrued on Trade Payables	1.09	4.78
Deferred Liability for Cumulative Redeemable Preference Shares*	-	1,173.02
Security Deposits	3.54	2.79
<b>Total Other Financial Liabilities at Amortised Cost</b>	<b>4.63</b>	<b>1,186.13</b>
Unpaid Dividend (Investor Education and Protection Fund will be credited by the amount as and when due)	15.80	15.80
<b>Total</b>	<b>20.43</b>	<b>1,201.93</b>
Current	20.43	28.91
Non-Current	-	1,173.02
	<b>20.43</b>	<b>1,201.93</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

\*The 0.01% CRPS allotted during the financial year 2020-21 was repayable in 2 equal annual instalments at the end of the 14<sup>th</sup> year and 15<sup>th</sup> year (i.e. March, 2035 and March, 2036 respectively) and recognised as Financial Liabilities in accordance with the requirements of Ind AS 109 "Financial Instruments". During the Financial Year 2022-23, the Company has been able to redeem the entire 0.01% 1,55,00,000 CRPS at a fair value of ₹ 536.01 lakhs. Accordingly, the deferred liability for CRPS has been derecognised as at 31<sup>st</sup> March, 2023. The resultant gain on early redemption of CRPS amounting to ₹ 1,014.69 lakhs has been considered as "Note- 23 Other Income".

## Categorisation of Financial Liabilities

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
<b>Financial Liabilities carried at Amortised cost</b>		
Borrowings (Note 15)	6,419.49	7,616.45
Trade Payables (Note 16)	2,544.94	2,520.83
Other Financial Liabilities (Note 17)	4.64	1,186.13
<b>Total</b>	<b>8,969.06</b>	<b>11,323.41</b>

## Note 18: Provisions

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
Provision for Employee Benefits (Refer Note 33)		
-Provision for Gratuity	81.88	22.89
-Provision for Compensated Absences	34.12	36.24
<b>Total</b>	<b>116.00</b>	<b>59.13</b>

## Note 19: Contract Liabilities

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
Advances from Customers	6,254.83	4,279.11
<b>Total</b>	<b>6,254.83</b>	<b>4,279.11</b>

## Note 20: Other Current Liabilities

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
Dues to Statutory Authorities	161.03	139.21
Payable to Employees	157.62	137.81
<b>Total</b>	<b>318.65</b>	<b>277.02</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

### Note 21: Income Tax

The major components of Income Tax Expense for the years ended 31st March, 2023 and 31st March, 2022 are :

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
<b>Profit or loss</b>		
Current Income Tax*	-	-
Tax for Earlier Years	-	24.24
<b>Deferred Tax :</b>		
Deferred Tax Expense/(Credit) recognised in the Statement of Profit or Loss	863.15	124.33
<b>Total Income Tax before Other Comprehensive Income</b>	<b>863.15</b>	<b>148.57</b>
<b>Other Comprehensive Income</b>		
Income tax related to items recognised in OCI during the year	(17.81)	(3.14)
<b>Income Tax charged to Other Comprehensive Income</b>	<b>(17.81)</b>	<b>(3.14)</b>
<b>Total Tax Expense (including tax impact on Other Comprehensive Income)</b>	<b>845.34</b>	<b>145.43</b>

\*The Company has utilised brought forward losses as set off for current income and provision for taxes for current year has not been recognised. Consequently, corresponding deferred tax assets on account of such utilisation of brought forward losses has been derecognised.

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

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
Profit/(Loss) before tax	3,876.54	303.62
Other Comprehensive Income before tax (only remeasurement of defined benefit plan)	(64.01)	(11.29)
<b>Total</b>	<b>3,812.53</b>	<b>292.34</b>
<b>At India's statutory income tax rate of 27.82% (31 March 2022: 27.82%)</b>		
Expenses not allowed for tax purpose	(17.81)	(3.14)
Tax for Earlier Years	-	24.24
Deferred Tax Assets	863.15	124.33
<b>Total Tax Expense (including tax impact on OCI)</b>	<b>845.34</b>	<b>145.43</b>

### Deferred Tax Assets (Net):

Deferred Tax Assets (Net) relates to the following

Particulars	₹ in lacs	
	Balance Sheet	
	31st March, 2023	31st March, 2022
Provision for loss allowance	203.86	2,887.96
Provisions made disallowed and allowed only on payment basis	43.88	28.31
Accelerated Depreciation for tax purposes	(376.06)	(362.37)
Carried forward business losses	2,409.96	590.89
MAT Credit Entitlement	157.90	157.90
<b>Total</b>	<b>2,439.54</b>	<b>3,302.69</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Reflected in the Balance Sheet as follows:

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
Deferred Tax Assets	2,815.60	3,665.06
Deferred Tax Liabilities	(376.06)	(362.37)
<b>Deferred Tax Assets, net</b>	<b>2,439.54</b>	<b>3,302.69</b>

Reconciliation of Deferred Tax Assets (net):

Particulars	₹ in lacs	
	31st March, 2023	31st March, 2022
Opening balance as at 1 April	3,302.69	3,427.02
Tax income/(expense) during the year recognised in Profit or Loss	(863.15)	(124.33)
<b>Closing balance as at 31 March</b>	<b>2,439.54</b>	<b>3,302.69</b>

The Company has recognised deferred tax assets amounting to ₹ 2,439.54 Lakhs as on 31<sup>st</sup> March, 2023 ( ₹ 3,302.69 Lakhs as on 31<sup>st</sup> March, 2022). The Management of the Company believes that there will be adequate future taxable profits available against which the deferred tax assets can be utilised.

## Note 22: Revenue from Operations

Particulars	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of Manufactured Products	3,934.39	3,213.33
Revenue from Construction Contracts	17,463.07	8,714.28
Sale of Services	407.57	174.77
Other Operating Revenue		
Government Incentives	83.45	26.09
Scrap Sales	264.80	146.89
<b>Total</b>	<b>22,153.28</b>	<b>12,275.36</b>

For further details of Revenue from Contracts with Customers, refer Note 42.

## Note 23: Other Income

Particulars	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest Income on:		
- Bank Deposits	82.44	20.00
- Trade Receivables	121.17	-
Gain on Early Redemption of CRPS*	1,014.69	-
Provisions/Liabilities no longer required written back	200.95	77.05
Other Non-operating Income	46.38	67.72
<b>Total</b>	<b>1,465.63</b>	<b>164.77</b>

\*During the year, the Company has redeemed 0.01% 1,55,00,000 Cumulative Redeemable Preference Shares (CRPS) amounting to ₹ 1550.00 Lacs, allotted to RBL Bank Limited at a Fair Value of ₹ 535.31 Lacs. The resultant gain amounting to ₹ 1,014.69 lacs is as a result of early redemption of CRPS is in accordance with the Ind AS 109 " Financial Instruments".

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

### Note 24: Cost of Materials Consumed

₹ in lacs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening stock	388.92	402.28
Add: Purchases during the year	13,981.51	6,459.66
	14,370.43	6,861.94
Less: Closing stock	1,581.49	388.92
<b>Total</b>	<b>12,788.94</b>	<b>6,473.02</b>

### Note 25: Subcontracting Charges

₹ in lacs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Subcontracting Charges	1,689.30	1,068.78
<b>Total</b>	<b>1,689.30</b>	<b>1,068.78</b>

### Note 26: Changes in Inventories of Finished Goods and Work-in-progress

₹ in lacs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening Stock		
Work-in-Progress	544.39	219.97
Finished Goods	24.37	140.87
	<b>568.76</b>	<b>360.84</b>
Less: Closing Stock		
Work-in-Progress	1,111.43	544.39
Finished Goods	-	24.37
	1,111.43	568.76
<b>Net (Increase) / Decrease</b>	<b>(542.67)</b>	<b>(207.92)</b>

### Note 27: Employee Benefits Expenses

₹ in lacs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, Wages and Bonus	1,693.12	1,269.79
Contribution to provident and other funds (Refer Note 33)	120.39	126.01
Gratuity Expense (Refer Note 33)	21.89	22.51
Staff Welfare Expense	43.49	23.73
<b>Total</b>	<b>1,878.89</b>	<b>1,442.04</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 28: Finance Costs

₹ in lacs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest Expense on :		
- Borrowings	616.78	792.77
- Trade payables	12.30	10.35
Dividend on Preference Shares	0.11	0.16
Others :		
- Bank Commission Charges	100.84	58.02
- Bank Processing Charges	61.55	16.44
<b>Total</b>	<b>791.58</b>	<b>877.74</b>

## Note 29: Depreciation and Amortisation Expense

₹ in lacs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on Property, Plant and Equipment (Refer note 3)	258.56	273.54
Amortisation on Intangible Assets (Refer note 4)	6.44	5.93
<b>Total</b>	<b>265.00</b>	<b>279.47</b>

## Note 30: Other Expenses

₹ in lacs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Consumption of Stores, Spares and Loose Tools	267.91	183.03
Contract Labour	258.54	391.54
Power and Fuel	138.42	112.29
Factory Upkeep Expense	53.39	73.86
Repairs and Maintenance :		
Plant and Equipment	81.81	37.75
Building	4.82	2.75
Others	91.54	54.21
Insurance	100.57	87.07
Rent including lease rentals (Refer note 41)	51.35	20.29
Foreign Exchange Loss (net)	14.70	2.27
Rates and Taxes	119.50	15.40
Royalty Charges	47.59	106.01
Sales Promotion	21.44	6.53
Sales Commission	151.34	227.97
Liquidated Damages, Warranties and Rebates	156.86	65.14
Provision for Loss Allowance (net)	-	63.03

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

₹ in lacs

Particulars	Year ended		Year ended	
	31st March, 2023		31st March, 2022	
Freight and Forwarding (net)		177.67		202.45
Travelling and Conveyance		351.56		238.78
Bad Debts written off	9,832.51		53.55	
Less: Provision recognised in earlier years [Refer Note 5(b)]	(9,534.48)	298.03	-	53.55
Loss on sale of Property, Plant and Equipment		5.82		0.86
Bank Charges		23.57		38.27
Directors' Sitting Fees		15.15		7.60
Legal and Professional Charges		322.49		139.57
Auditors Remuneration (Refer details below)		30.77		15.00
Corporate Social Responsibility Expenditure [Refer note 45(D)]		10.00		10.00
Miscellaneous expenses		76.49		48.16
		<b>2,871.33</b>		<b>2,203.38</b>

₹ in lacs

Particulars	Year ended		Year ended	
	31st March, 2023		31st March, 2022	
<b>Auditors Remuneration*:</b>				
Statutory Audit Fees		12.60		10.00
Taxation Matters		5.25		2.55
Other Matters		12.40		2.20
Reimbursement of Expenses		0.52		0.24
		<b>30.77</b>		<b>15.00</b>

\*Excludes ₹ Nil (Previous Year : ₹ 3.00 lacs) paid for rendering services towards issue of securities and included in transaction costs on Issue of Equity Shares.

### Note 31A: Earning Per Share(EPS)

The following reflects the information relating to profits and weighted average number of equity shares used in the basic and diluted EPS computations:

₹ in lacs

Particulars	Year ended		Year ended	
	31st March, 2023		31st March, 2022	
Profit/(Loss) attributable to Equity Shareholders		3,013.39		155.05
Weighted average number of Equity Shares				
For Basic EPS		3,48,14,073		2,84,81,214
For Diluted EPS		3,48,14,073		2,84,81,214
Face value of Equity Shares		₹ 10		₹ 10
Basic EPS		8.66		0.54
Diluted EPS		8.66		0.54

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 31B: Dividend on Equity Share

The following reflects the information relating to profits and weighted average number of equity shares used in the basic and diluted EPS computations:

₹ in lacs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Dividend proposed by the Board of Directors on Equity Shares in the Board Meeting held on 9 <sup>th</sup> May, 2023		
Dividend of ₹ 1 per share for Financial Year 2022-23 (Nil for the Financial Year 2021-22)	358.09	-
<b>Total</b>	<b>358.09</b>	<b>-</b>

Proposed dividend on Equity Shares is subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting and has not been recognised as liability as at the Balance Sheet date.

## Note 32: Significant Accounting Estimates and Assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported values of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and Assumptions

The key assumptions concerning future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the periods when they occur.

### Project Revenue and Costs

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

### Taxes

Significant management judgement is required to determine the amount of deferred tax assets (including MAT credit) that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Employee Benefit Plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change in the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 33.

## Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## Impairment of Financial Assets

The impairment provision for financial assets such as loans, inter-corporate deposits, trade receivables, contract assets and others are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## Allowance for Uncollectible Trade Receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them to be uncollectible.

The Company follows 'simplified approach' for recognition of impairment allowance on trade receivables or contract assets (including revenue in excess of billing).

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

## Going Concern Assumption

The financial statements have been prepared on going concern basis.

## Note 33: Employee Benefit Disclosure

### A. Defined Contribution Plans:

Amount of ₹ 120.39 lacs (31 March 2022: ₹ 126.01 lacs) is recognised as expenses and included in Note No. 27 "Employee Benefit Expenses" in the Statement of Profit and Loss.

Particulars	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Employee State Insurance Corporation	1.13	2.13
Provident Fund	97.65	104.85
Superannuation Fund	21.61	19.03
<b>Total</b>	<b>120.39</b>	<b>126.01</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## B. Defined Benefit Plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

### Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and Company is exposed to the following risks:

**Interest rate risk :** A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

"Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk."

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

During the year, there were no plan amendments, curtailments and settlements in the Defined Benefit Plan.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by Rule 103 of Income Tax Rules, 1962.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 33: Employee Benefit Disclosure (Contd.)

### 31 March 2023 : Changes in defined benefit obligation and plan assets

(₹ in lacs)

	Gratuity cost charged to Statement of Profit and Loss			Remeasurement gains/(losses) in other comprehensive income					31st March, 2023			
	1st April, 2022	Current Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 27)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions		Experience adjustments	Sub-total included in OCI	Contributions by employer
<b>Gratuity</b>												
Defined benefit obligation	246.55	20.29	17.21	37.50	(29.82)	-	(8.90)	75.61	66.71	-	-	320.94
Fair value of plan assets	(223.66)	-	(15.61)	(15.61)	29.82	(2.69)	-	-	(2.70)	(26.92)	(26.92)	(239.07)
<b>Net Liability/ (Assets)</b>	<b>22.89</b>	<b>20.29</b>	<b>1.60</b>	<b>21.89</b>	<b>-</b>	<b>(2.69)</b>	<b>(8.90)</b>	<b>75.61</b>	<b>64.01</b>	<b>(26.92)</b>	<b>(26.92)</b>	<b>81.87</b>

### 31 March 2022 : Changes in defined benefit obligation and plan assets

(₹ in lacs)

	Gratuity cost charged to Statement of Profit and Loss			Remeasurement gains/(losses) in other comprehensive income					31st March, 2022			
	1st April, 2021	Current Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 27)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions		Experience adjustments	Sub-total included in OCI	Contributions by employer
<b>Gratuity</b>												
Defined benefit obligation	228.35	20.47	14.71	35.18	(27.19)	-	(0.52)	10.81	10.21	-	-	246.55
Fair value of plan assets	(196.76)	-	(12.67)	(12.67)	27.19	1.08	-	-	1.08	(42.51)	(42.51)	(223.66)
<b>Net Liability/ (Assets)</b>	<b>31.59</b>	<b>20.47</b>	<b>2.02</b>	<b>22.51</b>	<b>-</b>	<b>1.08</b>	<b>(0.52)</b>	<b>10.81</b>	<b>11.29</b>	<b>(42.51)</b>	<b>(42.51)</b>	<b>22.89</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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

₹ in lacs

Particulars	Year ended	
	31st March, 2023	31st March, 2022
Insurance Fund	239.07	223.66
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

₹ in lacs

Particulars	Year ended	
	31st March, 2023	31st March, 2022
Discount rate	7.47%	6.98%
Future salary increase	5.50%	5.50%
Expected rate of return on plan assets	7.47%	6.98%
Rate of employee turnover	4.00%	4.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Mortality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below:

### Gratuity

₹ in lacs

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact)	
		Year ended 31st March, 2023	Year ended 31st March, 2022
Discount rate	1% increase	(16.70)	(14.85)
	1% decrease	18.73	16.80
Salary increase	1% increase	18.91	16.88
	1% decrease	(17.15)	(15.19)
Employee turnover	1% increase	2.21	1.51
	1% decrease	(2.44)	(1.68)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

The following are the expected future benefit payments for the defined benefit plan :

Particulars	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Within the next 12 months (next annual reporting period)</b>		
Gratuity	51.51	27.71
<b>Between 2 and 5 years</b>		
Gratuity	148.41	106.65
<b>Beyond 5 years and up to 10 years</b>		
Gratuity	113.01	93.55
<b>Beyond 11 years</b>		
	228.38	202.05
<b>Total expected future benefit payments</b>	<b>541.31</b>	<b>429.95</b>

**Weighted average duration of defined plan obligation (based on discounted cash flows)**

Particulars	Years	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Gratuity	7	8

The followings are the expected contributions to planned assets for the next year:

Particulars	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Gratuity	66.20	43.19

### Other employee benefits

The liability / (asset) for compensated absences is ₹ 34.12 lacs (31 March 2022: ₹ 36.24 lacs)

### Note 34: Contingencies and Commitments

#### a. Contingent Liabilities ( to the extent not provided for)

Particulars	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Contingent Liabilities (to the extent not provided for)</b>		
(a) Sales Tax - On account of non-production of C Forms.	-	13.86
(b) Service Tax - On account of disallowance of CENVAT Credit .	49.06	49.06
(c) Income Tax - On account of various demands issued / raised which in the opinion of management are as a result of mistakes apparent from records and are pending for rectifications before the Assessing Officer .	190.87	155.00

#### b. Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided:  
At 31<sup>st</sup> March, 2023, the Company had commitments of ₹ 125.76 lacs (31 March 2022: ₹ 11.69 lacs)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 35: Related Party Transactions

### A. Particulars of Related Party and Nature of Relationship :

#### Companies having Significant Influence

Firstview Trading Private Limited

#### Key Managerial Personnel

Sri Ranjit Pamo Lala (Managing Director w.e.f 15<sup>th</sup> May, 2022)

Sri Anil Someshwar Karnad (Whole Time Director Operations)

Sri Sachin Vijayakar (Chief Financial Officer)

Sri Arvind Kumar Bajoria (Company Secretary)

#### Non Executive and Independent Directors

Sri Aditya Khaitan - Non Executive Director

Sri Amritanshu Khaitan - Non Executive Director

Sri Mahesh Shah - Independent Director

Sri Amitav Roy Choudhury - Independent Director

Ms Arundhuti Dhar (Resigned w.e.f 8<sup>th</sup> August, 2022) Independent Director

Sri Navin Nayar - Non Executive Director

Sri Manmohan Singh - Independent Director

Sri Vasumitra Sharma - Non Executive Director

Sri Shourya Sengupta - Independent Director

Ms Priya Saran Chaudhri (appointed w.e.f. 03.11.2022) - Independent Director

#### Relatives of Key Managerial Personnel

Ms Isha Khaitan

Ms Yashodhara Khaitan

Ms Ronica Vijayakar

Ms Saroj Karnad

#### Enterprises in which a Director is a member/ director /promoter/ partner

Khaitan & Co LLP

#### Entities forming part of the Promoter Group

Williamson Magor & Co. Limited

Mcleod Russel India Limited

Ekta Credit Private Limited

Vivaya Enterprises Private Limited

Bishnauth Investments Limited

United Machine Co. Limited

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## B. Transactions with Related Parties

Nature of transactions	₹ in lacs	
	2022-23	2021-22
<b>Allotment of Equity Shares and Convertible Warrants for cash consideration</b>		
Firstview Trading Private Limited	255.00	708.50
Ekta Credit Private Limited	63.75	50.00
Vivaya Enterprises Private Limited	63.75	50.00

Nature of transactions	₹ in lacs	
	2022-23	2021-22
<b>Compensation of Key Managerial Personnel *</b>		
Short term employee benefits	213.33	158.29
Other long term employee benefits	4.06	7.67
Sitting Fees to Non Executive and Independent Directors	15.15	7.60
<b>Total</b>	<b>232.54</b>	<b>173.56</b>
<b>Relatives of Key Management Personnel</b>		
Car Hire Charges Paid	3.00	3.70
Professional Fees Paid	55.75	53.86
Other Services	-	15.05
<b>Enterprises in which a Director is a member/director/ partner</b>		
<b>Khaitan &amp; Co LLP</b>		
Legal and Professional Fees Paid	11.54	38.78
<b>Williamson Magor &amp; Co Limited</b>		
Corporate Charges	24.00	24.00
Electricity Charges	7.28	7.28
<b>Mcleod Russel India Limited</b>		
Sales	1.26	0.62

## C. Balances as at the year end

Particulars	₹ in lacs	
	2022-23	2021-22
<b>Key Managerial Personnel and their Relatives</b>		
Remuneration Payable		
To Directors and Relatives	11.90	15.76
Legal and Professional Charges Payable	2.43	2.43
Car Hire Charges Payable	0.25	0.16
Advance Received	26.65	27.28
Trade Payables	0.05	0.05
Personal guarantee received by the Company from a Director for loans given to group companies	12,000.00	12,000.00

\* As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm 's length transactions.

## Note 36: Segment information

### A. Primary Operating Segment

In line with the provision of Ind AS-108 - Operating Segments, Chief Operating Decision Maker (CODM) reviews the operations of the Company as manufacturer of Engineering Products, which is considered to be the only reportable segment by the management. Accordingly, no separate disclosure of primary operating segment information has been made.

### B. Geographical information

Particulars	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>a. Revenue (Sales and services)</b>		
India	18,880.82	10,664.28
Outside India	3,272.46	1,611.08
<b>Total</b>	<b>22,153.28</b>	<b>12,275.36</b>

The revenue information above is based on the locations of the customers.

Revenue from a customer of the Company is ₹ 4,042.00 Lacs (31<sup>st</sup> March, 2022 : ₹ Nil) which is more than 10 percent of the Company's total revenue.

Particulars	₹ in lacs	
	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>b. Non current Assets*</b>		
India	4,383.73	4,161.42
Outside India	-	-
<b>Total</b>	<b>4,383.73</b>	<b>4,161.42</b>

\*Non-current Assets for this purpose consist of Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress.

## Note 37: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	₹ in lacs			
	Carrying value		Fair Value	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Financial Assets</b>				
Investments measured at Fair Value through OCI	823.05	967.44	823.05	967.44
Other Financial Assets	302.48	26.15	302.48	26.15
<b>Total</b>	<b>1,125.53</b>	<b>993.59</b>	<b>1,125.53</b>	<b>993.59</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

₹ in lacs

Particulars	Carrying value		Fair Value	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Financial Liabilities</b>				
Non-current Borrowings	5,315.18	6,145.47	5,315.18	6,145.47
Other Financial Liabilities	-	1,173.02	-	1,173.02
<b>Total</b>	<b>5,315.18</b>	<b>7,318.49</b>	<b>5,315.18</b>	<b>7,318.49</b>

The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other current financial assets, contract assets, trade payables, short term borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### Note 38 : Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

#### Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2023

₹ in lacs

Particulars	Date of valuation	Fair value measurement using			
		Original Cost	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value:</b>					
FVTOCI Financial Investments:					
Quoted Equity Shares (refer Note 5a)	31 March 2023	2,309.64	823.05	-	-

#### Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022

₹ in lacs

Particulars	Date of valuation	Fair value measurement using			
		Original Cost	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value:</b>					
FVTOCI Financial Investments:					
Quoted equity shares (refer Note 5a)	31 March 2022	2,309.64	967.44	-	-

There have been no transfers between Level 1 and Level 2 during any of the above periods reported.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 39: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade receivables, contract assets, cash and cash equivalents, bank balances other than that included in cash and cash equivalents and other financial assets that arise directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors have adopted risk management policy to identify the risks involved in all activities of the Company. Further, the Company has a policy to hedge all foreign currency loans carrying a floating rate of interest with the help of foreign exchange forward contracts to cover foreign exchange rate and interest rate risk. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, FVTOCI financial investments, trade receivables, trade payables and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement. The Company uses derivative financial instruments such as foreign exchange forward contracts to manage its exposures to foreign exchange fluctuations.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company also enters into cross currency interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon principal amount.

The Company has the following borrowing facilities as at the year end:

Particulars	₹ in lacs	
	31 March 2023	31 March 2022
Fixed Rate Borrowings	-	1,511.61
Floating Rate Borrowings	6,419.49	7,277.86
<b>Total</b>	<b>6,419.49</b>	<b>8,789.47</b>

### Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting on profit before tax and equity as follows:

	₹ in lacs		
	Increase/decrease in basis points	Effect on profit before tax	Effect on equity
<b>31 March 2023</b>			
₹ - Borrowings	+50	32.10	23.17
	-50	(32.10)	(23.17)
<b>31 March 2022</b>			
₹ - Borrowings	+50	36.39	26.27
	-50	(36.39)	(26.27)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

## Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by taking foreign exchange forward contracts.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company hedges its exposure to fluctuations on the translation into ₹ of its foreign operations by holding net borrowings in foreign currencies and by using foreign exchange forward contracts.

## Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Euro and Yen to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

₹ in lacs

	Change in currency exchange rate	Effect on profit before tax		Effect on pre-tax equity	
		For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
US Dollars	+5%	32.38	10.97	23.37	7.92
	-5%	(32.38)	(10.97)	(23.37)	(7.92)
Euro	+5%	-	5.60	-	4.04
	-5%	-	(5.60)	-	(4.04)
Japanese Yen	+5%	(1.58)	(4.41)	(1.14)	(3.18)
	-5%	1.58	4.41	1.14	3.18

## Equity Price Risk

The Company's investment consists of investments in publicly traded companies held for the purpose other than trading. The investee companies namely McLeod Russel India Limited and McNally Bharat Engineering Company Limited have been admitted under Corporate Insolvency Resolution Process under the provisions of Insolvency and Bankruptcy Code, as at the Balance Sheet date. The investments have been reported as per prevailing market prices in the stock market, as at the balance sheet date. As at 31 March 2023, the exposure to listed equity securities at fair value was ₹ 823.05 lacs (31 March 2022: ₹ 967.44 lacs). A decrease / increase of 10% on the BSE market index could have an impact of approximately ₹ 82.31 lacs (31 March 2022: ₹ 96.74 lacs) respectively on the OCI and equity. These changes would not have an effect on profit or loss.

## Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), from its investing activities (primarily inter-corporate deposits) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In earlier years, the Company had advanced Inter-Corporate Deposits ('ICDs') to certain Promoter and Promoter Group companies. Basis the financial position of these recipient companies, the management had recognised provision against outstanding ICDs amounting to ₹ 9,950.18 Lacs and written off the entire accrued interest of ₹ 2,738.72 lacs on such ICDs during the financial year ended 31<sup>st</sup> March, 2021, without prejudice to any of the legal rights and remedies available to recover the outstanding amounts. The aggregate effect of ₹ 12,688.90 lacs had been presented as an exceptional loss in the Statement of Profit and Loss for the

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

year ended 31<sup>st</sup> March, 2021. During the year ended 31<sup>st</sup> March, 2023, the Company has decided to classify loan outstanding amount of ₹ 9,534.38 Lacs granted to Babcock Borsig Limited and Williamson Financial Services Limited from "having significant increase in credit risk" to "credit impaired and written down" as per the requirements of IND AS 109 "Financial Instruments".

## Trade Receivables

Customer credit risk is managed as per the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The requirement for impairment is analysed at each reporting date. Refer Note 6 for details on the impairment of trade receivables.

## Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only on the basis of decision taken by the Company's senior management.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts as illustrated in Note 15,16 & 17

## Liquidity Risk

Liquidity risk is the risk that the Company may not be able to make its present and future collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources for financing including debts, cash credits and overdrafts at an optimised cost.

During the year, the Company has redeemed 0.01% 1,55,00,000 Cumulative Redeemable Preference Shares (CRPS) amounting to ₹ 1550.00 Lacs, allotted to RBL Bank Limited at a Fair Value of ₹ 535.31 Lacs.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in lacs

Particulars	On demand	<1 year	1 to 5 years	> 5 years	Total
<b>As at 31 March 2023</b>					
Borrowings	1,104.31	-	1,177.14	4,138.04	6,419.49
Other Financial Liabilities	16.89	3.54	-	-	20.43
Trade and Other Payables	-	2,544.94	-	-	2,544.94
	<b>1,121.20</b>	<b>2,548.48</b>	<b>1,177.14</b>	<b>4,138.04</b>	<b>8,984.86</b>

₹ in lacs

Particulars	On demand	<1 year	1 to 5 years	> 5 years	Total
<b>As at 31 March 2022</b>					
Borrowings	1,268.34	202.64	1,677.14	5,641.35	8,789.47
Other Financial Liabilities	26.12	2.79	-	-	28.91
Trade and Other Payables	-	2,520.83	-	-	2,520.83
	<b>1,294.46</b>	<b>2,726.26</b>	<b>1,677.14</b>	<b>5,641.35</b>	<b>11,339.21</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

### Note 40: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents (including other bank balances).

#### Gearing Ratio:

Particulars	₹ in lacs	
	31 March 2023	31 March 2022
Borrowings (including current maturities of long term borrowings) (Note 15 & 17)	6,419.49	8,789.48
Less: Cash and Cash Equivalents (including other bank balances) (Note 7 & 8)	(1,554.00)	(1,649.31)
<b>Net debt</b>	<b>4,865.49</b>	<b>7,140.17</b>
Equity	3,580.86	3,430.86
Other Equity	6,968.88	3,913.59
<b>Total Capital</b>	<b>10,549.74</b>	<b>7,344.45</b>
<b>Capital and net debt</b>	<b>15,415.23</b>	<b>14,484.62</b>
<b>Gearing ratio</b>	<b>31.56%</b>	<b>49.29%</b>

### Note 41: Leases

#### Operating Leases :

With effect April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.

The leasehold land of the Company has been presented as Right of Use asset under Note 3 'Property, plant and equipment' and depreciated over the lease term of the asset.

The other lease arrangements of the Company are for a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

#### Note 41a: Research and development costs

The Company has an inhouse research and development department which concentrates on product development and developing new products. Research and development costs that are not eligible for capitalisation have been expensed out in the respective years. The total amount of research and development cost expensed out in the year ended 31 March 2023 was ₹ 12.86 lacs (31 March 2022: ₹ 18.46 lacs).

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Note 42: IND AS 115 - Revenue from Contracts with Customers

### Reconciliation of Revenue from Operations with Revenue from Contracts with Customers:

		₹ in lacs	
Particulars	2022-23	2021-22	
Revenue from Operations	22,153.28	12,275.36	
<b>Less:</b>			
- Government Incentives	83.45	26.09	
<b>Revenue from contracts with customers</b>	<b>22,069.83</b>	<b>12,249.27</b>	

### Disaggregation of Revenue from Contracts with Customers:

#### A. By geographical region:

		₹ in lacs	
Particulars	2022-23	2021-22	
<b>Revenue from Contracts with Customers:</b>			
- within India	18,797.37	10,638.19	
- outside India	3,272.46	1,611.08	
<b>Total</b>	<b>22,069.83</b>	<b>12,249.27</b>	

#### B. By timing of transfer of goods or services:

		₹ in lacs	
Particulars	2022-23	2021-22	
Goods transferred at a point in time	4,199.18	3,360.22	
Goods transferred over the time	17,463.07	8,714.28	
Services transferred over the time	407.58	174.77	
<b>Total</b>	<b>22,069.83</b>	<b>12,249.27</b>	

### Contract Balances:

		₹ in lacs	
Particulars	2022-23	2021-22	
Contract Assets (Unbilled Revenue) *	7,712.03	5,692.89	
Contract Liabilities (Advances from Customers)	6,254.83	4,279.11	
Trade Receivables *	4,426.03	5,045.78	

\* Net of impairment allowance. For details of impairment allowance, refer Note 6 for trade receivables and Note 5d for contract assets.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

The Contract Assets primarily relates to the Company's rights to consideration for work completed on design, construction and commissioning contracts but not billed at the reporting date. Contract assets are transferred to trade receivables when the Company raises invoices on the customers based on the terms as agreed in the contracts.

The Contract Liabilities primarily relate to the advance consideration received on contracts entered with customers. The advances are adjusted against subsequent billings based on the terms as agreed in the contracts.

Trade receivables are generally non-interest bearing and are on terms of 30 to 90 days.

## Performance Obligations:

The Company enters into different types of contracts with its customers which have different performance obligations as follows:

### Design, construction and commissioning contracts with the customers:

These contracts are for design and construction of highly customised drying equipments and range for a period of 3 to 12 months. Since, these equipments are highly customised and do not have any alternative use and as per the terms as agreed in the contracts, in case the contracts get terminated during the design or construction phase, the Company will be entitled to the costs incurred till that date, plus reasonable profit margin. Thus, the Company recognises revenue for these contracts over the time in accordance with the provisions of para 35 (c) of Ind AS 115.

Variable Consideration: These contracts usually have a liquidated damages clause for delay in delivery of these equipments beyond the scheduled dates as agreed in the contracts. The Company estimates the amount to be recognised towards liquidated damages based on an analysis of accumulated historical experience. The Company includes estimated amount in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

### Supply of other drying equipments and spares:

These contracts are for supply of other drying equipments and spares. These are standard equipments and spares which were manufactured and sold by the Company with a little modification as per the requirements of the customer. Revenue from these contracts are recognised when the significant risks and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods to the customer as per the inco-terms as agreed in the contracts. Revenue is measured at the fair value of consideration received or receivable net of return, trade allowances and rebates.

### Service Income:

The Company recognises service income over the time based on the terms as agreed in the contracts entered into with the customers.

The payment terms for all the above contracts depend upon the milestones as agreed in the contracts and are independent of the performance obligations to be satisfied.

The Company has not disclosed information regarding transaction price allocated to the remaining performance obligations as all the contracts of the Company have an original expected duration of one year or less.

### Determination of transaction price and allocation of amounts to performance obligations:

In case of design, construction and commissioning contracts, the Company may have different performance obligations as follows:

1. Design, construction and supply of equipments;
2. Supply of commissioning and operational spares; and
3. Supervision services for erection and commissioning of equipments.

For these contracts, the total transaction price is agreed in the contracts entered into with the customers. The Company allocates the transaction price to these performance obligations based on the standalone selling price of these goods or services.

The amount of variable consideration is determined based on the terms of the contract.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

The Company recognises revenue for the above performance obligations and variable consideration based on the revenue recognition criteria as specified above.

The Company does not have any incremental costs of obtaining a contract and costs incurred in fulfilling a contract which are expected to be recovered from the customer and hence, the Company has not recognised any asset towards the same.

The Company's contracts have a maximum duration of 1 year and hence, the Company has not adjusted the amount of consideration received or receivable as per the contracts for the effects of a significant financing component.

## Note 43: Foreign Currency Exposure

### Outstanding Receivables and Payable in Foreign Currency as on the Balance Sheet Date

Particulars		Foreign Currency	Amount in Foreign Currency (in lacs)	Amount (₹ in lacs)
31 March 2023	Trade Receivables	USD	7.98	647.61
		EURO	-	-
31 March 2022		USD	4.21	315.71
		EURO	0.20	16.39
31 March 2023	Trade Payables	USD	-	-
		EURO	-	-
31 March 2022		JPY	50.75	31.58
		JPY	144.45	88.11
		USD	1.26	96.39
		EURO	1.48	128.48

## Note 44: Ratio Analysis and its Elements

Ratio	Numerator	Denominator	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022	% Variance	Reason for variance beyond 25%
Current Ratio (in Times)	Current Assets	Current Liabilities	1.72	1.68	2.56%	-
Debt-Equity Ratio (in Times)	Total Debt	Shareholder's Equity	0.61	1.20	49.15%	During the year, the Company has redeemed the CRPS which was redeemable in the year 2035 and 2036. The Company has also repaid the Term Loans in advance during the year. Further, the retained earnings of the Company have increased due to adequate profits during the year.
Debt Service Coverage Ratio (in Times)	Earnings Available for Debt Service	Debt service = Interest & Lease Payments + Principal Repayments	8.01	1.81	341.63%	During the year, the Company has earned adequate profits.
Return On Equity Ratio (in %)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	33.68%	2.56%	1215.97%	During the year, the Company has earned adequate profits along with infusion of funds from shareholders.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Ratio	Numerator	Denominator	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022	% Variance	Reason for variance beyond 25%
Inventory Turnover Ratio (in Times)	Sales	Average inventory =(Opening + Closing balance / 2)	11.47	13.31	-13.85%	-
Trade Receivables Turnover Ratio (in Times)	Net Sales	Average trade receivables = (Opening + Closing balance / 2)	4.68	2.66	75.99%	During the year, sales of the Company have increased with the reduced level of Trade Receivables.
Trade Payables Turnover Ratio (in Times)	Net Credit Purchase	Average Trade Payables	6.85	4.14	65.36%	During the year, purchases of the Company have increased with the same level of Trade Payables.
Net Capital Turnover Ratio (in Times)	Net Sales	Working Capital	2.95	2.08	41.51%	During the year, sales of the Company have increased with improved working capital position.
Net Profit Ratio (in %)	Net profit after taxes	Net Sales = Net sales shall be calculated as total sales minus sales returns.	13.60%	1.26%	976.90%	During the year, the Company has earned adequate profits along with achievement of good turnover.
Return On Capital Employed ( in %)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt - Deferred Tax Assets	32.13%	9.21%	248.96%	During the year, the Company has earned adequate profits along with infusion of funds from shareholders.

Note : The Company does not have any income from investments and hence, Return on Investment Ratio has not been disclosed in the Financial Statements.

### Note 45(A): Disclosure in relation to undisclosed income

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### Note 45(B): Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company, during the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 for holding any Benami property under the benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

### Note 45(C) : Registration of Charge

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except non-satisfaction of charge created in favour of RBL Bank Limited amounting to ₹ 7,000 Lakhs. As a result of non-receipt of No-Dues Certificate from the lender bank, the same is pending from earlier years.

### Note 45 (D): Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas of CSR activities are eradication of hunger and poverty, promoting of education and rural development, disaster management including disaster relief, rehabilitation and reconstruction and promoting health care including preventing health care. The expenditure

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

incurred (Refer Note 30) during the year on these activities are approved by the CSR Committee and as specified in schedule VII to the Companies Act, 2013.

₹ in lacs

Particulars	For the period/year	
	March 31, 2023	March 31, 2022
Amount required to be spent by the company during the year	5.39	6.81
Amount spent during the year on:		
Construction/acquisition of any asset		
On purposes other than (i) above	10.00	10.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Contribution to a trust controlled by the company	-	-
The nature of CSR activities undertaken by the Company	Eradicating hunger, poverty and malnutrition	Project for Women Livelihood

## Note 45(E): Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022

## Note 45 (F) : Relationship with Struck off Companies

During the year, the Company did not have any transactions with companies struck off u/s 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

## Note 45 (G) : Utilisation of Borrowed Funds and Share Premium

During the year ended 31<sup>st</sup> March 2023, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kinds of funds) to any other person (s) or entity(ies).

During the year ended 31<sup>st</sup> March, 2023, the Company has not received any fund from any person(s) or entity(ies), Including foreign entities with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest or provide any guarantee or security.

**Note 46 :** Previous year figures have been regrouped/ reclassified wherever necessary, to make them comparable with the current year figures.

As per our Report of even date

For **V. Singhi & Associates**

Chartered Accountants

Firm Registration No.: 311017E

For and on behalf of the Board of Directors of

**Kilburn Engineering Limited**

**(Sampat Lal Singhvi)**

Partner

Membership No.: 083300

**(Manmohan Singh)**

Director

DIN : 00699314

**(Ranjit Lala)**

Managing Director

DIN : 07266678

Place : Kolkata

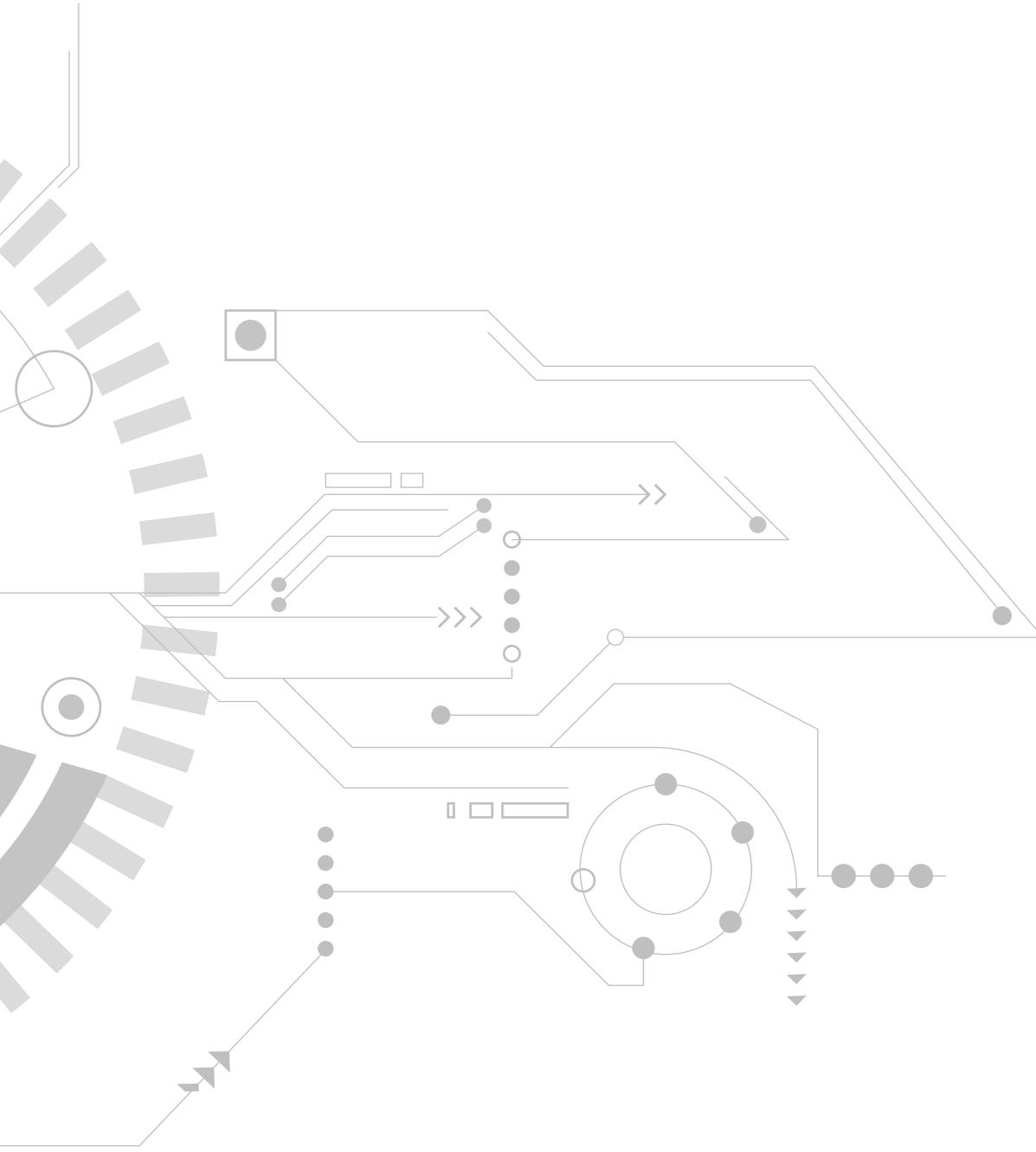
Date : 9<sup>th</sup> May, 2023

**(Sachin Vijayakar)**

Chief Financial Officer

**(Arvind Kumar Bajoria)**

Company Secretary



**KILBURN ENGINEERING LTD.**

Plot No.6, MIDC Industrial Area, Saravali,  
Kalyan-Bhiwandi Road, Thane – 421 311.