

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**KBK CHEM-ENGINEERING PVT LTD**

**Opinion**

We have audited the Ind AS financial statements of **KBK CHEM-ENGINEERING PVT LTD** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

- 1) Recoverability of Deferred Tax Assets: The Management has recognised Deferred Tax Assets on Unabsorbed business losses as there is reasonable certainty that such deferred tax assets can be realised against future taxable profits as per the management forecast for the business projections. We have reviewed the evaluation process of the management of the business projections with the underlying assumptions and judgements in arriving at the future taxable profits and found it to be satisfactory in recognising the deferred tax assets on unabsorbed business losses.
- 2) Revaluation and Impairment assessment of property, plant and equipment (PPE): The Management has revalued its Property, Plant and Equipment during the year after getting the revaluation done and obtaining the revaluation reports from the certified registered valuer. The accounting has been done in the books in line with the applicable Indian Accounting Standards. Further, the Management has also done an internal assessment of impairment of PPE and other financial assets in the Company and has concluded that there is no further impairment provision to be done as at March 31, 2022.  
- We have obtained and verified the revaluation reports issued by the valuers and gone through the records of PPE, its valuations, depreciation accounting done, revaluation wherever done and its due accounting. We are of the opinion that the revaluation of PPE is done satisfactorily and the accounting in the books has been done in compliance with the applicable accounting standards. Further, we have also evaluated if there are any indicators of further impairment of PPE and other financial assets by comparing the recoverability with the carrying value and provision of impairment loss if any required. We have concluded that there is no impairment of PPE as at March 31, 2022 and no provision for impairment loss is required as at March 31, 2022.

- 3) Physical verification of Inventory: The Management has conducted the Physical Verification of Inventory count at the yearend and we attended the Physical Verification count and further the management has shared with us the Certified Details of Inventory at the year end.

We have observed the Physical Verification of Inventory as at the yearend which was conducted by the Management and they have shared with us the Certified Details of Inventory at the year end. We have gone through the records and information provided and valuation of closing inventory done in the financial statements and we have obtained sufficient and appropriate information to issue our unmodified opinion on the financial statements.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for Financial Statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the *Annexure A*, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the 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 Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company have disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31(ii) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bengaluru  
Date: May 19, 2022

For **K N Prabhaskar & Co.,**  
Chartered Accountants  
Firm Regn No. 004982S  
**PRABHASHANKA** Digitally signed by  
**R NARAYANARAO** PRABHASHANKAR  
**KHOKALE** NARAYANARAO KHOKALE  
Date: 2022.05.19 18:13:59  
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**K. N. Prabhaskar**  
Partner  
Membership No. 019575  
UDIN: 22019575AJGSXD8025

**Annexure 'A' to the Auditors' Report**

The Annexure referred to in our report to the members of KBK Chem-Engineering Private Limited for the year ended March 31, 2022. 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.
- B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) According to the information and explanations given to us, Property, Plant and Equipment have been physically verified by the management periodically during the year which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- d) The Company has revalued its Property, Plant and Equipment during the year and the revaluation is based on the valuation of a Registered Valuer. The amount of change is more than 10% in aggregate of the net carrying value of below mentioned class of Property, Plant and Equipment or Intangible Assets as at 31<sup>st</sup> March 2022 whose details are as below:

Particulars	Carrying Value as on Mar'22	Revaluation Increase/(Decrease)	% of Change
Plant & Machinery	1,59,29,696	87,81,241	55.12

- e) According to the information and explanations given to us, there are no proceedings which has been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988. Hence, reporting whether the Company has appropriately disclosed in the financial statements or not does not arise.
- ii) a) With regard to inventory, physical verification has been conducted by the management at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate. Further, no significant material discrepancies exceeding 10% were noticed in aggregate for each class of inventory on the physical verification of stocks.
- b) As per the explanations provided to us, the Company has been sanctioned during the year working capital limits in excess of five crores rupees, in aggregate, from banks against their Fixed Deposits. As per the information and explanation given to us, due to borrowing against Fixed Deposits, there is no need for the Company to submit Quarterly reports to the Bank. Hence reporting on Quarterly reports matching with the books of accounts does not arise.
- iii) The Company has not made any 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 other parties. Hence, further reporting under the sub-clauses (a) to (f) does not apply.
- iv) The Company has no loans, investments, guarantees and security. Hence compliance under section 185 and 186 of the Companies Act, 2013 does not arise.
- v) According to the information and explanations given to us, the company has not accepted any deposits, hence reporting on clause (v) of the order is not applicable.

- vi) The Central Government has prescribed maintenance of cost records u/s. 148(1) of the Companies Act, 2013 for some products of the Company. We have broadly reviewed these records of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.
- vii) a) According to the information and explanations given to us and as per books and records examined by us, the Company is regular in depositing the undisputed statutory dues payable including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues and there are no such dues payable to the appropriate authorities outstanding as at 31<sup>st</sup> March 2022 for a period exceeding six months from the date they became payable.
- b) According to the information and explanations given to us and as per the records examined by us, there are no disputed amounts in respect of such statutory dues referred to in sub-clause (a) above as at 31st March 2022 except the following:

Sl No	Name of the Statute	Nature of Dues	Amount (Rs in Mn)	Period	Forum where Dispute is pending
1	Central Excise Act 1944		236.55	January 2007 to December 2010	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			14.75	January 2011 to November 2011	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			1.98	July 2012 to May 2013	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			0.52	June 2013 To December 2013	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			0.03	January 2014 to June 2014	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			1.70	July 2014 to December 2014	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			20.05	January 2015 to December 2015	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			1.95	January 2016 to June 2016	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
2	The Maharashtra Value Added Tax Act, 2002	Sales Tax	10.42	2006-07	Sales Tax - Joint Commissioner Pune
			0.54	2010-11	Sales Tax - Joint Commissioner Pune
			0.88	2014-15	Sales Tax - Joint Commissioner Pune
			5.47	2016-17	Sales Tax - Joint Commissioner Pune
3	Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	2.62	2010-12	The central govt. Industrial tribunal no. at Mumbai
4	Income Tax Act, 1961	Income Tax	1.51	F.Y.2008-09	Dy Commissioner Income-Tax Appellate Tribunal Pune Versus Cir 11(1) Pune
5	Income Tax Act, 1961	TDS	6.28	FY.2007-08 to 2014-15	TDS Circle 14, Pune
	<b>Grand Total</b>		<b>305.25</b>		

- viii) As per the information and explanations given to us and as per the records examined by us, there are no such transactions which are not recorded in the books of account and which 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) As per the information and explanations given to us and on the basis of our examination of books and records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to the banks.
- b) As per the information and explanations given to us, the Company is not a declared wilful defaulter by any bank or financial institution or other lender.
- c) The Company has term loans. The term loans borrowed during the year have been utilised for the purpose for which they were raised.
- d) As per the information and explanations given to us and on the basis of our examination of books and records, the funds raised on short term basis have not been utilised for long term purposes.
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) 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 by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting on the clause with regard to application of such funds does not arise.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting on the compliance under Section 42 and Section 62 of the Companies Act, 2013 does not arise.
- xi) a) As per information and explanations given to us and on the basis of our examinations of books and records, there were no frauds by the Company or on the Company that has been noticed or reported during the year.
- b) As there were no frauds noticed or reported during the year, filing of report under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government does not arise.
- c) As per information and explanations given to us and on the basis of our examinations of books and records, there were no whistle-blower complaints received during the year by the company.
- xii) This is not a Nidhi Company, hence reporting under clause (xii) does not apply.
- xiii) As per information and explanations given to us and on the basis of our examinations of books and records, all the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) a) The Company has an Internal Audit system which is commensurate with the size and nature of its business.
- b) The reports of the Internal Auditor for the period under audit has been considered.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with them and hence reporting on this clause is not applicable.
- xvi) a) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Further, reporting on sub clause (b) to (d) does not apply.
- 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.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, as per our knowledge of the Board of Directors and management plans and on the basis of Holding Company support letter, we are of the opinion no material uncertainty exists as on the date of the audit report that company may not be 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.
- (xx) Since the Company does not come within the purview of Section 135 of the Companies Act 2013, reporting under this clause does not apply.
- (xxi) Being reporting on Standalone Company, this clause does not apply.

Camp: Bengaluru  
Date: May 19, 2022

For **K N Prabhaskar & Co.,**  
Chartered Accountants  
Firm Regn No: 004982S  
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**R NARAYANARAO** PRABHASHANKAR  
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**K. N. Prabhaskar**  
Partner  
Membership No: 019575  
UDIN: 22019575AJGSXD8025

## **Annexure ‘B’ to the Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of **KBK Chem-Engineering Private Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the 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 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 (‘ICAI’). 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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal 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 **K N Prabhaskar & Co.,**

Chartered Accountants

Firm Regn No: 004982S

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**K. N. Prabhaskar**

Partner

Membership No: 019575

UDIN: 22019575AJGSXD8025

Camp: Bengaluru

Date: May 19, 2022

**KBK CHEM ENGINEERING PRIVATE LIMITED**  
Gate No -540, Urwade Road, Kasar Amboli, Tal.Mulshi, Pirangut Pune, - 412111  
**Balance Sheet as at March 31, 2022**

(Amount in Rupees)

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	11,22,06,894	9,48,03,755
Capital work-in-progress		-	-
Intangible Assets	4	-	-
<b>Financial Assets</b>			
Other non-current financial assets	5	51,30,999	51,30,461
Non-current tax assets		59,01,304	38,82,832
Other non-current assets	6	16,17,76,080	-
Deferred Tax Assets (Net)	15	24,01,29,487	-
<b>Total non-current assets</b>		<b>52,51,44,764</b>	<b>10,38,17,048</b>
<b>Current assets</b>			
Inventories	7	38,67,02,489	9,82,86,343
<b>Financial Assets</b>			
Trade Receivables	8	59,26,05,555	19,73,57,571
Cash And Cash Equivalents	9	36,814	11,03,830
Other Bank balances	10	11,20,55,235	2,87,62,982
Other Current Assets	11	28,72,43,571	3,69,08,309
<b>Total current assets</b>		<b>1,37,86,43,664</b>	<b>36,24,19,035</b>
<b>Total Assets</b>		<b>1,90,37,88,428</b>	<b>46,62,36,083</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12a	1,69,14,300	1,69,14,300
Other Equity	12b	(76,09,91,201)	(1,16,72,14,916)
<b>Total Equity</b>		<b>(74,40,76,901)</b>	<b>(1,15,03,00,616)</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	13	1,35,33,34,671	1,35,61,12,447
Net employee benefit liabilities	14	58,49,926	54,92,791
Non-current tax liabilities		58,47,187	58,47,187
Deferred Tax Liabilities (Net)	15	-	56,84,212
<b>Total non-current liabilities</b>		<b>1,36,50,31,784</b>	<b>1,37,31,36,637</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	11,03,59,622	3,14,01,945
Trade Payables	17		
- Total outstanding dues of micro and small enterprises		37,04,824	15,25,243
- Total outstanding dues of creditors other than micro and small enterprises		16,90,47,578	8,28,49,601
Other current financial liabilities	18	10,00,107	7,82,671
Net employee benefit liabilities	19	27,37,212	16,14,227
Other Current Liabilities	20	99,59,84,200	12,52,26,375
<b>Total current liabilities</b>		<b>1,28,28,33,543</b>	<b>24,34,00,062</b>
<b>Total liabilities</b>		<b>2,64,78,65,327</b>	<b>1,61,65,36,699</b>
<b>Total Equity and Liabilities</b>		<b>1,90,37,88,428</b>	<b>46,62,36,083</b>

Accompanying notes 1 to 36 form integral part of these financial statements

To be read with our report of even date

**For K N Prabhaskar & Co.**

Chartered Accountants

Firm Regn.No : 004982S

PRABHASHANKAR

NARAYANARAO KHOKALE

**K.N. Prabhaskar**

Partner

Membership No.019575

Digitally signed by PRABHASHANKAR  
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For and on behalf of the Board of directors of  
**KBK Chem Engineering Pvt. Ltd.**

Vijendra Singh  
Digitally signed by  
Vijendra Singh  
Date: 2022.05.19  
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**Vijendra Singh**  
Director  
**DIN : 03537522**

Sunil  
Sakharam  
Kadam  
Digitally signed by  
Sunil Sakharam Kadam  
Date: 2022.05.19  
16:36:51 +05'30'

**Sunil Kadam**  
Director  
**DIN : 00212461**

**Place** : Mumbai

**Date** : May 19, 2022

**KBK CHEM ENGINEERING PRIVATE LIMITED**  
Gate No -540, Urwade Road, Kasar Amboli, Tal.Mulshi, Pirangut Pune, - 412111  
**Statement of Profit & Loss for the year ended March 31, 2022**

(Amount in Rupees)

	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations	21	1,91,29,12,409	50,30,56,790
Other Income	22	2,79,41,890	37,68,949
<b>Total Income</b>		<b>1,94,08,54,299</b>	<b>50,68,25,739</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	1,18,47,45,410	29,56,18,937
Changes In Inventories of Finished Goods, Work- In-Progress & Stock in Trade	24	(20,09,48,661)	(3,98,17,258)
Employee Benefit Expenses	25	3,99,46,078	2,48,94,859
Finance Costs	26	1,06,23,075	76,87,051
Depreciation and Amortisation Expenses	27	40,88,188	37,70,254
Foreign exchange (gain)/ loss (net)		55,34,242	(15,14,622)
Other Expenses	28	74,02,24,789	20,45,05,474
<b>Total Expenses</b>		<b>1,78,42,13,121</b>	<b>49,51,44,696</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>15,66,41,178</b>	<b>1,16,81,043</b>
Extraordinary Items		-	-
<b>Profit/(Loss) Before Tax</b>		<b>15,66,41,178</b>	<b>1,16,81,043</b>
<b>Tax Expenses:</b>			
Current Tax	29	-	
Deferred Tax		(24,38,24,186)	(5,75,483)
<b>Income tax expense</b>		<b>(24,38,24,186)</b>	<b>(5,75,483)</b>
<b>Profit/(Loss) for the period</b>		<b>40,04,65,364</b>	<b>1,22,56,526</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of the net defined benefit liability / asset		72,084	(95,092)
Income tax effect		(18,742)	-
Revaluation reserve on assets		79,11,835	-
Income tax effect		(20,57,077)	-
Reversal of revaluation reserve on disposal of asset / impairment of plant property and equipment (net of tax)		(2,02,363)	-
Income tax effect		52,614	-
<b>Total comprehensive income for the period</b>		<b>40,62,23,715</b>	<b>1,21,61,434</b>
<b>Earnings Per Share:</b>	30		
Basic (in Rs.)		2,367.61	72.46
Diluted (in Rs.)		2,367.61	72.46
(Nominal value of shares Rs 100 each)			

Accompanying notes 1 to 36 form integral part of these financial statements

To be read with our report of even date

For **K N Prabhshankar & Co.**

Chartered Accountants

Firm Regn.No : 004982S

**PRABHASHANKAR**

**NARAYANARAO**

**KHOKALE**

**K.N. Prabhshankar**

Partner

Membership No.019575

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PRABHASHANKAR  
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For and on behalf of the Board of directors of

**KBK Chem Engineering Pvt. Ltd.**

**Vijendra Singh**  
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Vijendra Singh  
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**Vijendra Singh**

Director

**DIN : 03537522**

**Sunil Sakharam Kadam**  
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**Sunil Kadam**

Director

**DIN : 00212461**

**Place** : Mumbai

**Date** : May 19, 2022

**KBK CHEM ENGINEERING PRIVATE LIMITED****Statement of change in equity for the year ended 31st March 2022**

All amounts in Indian rupees, unless otherwise stated

**a. Equity share capital as at 31st March 2021**

	No of shares	Amount
As at 1st April 2020	1,69,143	1,69,14,300
Equity shares issued during the year	-	-
As at 31st March 2021	1,69,143	1,69,14,300

**Equity share capital as at 31st March 2022**

	No of shares	Amount
As at 1st April 2021	1,69,143	1,69,14,300
Equity shares issued during the year	-	-
As at 31st March 2022	1,69,143	1,69,14,300

**b. Other Equity**

	Reserves and Surplus		Items of OCI	Total
	Share Premium	Retained Earnings	Revaluation Reserve	
As at April 1, 2020	36,28,18,690	(1,58,71,46,240)	4,49,51,199	(1,17,93,76,351)
Profit for the year	-	1,22,56,526	-	1,22,56,526
Other Comprehensive Income	-	(95,092)	-	(95,092)
Depreciation on revalued assets	-	3,40,559	(3,40,559)	-
As at March 31, 2021	36,28,18,690	(1,57,46,44,246)	4,46,10,640	(1,16,72,14,916)
Profit for the year	-	40,04,65,364	-	40,04,65,364
Other Comprehensive Income	-	53,342	57,05,009	57,58,351
Depreciation on revalued assets	-	3,38,575	(3,38,575)	-
As at March 31, 2022	36,28,18,690	(1,17,37,86,965)	4,99,77,074	(76,09,91,201)

Accompanying notes 1 to 36 form integral part of these financial statements

To be read with our report of even date

**For K N Prabhaskar & Co.**

Chartered Accountants

Firm Regn.No : 004982S

**PRABHASHANKA**  
**R NARAYANARAO**  
**KHOKALE**

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**K.N. Prabhaskar**

Partner

Membership No.019575

For and on behalf of the Board of directors of

**KBK Chem Engineering Private Limited**

**Vijendra**  
**a Singh**

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 by Vijendra  
 Singh  
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**Vijendra Singh**

Director

**DIN : 03537522**

**Sunil**  
**Sakharam**  
**Kadam**

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 Date: 2022.05.19  
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**Sunil Kadam**

Director

**DIN : 00212461**

Place : Mumbai

Date : May 19, 2022

**KBK CHEM ENGINEERING PRIVATE LIMITED**  
Gate No -540, Urwade Road, Kasar Amboli, Tal.Mulshi, Pirangut Pune, - 412111  
**Cash Flow Statement for the year ended March 31, 2022**

(Amount in ₹)

	As at March 31, 2022	As at March 31, 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before Tax	15,66,41,178	1,16,81,044
<b>Adjustments to reconcile profit before tax to net cash provided by operating</b>		
Depreciation and Amortisation Expenses	40,88,188	37,70,254
Finance Costs	1,06,23,075	76,87,052
Loss/(Profit) on Sale of Fixed Assets	16,504	-
Provision for Doubtful Debts	(1,89,33,767)	(3,93,732)
Impairment for financial assets	23,84,726	-
Interest income	(65,10,118)	(9,91,971)
Exchange Fluctuations (net)	55,34,242	(15,14,622)
Reimbursement of net liability/assets of defined benefit plans	72,084	(95,092)
<b>Operating profit before working capital changes</b>	<b>15,39,16,112</b>	<b>2,01,42,933</b>
<b>Changes in operating assets and liabilities:</b>		
Trade Receivables	(38,22,56,395)	(8,48,76,440)
Other Receivables	(25,27,20,526)	8,32,32,258
Inventory	(28,84,16,146)	(2,64,66,344)
Trade and Other Payables	96,08,32,939	3,55,18,040
<b>Cash generated from operations</b>	<b>19,13,55,984</b>	<b>2,75,50,448</b>
Income Tax (net)	(20,18,472)	2,29,942
<b>Net cash flow from operating activities</b>	<b>18,93,37,512</b>	<b>2,77,80,390</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(1,74,03,139)	(11,77,575)
Investment in Fixed deposit	(24,50,68,333)	(2,87,62,982)
Interest Income	65,10,118	9,91,971
<b>Net cash flow from investing activities</b>	<b>(25,59,61,354)</b>	<b>(2,89,48,586)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
(Proceeds)/Repayment from short-term borrowings	7,89,57,677	(57,44,648)
Proceeds/ Repayment of long-term borrowings	(27,77,776)	80,66,256
Finance Cost	(1,06,23,075)	(76,87,052)
<b>Net cash flow from financing activities</b>	<b>6,55,56,826</b>	<b>(53,65,444)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(10,67,016)</b>	<b>(65,33,640)</b>
Opening Cash and Cash Equivalents	11,03,830	76,37,469
<b>Closing Cash and Cash Equivalents</b>	<b>36,814</b>	<b>11,03,830</b>

The cash flow statement is prepared using the indirect method set out in IND AS 7 - Statement of cash flow.

**Changes in liabilities arising from financing activities for year ended 31st March 2021**

Particulars	Long term borrowings	Short term borrowings
As at 1st April 2020	1,34,80,46,191	3,52,02,147
Repayment of borrowings	-	(57,44,648)
Others	80,66,256	19,44,446
As at 31st March, 2021	1,35,61,12,447	3,14,01,945

**Changes in liabilities arising from financing activities for year ended 31st March 2022**

Particulars	Long term borrowings	Short term borrowings
As at 1st April 2021	1,35,61,12,447	3,14,01,945
Repayment of borrowings	-	7,89,57,677
Others	(27,77,776)	-
As at March 31, 2022	1,35,33,34,671	11,03,59,622

**Accompanying notes 1 to 36 form integral part of these financial statements**

To be read with our report of even date  
For **K N Prabhaskar & Co**

For and on behalf of the Board of directors of  
**KBK Chem Engineering Private Limited**

Chartered Accountants  
Firm Regn.No : 0049825

**PRABHASHANKAR**  
**R NARAYANARAO**  
**KHOKALE**  
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PRABHASHANKAR  
NARAYANARAO KHOKALE  
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**K.N. Prabhaskar**  
Partner  
Membership No.019575

**Vijendra Singh**  
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Vijendra Singh  
Date: 2022.05.19  
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**Vijendra Singh**  
Director  
DIN : 03537522

**Sunil Sakharam Kadam**  
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Sunil Sakharam  
Kadam  
Date: 2022.05.19  
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**Sunil Kadam**  
Director  
DIN : 00212461

**KBK CHEM-ENGINEERING PRIVATE LIMITED**

Gate No -540, Urwade Road, Kasar Amboli, Tal. Mulshi, Pirangut Pune – 412111, Maharashtra, India

**Notes to financial statements for the year ended March 31, 2022**

**Note: 1 – Corporate Information**

The financial statements comprise financial statements of M/s KBK Chem- Engineering Pvt. Ltd. for the year ended 31<sup>st</sup> March 2022. The Company is a limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its holding company is Shree Renuka Sugars Limited (that is public listed on two recognised stock exchanges in India). The registered office of the Company is located at Gate No -540, Urwade Road, Kasar Amboli, Tal. Mulshi, Pirangut Pune – 412111, Maharashtra, India.

The company is principally engaged in the engineering activities, EPC Solutions and Technology provider for Industrial alcohol based plants such as Fuel Ethanol, Ethyl Acetate, Portable Alcohol, Evaporation, ZLD ,Sugar & Sugar Refinery with Co-generation plants with Efficient Management along with water and waste water solutions.

**Note: 2 - Significant Accounting Policies**

**a) i. Basis of preparation of financial statements**

The accompanying financial statements have been presented for the year ended March 31, 2022 along with comparative information for the year ended March 31, 2021. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) on going concern basis under the historical cost convention on the accrual basis of accounting and the relevant provisions prescribed in the Companies Act 2013, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**ii. Going Concern**

The performance of the company has improved to Profits since last 2 financial years. The Company has turned into profit making and continued to maintain its current assets more than the current liabilities.

The Company management has prepared a cash flow forecast of the Company for next 12 months period ending 31<sup>st</sup> March 2023. Further the Board of Directors of Holding Company, has provided letter of comfort to meet shortfall in its normal trade related working capital requirements during the 12 months period ended March 31, 2023. Accordingly, the Company management believes it will be able to meet all its financial obligations, as and when they fall due during the next twelve months. Accordingly, Company has prepared the financial statements on going concern basis.

**b) Use of estimates**

In preparing the Company's financial statements in conformity with Ind AS, the Company's management is required to make estimates, judgements and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise and if material, their effects are disclosed in the notes to the financial statements.

**c) Revenue recognition**

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying Ind AS 115 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings for the year ended March 31, 2020.

**d) Property, plant and equipment:**

i. **Property, plant and equipment** (Tangible and Intangible) are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to the location and condition necessary for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis. Subsidy received from the Government has been recognised as deferred income and recognized in the profit and loss on a systematic basis over the useful life of assets.

ii. Land, Building and Plant and Machinery are carried at revalued amount and the surplus on revaluation is credited to Revaluation Reserve account. The useful lives of the depreciable assets remain to be the same as that of prior to revaluation.

**e) Borrowing costs:**

Interest and other costs in connection with the borrowings of funds to the extent attributable to the acquisition or construction of qualifying assets or capitalized as part of the cost of such asset till such time the asset is ready for its intended use.

All other borrowings costs are recognised in the statement of profit and loss in the period in which they are incurred.

**f) Depreciation:**

i. Depreciation is provided in the manner prescribed in Schedule II of the Companies Act, 2013. The Carrying Value of Fixed assets is depreciated over the revised remaining useful lives. Fixed assets having nil useful life has been charged to the opening balance of retained earnings as per the transitional provision prescribed in note 7 (b) of Schedule II of the Companies Act 2013.

ii. Depreciation on the value of Revaluation is reduced from revaluation Reserve.

**g) Inventories:**

Inventories are valued as follows:

*Raw materials, stores and spares, and packing materials:*

Valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a Moving Weighted Average basis.

*Finished goods*

Valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods excludes excise duty.

Excise duty is generally provided on manufacture of goods, which are not exempt from the payment of duty. However, since the Company's finished goods are not segregated at the time of production into those for sale in domestic markets and those for sale in export markets, the Company is unable to determine the exact liability towards excise duty on finished goods. Accordingly, excise duty is provided/ paid only at the time of clearance of the goods from the factory.

*Work-in-process*

Valued at lower of cost up to estimated stage of process and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

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.

### *By- products*

By-products are valued at cost. Inter-unit transfers of by- products also include the cost of transportation, duties, etc.

## **h) Foreign currency transactions**

### *Initial Recognition*

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### *Conversion*

Foreign currency monetary items are reported using the closing rate at the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

### *Exchange Differences*

Exchange Differences is charged to the statement of profit and loss except arising on account of such conversion related to the purchase of fixed assets is adjusted therewith, and other long term monetary items is adjusted in the Foreign Currency Monetary Item Translation Difference Account.

### *Forward Exchange Contracts not intended for trading or speculation purposes*

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

## **i) Employee benefits:**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to "The Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme". The Company recognises such contributions as expense of the year in which the liability is incurred.

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

## **j) Income taxes**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws

enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

**k) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- The Company has a present obligation as a result of a past event
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be easily estimated.

Contingent Liability is disclosed in the case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities. In respect of statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Contingent Assets are neither recognized nor disclosed.

**l) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**m) Impairment of assets**

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine,

- a. The provision for impairment loss, if any, required or
- b. The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

**n) Classification of Assets and Liabilities as Current and Non-Current:**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.

Note 3 : Property, Plant and Equipment

(Amount in ₹)

Particulars	Land Free Hold	Building	Plant & Machinery	Computer and Computer Peripherals*	Furniture & Fittings*	Vehicles*	Office Equipment*	Total
<b>Gross Carrying Value</b>								
<b>As at April 1, 2020</b>	4,33,50,000	5,39,28,778	3,21,14,748	49,73,189	93,28,000	33,41,216	10,29,580	14,80,65,512
Additions	-	-	4,59,881	5,00,763	1,54,800	-	62,133	11,77,577
Disposals	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	4,33,50,000	5,39,28,778	3,25,74,629	54,73,952	94,82,801	33,41,216	10,91,713	14,92,43,089
Additions	-	81,40,754	16,67,320	18,49,949	15,00,021	19,06,000	11,08,316	1,61,72,360
Disposals	-	-	58,15,990	41,05,202	81,60,069	-	7,54,207	1,88,35,467
Revaluation	(25,50,000)	16,80,594	87,81,241	-	-	-	-	79,11,835
<b>As at March 31, 2022</b>	4,08,00,000	6,37,50,125	3,72,07,201	32,18,700	28,22,752	52,47,216	14,45,823	15,44,91,816
<b>Accumulated Depreciation</b>								
<b>As at April 1, 2020</b>	-	2,08,03,757	1,29,46,653	44,48,592	91,43,160	23,78,023	9,48,894	5,06,69,080
Depreciation charge for the year	-	18,62,637	13,83,618	2,49,881	96,596	1,27,468	50,054	37,70,254
Disposals	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	2,26,66,394	1,43,30,271	46,98,473	92,39,757	25,05,491	9,98,948	5,44,39,334
Depreciation charge for the year	-	19,03,185	14,11,540	3,64,391	61,433	3,14,805	32,834	40,88,188
Disposals	-	-	32,45,547	40,88,556	81,59,280	-	7,49,217	1,62,42,600
Revaluation	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	2,45,69,579	1,24,96,264	9,74,309	11,41,910	28,20,295	2,82,565	4,22,84,923
<b>Net Carrying Value</b>								
As at March 31, 2022	4,08,00,000	3,91,80,546	2,47,10,937	22,44,391	16,80,842	24,26,921	11,63,258	11,22,06,894
As at March 31, 2021	4,33,50,000	3,12,62,384	1,82,44,358	7,75,479	2,43,044	8,35,725	92,765	9,48,03,755

\* These assets were carried at deemed cost at the time of transition to IND As

**A. Assets under construction**

Capital work in progress as at 31st March, 2022 comprises expenditure for the plant and building in the course of construction including material procured for expansion projects. Additions during the current year and previous year are net of capitalisation.

**B. Revaluation of land, buildings and plant, machinery and equipment**

During the year ended 31st March 2022, the Company had appointed an independent valuer to determine the fair value of freehold and leasehold land, building and plant and machineries. As an outcome of this process, the Company has recognised decrease in the gross block of free hold land of INR 25,50,000, increase in the gross block of building of INR 16,80,594 and in plant and machineries of INR 87,81,241. The company recognised this increase within the revaluation reserve and statement of comprehensive income.

The Company determined these fair values after considering physical condition of the asset, technical usability / capacity, salvage value, quotes from independent vendors. The fair value of land is determined using market approach and building, plant, machinery and equipment using Depreciated Replacement Cost (DRC). The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The fair value measurement will be classified under level 3 fair value hierarchy.

**Significant unobservable valuation input:**

Asset	Valuation technique	Significant unobservable inputs
Freehold land/Leasehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
Building	Depreciated Replacement Cost (DRC)	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on utility and design of building structures condition, actual physical condition and state of repairs and maintenance, type of general and special specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, depreciation for physical wears and tear.
Plant, machinery and equipment	Depreciated Replacement Cost (DRC)	The valuation of plant & machinery has been estimated by DRC method under cost approach of valuation. The DRC is adjusted towards the obsolescence, potential profitability and service potential in order to estimate the market value 'In-Situ' of the plant & machinery.

Information of revaluation model (gross of deferred tax):

(Amount in ₹)

<b>Balance as at 31st March 2020</b>	<b>4,49,51,199</b>
Revaluation Reserve	-
Depreciation on revalued assets	(3,40,559)
Reversal of reserves on revalued assets sold	-
<b>Balance as at 31st March 2021</b>	<b>4,46,10,640</b>
Revaluation Reserve	79,11,835
Depreciation on revalued assets	(3,38,575)
Reversal of reserves on revalued assets sold	(2,02,363)
<b>Balance as at 31st March 2022</b>	<b>5,19,81,536</b>

If freehold land, building & plant & machinery was measured using the cost model. The carrying amount would be as follows:

(Amount in ₹)

	As at 31st March 2022	As at 31st March 2021
<b>Cost</b>		
Freehold Land	37,74,110	37,74,110
Buildings	5,76,68,303	4,95,27,549
Plant, machinery and equipment	2,73,80,205	3,12,59,990
	<b>8,88,22,618</b>	<b>8,45,61,649</b>
<b>Accumulated depreciation</b>		
Freehold Land	-	-
Buildings	2,38,47,489	2,21,84,338
Plant, machinery and equipment	1,22,65,165	1,41,30,540
	<b>3,61,12,654</b>	<b>3,63,14,878</b>
<b>Net carrying amount</b>	<b>5,27,09,964</b>	<b>4,82,46,771</b>

Note 4: Intangible Assets

(Amount in ₹)

Particulars	Computer Software #	Total
<b>As at April 1, 2020</b>	1,11,80,984	1,11,80,984
Additions	-	-
Disposals	-	-
<b>As at March 31, 2021</b>	1,11,80,984	1,11,80,984
Additions	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	1,11,80,984	1,11,80,984
<b>Depreciation and Impairment</b>		
<b>As at April 1, 2020</b>	1,11,80,984	1,11,80,984
Depreciation charge for the year	-	-
Disposals	-	-
<b>As at March 31, 2021</b>	1,11,80,984	1,11,80,984
Depreciation charge for the year	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	1,11,80,984	1,11,80,984
<b>Net Book Value</b>		
As at March 31, 2022	-	-
As at March 31, 2021	-	-

# These assets were carried at deemed cost at the time of transition to IND As

Notes to financial statements for the year ended March 31, 2022

Note 5: Other non-current financial assets

(Amount in Rupees)

	As at March 31, 2022	As at March 31, 2021
<b>Unsecured &amp; Considered good:</b>		
Deposit	18,64,136	18,24,136
Amount paid under protest to Government Authorities	32,66,863	33,06,325
	<b>51,30,999</b>	<b>51,30,461</b>

Note 6 : Other non current assets

	As at March 31, 2022	As at March 31, 2021
Fixed deposit pledged with bank (maturity more than 12 months)	16,17,76,080	-
	<b>16,17,76,080</b>	<b>-</b>

Note 7: Inventories

	As at March 31, 2022	As at March 31, 2021
<b>Raw Materials:</b> (includes transit stock of 31st March 2022: INR 61,09,687 (31st March 2021: Nil))	12,62,97,661	3,56,60,335
<b>Work-in-Progress:</b>		
- at Workshop	26,35,74,670	6,26,26,009
	38,98,72,331	9,82,86,343
Less: Provision for Obsolete Stock at site	31,69,842	-
	<b>38,67,02,489</b>	<b>9,82,86,343</b>

Note 8: Trade Receivables

	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Receivables from third parties*	6,25,07,782	6,40,55,597
Receivables from related parties (refer note 33)*	53,00,97,773	13,33,01,974
	<b>59,26,05,555</b>	<b>19,73,57,571</b>

Break-up for security details:

<b>Unsecured, considered good</b>		
Receivables from third parties	6,25,07,782	6,40,55,597
Receivables from related parties (refer note 33)	53,00,97,773	13,33,01,974
<b>Unsecured, considered doubtful</b>		
Receivables from third parties	8,13,494	10,61,40,471
Receivables from related parties (refer note 33)	51,39,741	-
	<b>(A) 59,85,58,790</b>	<b>30,34,98,042</b>

Impairment allowance (allowance for bad and doubtful debts)

Unsecured, considered good	-	-
Unsecured, considered doubtful	59,53,235	10,61,40,471
	<b>(B) 59,53,235</b>	<b>10,61,40,471</b>

	<b>(A - B)</b>	<b>59,26,05,555</b>	<b>19,73,57,571</b>
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During the year, the Company has recognised impairment allowance in statement of profit & loss on lifetime expected credit loss model amounting to INR 1,89,33,767 (31st March 2021: INR 3,93,732).

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

\* Includes retention amount to INR 22,01,47,318 (31st March 2021: INR 6,28,46,947).

Trade receivables Ageing Schedule

Outstanding for following periods from due date of payment	As at March 31, 2022	As at March 31, 2021
Current but not due	15,88,80,892	2,11,72,449
Less than 6 Months	37,06,24,548	9,79,72,688
6 months – 1 year	1,32,68,499	3,24,60,372
1-2 years	1,72,20,564	93,17,174
2-3 years	53,11,055	55,25,861
More than 3 years	2,72,99,997	3,09,09,027
	<b>59,26,05,555</b>	<b>19,73,57,571</b>

Notes to financial statements for the year ended March 31, 2022

**Note 9: Cash & Cash Equivalents**

(Amount in Rupees)

	As at March 31, 2022	As at March 31, 2021
Cash on hand	-	1,130
<b>Balances with Banks:</b>		
In Current accounts	26,586	10,92,428
In Cash Credit accounts	10,228	10,272
	<b>36,814</b>	<b>11,03,830</b>

**Note 10 : Other Bank balances**

	As at March 31, 2022	As at March 31, 2021
Fixed deposit pledged with bank*	11,20,55,235	2,87,62,982
	<b>11,20,55,235</b>	<b>2,87,62,982</b>

\*Fixed deposit with banks include amounts that have been provided as margin money.

**Note 11: Other Current Assets**

	As at March 31, 2022	As at March 31, 2021
Advance to Vendors	25,39,22,795	2,53,74,532
Prepayments	13,24,972	7,48,158
Balances with government authorities	3,02,55,037	2,37,91,507
Other Advances	20,41,290	1,33,331
Less: Impairment allowance	(3,00,523)	(1,31,39,219)
	<b>28,72,43,571</b>	<b>3,69,08,309</b>

**Break-up for security details:**

Unsecured, considered good	28,72,43,571	3,69,08,309
Unsecured, considered doubtful	3,00,523	1,31,39,219
	<b>(A)</b>	<b>28,75,44,094</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Unsecured, considered doubtful	(3,00,523)	(1,31,39,219)
	<b>(B)</b>	<b>(3,00,523)</b>
	<b>(A - B)</b>	<b>28,72,43,571</b>
		<b>3,69,08,309</b>

Notes to financial statements for the year ended March 31, 2022

Note 12a: Equity Share Capital

(Amount in Rupees)

	As at March 31, 2022	As at March 31, 2021
a) <b>Authorised :</b> 1,75,000 Equity Shares of Rs.100/- Each	1,75,00,000	1,75,00,000
	<b>1,75,00,000</b>	<b>1,75,00,000</b>
b) <b>Issued, Subscribed &amp; Paid up</b> 169,143 Equity shares of Rs.100/- each	1,69,14,300	1,69,14,300
	<b>1,69,14,300</b>	<b>1,69,14,300</b>
c) <b>Reconciliation of number of Equity Shares outstanding :</b>	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	1,69,143	1,69,143
Increase/(decrease) during the year	-	-
<b>At the end of the year</b>	<b>1,69,143</b>	<b>1,69,143</b>

d) The Company has only one class of equity shares having par value of INR 100 per share . The company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share .

e) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) **Details of Shares held by promoters**  
As at March 31, 2022

Particulars	Promoter Name	As at March 31, 2022	
		No.of Shares	% of Holding
Equity shares of INR 100 each fully paid	Shree Renuka Sugars Limited '(Including holding by representatives)'	1,69,143	100

As at March 31, 2021

Particulars	Promoter Name	As at March 31, 2021	
		No.of Shares	% of Holding
Equity shares of INR 100 each fully paid	Shree Renuka Sugars Limited '(Including holding by representatives)'	1,69,143	100

Note 12b: Other equity

	As at March 31, 2022	As at March 31, 2021
Securities premium account (refer note a below)	36,28,18,690	36,28,18,690
Revaluation reserve (refer note b below)	4,99,77,074	4,46,10,640
Retained earnings	(1,17,37,86,965)	(1,57,46,44,246)
	<b>(76,09,91,201)</b>	<b>(1,16,72,14,916)</b>

a. Securities premium account:

	INR
<b>As at 1st April 2020</b>	<b>36,28,18,690</b>
Shares issued during the year	-
<b>As at 31st March 2021</b>	<b>36,28,18,690</b>
Shares issued during the year	-
<b>As at 31st March 2022</b>	<b>36,28,18,690</b>

b. Revaluation reserve:

Revaluation reserve is credited when property, plant and equipment's are revalued at fair value. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the Company recognised impairment of property, plant and equipment's through revaluation reserve amounting to INR 1,49,749 (31st March 2021: INR Nil) (net of deferred tax).

Notes to financial statements for the year ended March 31, 2022

**NON-CURRENT LIABILITIES**

**Note 13: Borrowings**

(Amount in Rupees)

	As at March 31, 2022	As at March 31, 2021
<b>Secured:</b>		
Term Loan From IDBI Bank	86,11,114	1,00,00,000
<b>Unsecured:</b>		
Loan from Holding Company (Shree Renuka Sugars Ltd)	1,34,80,56,893	1,34,80,56,893
	<b>1,35,66,68,007</b>	<b>1,35,80,56,893</b>
Less: Current maturity of long-term borrowings transferred to short term borrowings (refer Note 16 )	33,33,336	19,44,446
	<b>1,35,33,34,671</b>	<b>1,35,61,12,447</b>

**Terms of repayment for the loan outstanding**

Particulars	Maturity	Effective Rate of Interest	As at March 31, 2022	As at March 31, 2021
<b>Term loan from Bank</b>				
IDBI Bank Limited	28th September, 2024	8.70%	86,11,114	1,00,00,000

**Note A: Repayment schedule of financial instrument is as follows:**

Term loans availed from IDBI Bank having maturity date of 28th September 2024 are repayable in 36 structured monthly instalments commencing from 28th September 2021.

**Note B: Nature of security/guarantees**

Term loans availed from IDBI Bank is secured by second charge on movable and immovable assets of the company.

**Note C: Nature of security/guarantees**

Corporate Guarantee of Shree Renuka Sugars Ltd. towards term loan and working capital loan extended by IDBI Bank (refer note 16) aggregating to INR 1,300,00,000 (31st March 2021:INR 1,300,00,000).

**Note 14: Net employee benefit liabilities**

	As at March 31, 2022	As at March 31, 2021
<b>Provision For Employee Benefits:</b>		
Provision For Gratuity (refer note 32)	44,93,116	38,01,748
Provision For Leave Encashment	40,94,022	33,05,270
	85,87,138	71,07,018
Less: Short-Term Liability (transferred to short-term provisions (Refer Note 19):		
Provision For Gratuity	8,09,203	5,37,997
Provision For Leave Encashment	19,28,009	10,76,230
	<b>58,49,926</b>	<b>54,92,791</b>

**Note 15: Deferred Tax Assets (Liabilities) (Net)**

	As at March 31, 2022	As at March 31, 2021
<b>i. Deferred Tax Liability</b>		
Depreciation	97,99,787	75,32,036
<b>Gross Deferred Tax Liability</b>	<b>97,99,787</b>	<b>75,32,036</b>
<b>ii. Deferred Tax Asset</b>		
Leave Encashment	10,64,446	8,59,370
Gratuity	11,68,210	9,88,454
Unabsorbed Business Loss	24,36,83,900	-
Mat Credit Entitlement	40,12,718	-
<b>Gross Deferred Tax Asset</b>	<b>24,99,29,274</b>	<b>18,47,824</b>
<b>Net Deferred Tax Assets (Liability)</b>	<b>24,01,29,487</b>	<b>(56,84,212)</b>

Unabsorbed business losses have been recognised as deferred tax asset as there is reasonable certainty that such deferred tax asset can be realised against future taxable profits in the forthcoming financial years.

Notes to financial statements for the year ended March 31, 2022

**CURRENT LIABILITIES**

**Note 16: Borrowings**

(Amount in Rupees)

	As at March 31, 2022	As at March 31, 2021
<b>Secured:</b>		
<b>Working Capital Loan From Bank :</b>		
ICICI Bank (Against FD pledged with Bank)	4,78,74,384	-
IDBI Bank (Secured by pari passu charge on movable and immovable assets of the company with corporate guarantee of holding company)	5,91,51,902	2,94,57,499
Current maturity of long-term borrowings (Refer Note 13)	33,33,336	19,44,446
	<b>11,03,59,622</b>	<b>3,14,01,945</b>

**Note 17: Trade Payables**

	As at March 31, 2022	As at March 31, 2021
Trade payables#*	17,27,52,402	8,43,74,844
	<b>17,27,52,402</b>	<b>8,43,74,844</b>

#Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled within the credit period agreed with the supplier.

\*The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	33,49,039	15,25,243
- Interest due on above	3,55,785	-
<b>Total</b>	<b>37,04,824</b>	<b>15,25,243</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	3,55,785	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	3,55,785	-

**Trade payables Ageing Schedule**

Outstanding for following periods from due date of payment	As at March 31, 2022	As at March 31, 2021
Less than 1 year	17,17,74,577	8,17,85,899
1-2 years	7,41,077	11,71,456
2-3 years	43,060	1,54,621
More than 3 years	1,93,688	12,62,868
	<b>17,27,52,402</b>	<b>8,43,74,844</b>

**Note 18: Other current financial liabilities**

	As at March 31, 2022	As at March 31, 2021
Salary Payables	10,00,107	7,82,671
	<b>10,00,107</b>	<b>7,82,671</b>

Notes to financial statements for the year ended March 31, 2022

**Note 19: Net employee benefit liabilities (current)**

(Amount in Rupees)

	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits : (Refer Note 14)</b>		
Provision For Gratuity	8,09,203	5,37,997
Provision For Leave Encashment	19,28,009	10,76,230
	<b>27,37,212</b>	<b>16,14,227</b>

**Note 20: Other Current Liabilities**

	As at March 31, 2022	As at March 31, 2021
Advance From Customers	22,98,89,080	4,60,70,534
Advance From Related Parties (refer note 33)	76,07,38,636	7,74,38,544
Statutory Dues Payables	34,88,160	7,18,998
Other Payables	18,68,324	9,98,299
	<b>99,59,84,200</b>	<b>12,52,26,375</b>

**Note 21: Revenue from Operations**

	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of Products (Gross)		
Domestic	1,48,98,22,411	18,63,72,625
Export/overseas	25,40,36,787	13,36,46,326
Scrap	83,53,010	17,53,190
Sale of Services		
Domestic	15,05,95,835	17,20,20,657
Export	1,01,04,366	92,63,992
	<b>1,91,29,12,409</b>	<b>50,30,56,790</b>

**Contract balances**

Contract liability as at 31st March, 2022 is INR 99,06,27,716 (31st March 2021: INR 12,35,09,078)

**Revenue from contract with customers - Segment for the year ended :**

Type of goods or services	Segment	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of Products (Gross)			
Domestic	Engineering	1,48,98,22,411	18,63,72,625
Export/overseas	Engineering	25,40,36,787	13,36,46,326
Scrap	Engineering	83,53,010	17,53,190
Sale of Services			
Domestic	Engineering	15,05,95,835	17,20,20,657
Export	Engineering	1,01,04,366	92,63,992
		<b>1,91,29,12,409</b>	<b>50,30,56,790</b>

**Revenue from contract with customers for the year ended :**

	Segment	Year ended 31st March, 2022	Year ended 31st March, 2021
India	Engineering	1,64,87,71,256	36,01,46,472
Outside India	Engineering	26,41,41,153	14,29,10,317
		<b>1,91,29,12,409</b>	<b>50,30,56,790</b>

**Note 22: Other Income**

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest Received	65,10,118	9,91,970
Sundry balances Written Back	6,00,649	-
Provision of earlier years written back	1,25,40,000	-
RODTEP script income	11,24,805	-
Other non-operating income	71,66,318	27,76,979
	<b>2,79,41,890</b>	<b>37,68,949</b>

Notes to financial statements for the year ended March 31, 2022

**Note 23: Cost of Materials Consumed**

(Amount in Rupees)

	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening stock	3,49,68,152	3,83,00,664
Add: Purchases & Related Expenses	1,30,61,78,277	29,22,86,425
	<b>1,34,11,46,429</b>	<b>33,05,87,089</b>
Less: Closing Stock	15,64,01,019	3,49,68,152
	<b>1,18,47,45,410</b>	<b>29,56,18,937</b>

**Note 24: Changes In Inventory of Finished Goods, Work-In-Progress & Stock in Trade**

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Opening stock</b>		
Work in Progress at Work shop	6,26,26,009	2,28,08,751
	<b>(A)</b>	<b>2,28,08,751</b>
<b>Closing Stock</b>		
Work in Progress at Work shop	26,35,74,670	6,26,26,009
	<b>(B)</b>	<b>6,26,26,009</b>
	<b>(A-B)</b>	<b>(3,98,17,258)</b>

**Note 25: Employee Benefit Expenses**

	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, Wages & Bonus	3,48,97,973	1,98,48,458
Contribution to Provident Fund & Others	16,84,163	12,51,442
Leave Encashment	11,79,882	16,11,613
Gratuity Expenses (refer note 32)	7,63,452	5,80,316
Staff Welfare Expenses	14,20,608	16,03,030
	<b>3,99,46,078</b>	<b>2,48,94,859</b>

**Note 26: Finance Costs**

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Interest on:</b>		
On Term Loans	8,45,906	3,72,271
Interest on others	3,69,666	-
On Working Capital	37,34,610	46,39,120
<b>Others:</b>		
Bank Charges	56,72,893	26,75,660
	<b>1,06,23,075</b>	<b>76,87,051</b>

**Note 27: Depreciation and Amortisation Expenses**

	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation of Tangible Assets (refer note 3)	40,88,188	37,70,254
Amortisation of Intangible Assets (refer note 4)	-	-
	<b>40,88,188</b>	<b>37,70,254</b>

Notes to financial statements for the year ended March 31, 2022

**Note 28: Other Expenses**

(Amount in Rupees)

	Year ended 31st March, 2022	Year ended 31st March, 2021
Consumption of Stores & Spares	25,62,075	45,78,637
Outsourced service cost	63,14,01,934	16,09,12,542
Consultancy Services	47,70,698	69,60,000
Power & Fuel	15,55,251	12,12,434
Repair & Maintenance:		
Plant & Machinery	18,55,077	11,67,621
Buildings	39,49,895	18,04,262
Rent, Rates & Taxes	31,01,693	34,66,995
Insurance	7,45,312	12,10,648
Traveling & Conveyance	70,31,809	20,31,347
Printing & Stationery	4,02,196	3,42,443
Communication Expenses	6,19,605	5,29,925
Legal & Professional Fees	67,44,676	49,65,745
Repair & Maintenance-Others	31,90,393	14,96,313
Payment to auditors (refer note a below)	8,00,915	6,81,252
Impairment for financial assets	23,84,726	-
Safety & Security Expenses	20,13,768	15,82,466
Donations and contributions	4,49,200	-
Loss on Sale of Fixed Assets	16,504	69,896
Books, Subscription and Membership fees	23,068	21,000
Impairment of trade receivables	1,89,33,767	3,93,732
Freight and forwarding charges	4,45,60,779	1,00,80,153
Advertisement and sales promotion	17,14,676	2,89,915
Commission/Brokerage On Sales	46,000	36,000
Miscellaneous expenses	13,50,772	6,72,148
	<b>74,02,24,789</b>	<b>20,45,05,474</b>

**a. Payment to Auditors**

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>As auditor</b>		
Audit fee	3,50,000	3,00,000
Limited review	1,80,000	1,50,000
Tax Audit Services	1,00,000	1,00,000
<b>In other capacity:</b>		
Reimbursement of expenses	45,915	6,252
Others	1,25,000	1,25,000
	<b>8,00,915</b>	<b>6,81,252</b>

**Note 29: Current Tax**

	Year ended 31st March, 2022	Year ended 31st March, 2021
Current tax	40,12,718	-
Mat Credit Entitlement	(40,12,718)	-
	-	-

**Notes to financial statements for the year ended March 31, 2022**

All amounts in Indian rupees, unless otherwise stated

**Note 30: Earnings Per Share**

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.

	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
<b>Reconciliation of earnings</b>		
Profit/(Loss) for the year ended	40,04,65,364	1,22,56,526
<b>Net profit/(Loss) attributable to equity shareholders</b>	<b>40,04,65,364</b>	<b>1,22,56,526</b>
<b>Reconciliation of number of shares</b>	<b>Shares</b>	<b>Shares</b>
Shares outstanding at the beginning of the year	1,69,143	1,69,143
Shares outstanding at the end of the year	1,69,143	1,69,143
<b>Weighted average number of equity shares</b>	<b>1,69,143</b>	<b>1,69,143</b>
<b>Basic and Diluted Earnings Per Share (in rupees)</b> [Nominal value of shares Re. 100/- each]	<b>2,367.61</b>	<b>72.46</b>

**Notes to financial statements for the year ended March 31, 2022**

All amounts in Indian Rupees, unless otherwise stated

**Note 31:****i) Outstanding Commitments:**

Outstanding commitments of the company are as follows:

S. No.	Outstanding Commitments	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
A	Estimated value of contract pending for execution on capital account	122,065*	-

\*Capital advances of INR NIL is paid against the pending contracts.

Outstanding guarantee of the company are as follows:

S. No.	Outstanding Commitments	Year Ended March 31, 2022	Year Ended March 31, 2021
A	Bank Guarantee	18,09,30,000	45,929,411

**ii) Contingent Liabilities:**

Liabilities classified and considered contingent due to contested claims and legal disputes	Year Ended March 31, 2022	Year Ended March 31, 2021
Excise and Service Tax Demands (for ST, no demand)	279,651,302	279,651,302
Sales Tax/VAT Demands	18,457,849	20,470,091
PF Claim and Interest	2,618,681	2,618,681
Income Tax	7,791,697	7,759,197
Legal cases – Vendor and Customer	326,924,932	327,185,652

The Company is involved in engineering industry and the liability towards completion of the project is contingent in nature. However, there is no precedent of any claim against the company. Hence no contingent liability is recognized.

**iii) Contracts in Process:**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Net value of contracts in process	6,611,276,735	3,807,270,375

**Note 32: Defined Benefits Plans**

S.NO	Particulars	Gratuity Benefits	
		Year Ended 31st March 2022	Year Ended 31st March 2021
<b>1</b>	<b>Change in Benefit obligation</b>		
	Opening Defined Benefit Obligation	38,01,749	31,26,340
	Current service cost	5,70,917	4,14,355
	Interest cost	1,92,535	1,65,961
	Due to Change in Financial Assumption	(1,12,493)	52,150
	Due to experience adjustments	40,409	42,943
	Past Service Cost	-	-
	Actuarial loss/ (gain) on Obligation	-	-
	Benefits paid	-	-
	<b>Closing Defined Benefit Obligation</b>	<b>44,93,117</b>	<b>38,01,749</b>
<b>2</b>	<b>Change in Plan Assets</b>		
	Opening value of plan assets	-	-
	Interest Income	-	-
	Return on plan assets excluding amounts included interest income	-	-
	Contributions by employer	-	-
	Benefits paid	-	-
	<b>Closing value of plan assets</b>	-	-
<b>3</b>	<b>Fund Status of Plan Assets</b>		
	Present value unfunded obligations	44,93,117	38,01,748
	Present value funded obligations	-	-
	Fair Value of plan assets	-	-
	<b>Net Liability (Assets)</b>	<b>44,93,117</b>	<b>38,01,748</b>
<b>4</b>	<b>Other Comprehensive Income for the current period</b>		
	Due to Change in financial assumptions	(1,12,493)	52,150
	Due to change in demographic assumption	-	-
	Due to experience adjustments	40,409	42,943
	Return on plan assets excluding amounts included in interest income	-	-
	<b>Amounts recognized in Other Comprehensive Income</b>	<b>(72,084)</b>	<b>95,093</b>
<b>5</b>	<b>Expenses for the current period</b>		
	Current service cost	5,70,917	4,14,355
	Interest cost (net of interest income)	1,92,535	1,65,961
	<b>Amount recognized in expenses</b>	<b>7,63,452</b>	<b>5,80,316</b>
<b>6</b>	<b>Defined benefit liability</b>		
	Net opening provision in books of accounts	38,01,749	31,26,340
	Current service cost	5,70,917	4,14,355
	Net Interest cost	1,92,535	1,65,961
	Past Service Cost	-	-
	Actuarial Loss/(gain) recognized in Other Comprehensive Income	(72,084)	95,093
	Benefits paid by the Company	-	-
	<b>Closing provision in books of accounts</b>	<b>44,93,117</b>	<b>38,01,749</b>
<b>7</b>	<b>Principal Actuarial Assumption</b>		
	Discount rate (p.a.)	5.99%	5.45%
	Salary Growth rate (p.a.)	21.00%	21.00%
	Withdrawal Rates	26.00%	26.00%
	Retirement age	58 years	58 years

**Note 33 : Related party transactions**

**(a) Holding Company**

- 1 Shree Renuka Sugars Limited

**(b) Affiliate companies**

- 1 Gokak Sugars Limited
- 2 Renuka Vale Do Ivai S/A
- 3 Adani Wilmar Limited (India)
- 4 PT Jawanani Rafinasi (JMR)
- 5 Irving Investments Limited (Wilmar) Mozambique
- 6 Bright Agrocomm DMCC, Dubai
- 7 Great Wall – Wilmar Holding Limited, Myanmar
- 8 Great Wall – Wilmar Holding Limited, Beira
- 9 BIDCO Uganda Limited; Uganda
- 10 MW Rice Millers Limited
- 11 Sania Cie
- 12 Ghana Speciality Fats Industries Ltd.
- 13 Alfa Trading Limited.
- 14 Surgace Wilmar-Zimbabwe
- 15 Wilmar Africa Limited
- 16 Repi Soap & Detergent Plc-Ethiopia
- 17 PT Dutta sugar International-Indonesea
- 18 Global Oil Limitada, Beira
- 19 Wilmaco Food Industries
- 20 Wilmar Processing SA (Pty) Ltd

**(c) Key managerial personnel**

- 1 Mr. Atul Chaturvedi- Director
- 2 Mr. Vijendra Singh- Director
- 3 Mr. Sunil Kadam- Director

**KBK CHEM ENGINEERING PRIVATE LIMITED**
**Notes to financial statements for the year ended 31st March 2022**

All amounts in Indian rupees, unless otherwise stated

**A Transactions with related parties for year ended 31st March 2022 and 31st March 2021**

Sr. No.	Particulars	Year ended	Sales to related parties	Advance received
<b>(a)</b>	<b>Holding Company</b>			
i	Shree Renuka Sugars Limited	YTD March 31, 2022	1,78,28,61,777	1,00,79,45,459
		YTD March 31, 2021	39,75,96,576	9,33,86,327
<b>(b)</b>	<b>Affiliate companies</b>			
ii	Gokak Sugars Limited	YTD March 31, 2022	1,68,77,534	30,30,000
		YTD March 31, 2021	-	-
iii	Adani wilmar limited	YTD March 31, 2022	4,43,19,563	13,20,000
		YTD March 31, 2021	2,59,99,011	-
iv	Jawananis Rafinasi (JMR)	YTD March 31, 2022	4,84,62,544	2,06,80,830
		YTD March 31, 2021	1,95,14,996	73,89,136
v	BIDCO Uganda Limited, Uganda	YTD March 31, 2022	91,37,411	1,02,94,225
		YTD March 31, 2021	3,99,774	30,50,543
vi	MW Rice Millers Limited	YTD March 31, 2022	32,63,293	46,25,197
		YTD March 31, 2021	2,80,708	-
vii	SANIA Cie	YTD March 31, 2022	5,66,130	5,66,130
		YTD March 31, 2021	10,94,708	5,43,995
viii	Ghana Speciality Fats Industries Ltd.	YTD March 31, 2022	89,77,526	57,63,947
		YTD March 31, 2021	3,52,81,943	49,10,740
ix	Surgace Wilmar-zimbabe	YTD March 31, 2022	-	-
		YTD March 31, 2021	28,88,164	15,33,000
x	Wilmar Africa Limited	YTD March 31, 2022	-	89,65,281
		YTD March 31, 2021	1,04,19,582	64,92,467
xi	Repi Soap & Detergent PLC- Ethiopia	YTD March 31, 2022	1,15,96,266	1,68,29,387
		YTD March 31, 2021	5,02,64,636	1,70,24,878
xii	PT Duta Sugar International- Indonesia	YTD March 31, 2022	24,19,799	16,81,306
		YTD March 31, 2021	45,01,476	53,14,241
xiii	Alfa Trading Limited	YTD March 31, 2022	-	-
		YTD March 31, 2021	-	3,51,759
xiv	LLC Delta Wilmar, Ukraine	YTD March 31, 2022	-	13,96,082
		YTD March 31, 2021	-	-
xv	Global Industries Limited, Zambia	YTD March 31, 2022	-	1,53,44,223
		YTD March 31, 2021	-	-
xvi	Wilmaco Food Industries	YTD March 31, 2022	-	10,79,345
		YTD March 31, 2021	-	-
xvii	Wilmar Processing SA (Pty) Ltd	YTD March 31, 2022	6,83,86,280	15,75,53,700
		YTD March 31, 2021	-	-

**Terms and conditions of transactions with related parties:**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Break-up of amounts owed to and by related parties as at 31st March 2022 and 31st March 2021 are as follows:

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
<b>Trade Receivables (Refer note 8)</b>						
<b>Holding Company</b>						
Shree Renuka Sugars Limited	47,08,38,907	7,62,42,865	-	-	47,08,38,907	7,62,42,865
<b>Affiliate companies: (Refer note 8)</b>						
Bright Agrocomm DMCC	-	12,89,927	-	-	-	12,89,927
Bidco Uganda Limited	9,13,741	-	-	-	9,13,741	-
Ghana Specialty Fats Industries Ltd	32,09,841	5,32,758	-	-	32,09,841	5,32,758
Irving Investments Limited (Wilmar) Mozambique	-	3,32,517	-	-	-	3,32,517
MW Rice Millers Limited	29,03,249	1,69,016	-	-	29,03,249	1,69,016
PT Jawanani Rafinasi (JMR)	2,69,96,660	45,39,905	-	-	2,69,96,660	45,39,905
Repi Soap and Detergent PLC	51,39,742	3,68,95,880	51,39,742	-	-	3,68,95,880
Global Oil Limitada, Beira	-	5,79,675	-	-	-	5,79,675
Wilmar Africa Limited	-	39,92,725	-	-	-	39,92,725
Gokak Sugars Ltd	37,53,812	-	-	-	37,53,812	-
Adani Willmar Ltd	2,14,81,562	87,26,706	-	-	2,14,81,562	87,26,706
	<b>53,52,37,514</b>	<b>13,33,01,974</b>	<b>51,39,742</b>	<b>-</b>	<b>53,00,97,773</b>	<b>13,33,01,974</b>

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Non current borrowings</b>		
<b>Holding Company: (Note 13)</b>		
Shree Renuka Sugars Limited	1,34,80,56,893	1,34,80,56,893
<b>Other Current Liabilities</b>		
<b>Holding Company (Note 20)</b>		
Shree Renuka Sugars Limited	62,22,76,727	6,58,00,849
<b>Affiliate companies: (Note 20)</b>		
Bidco Uganda Limited	45,98,525	26,80,416
Ghana Specialty Fats Industries Ltd	23,00,365	6,18,241
MW Rice Millers Limited	46,55,926	-
PT Duta Sugar International	1,17,030	8,28,624
PT Jawanani Rafinasi (JMR)	33,92,665	25,66,443
Repi Soap and Detergent PLC	-	36,51,525
Wilmar Africa Limited	1,03,71,532	12,92,447
Global Industires Limited	1,56,61,227	-
Gokak Sugars Ltd	29,93,712	-
Wilmaco Food Industries	10,91,054	-
Wilmar Processing SA (Pty) Ltd	9,18,46,895	-
LLC Delta Wilmar, Ukraine	14,32,978	-
	<b>2,10,87,95,529</b>	<b>1,42,54,95,438</b>

## Notes to financial statements for the year ended March 31, 2022

All amounts in Indian rupees, unless otherwise stated

## Note 34 - Segment information

The Management Committee monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

## Primary Segment Reporting for the year ended 31st March 2022 and 31st March 2021

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
	Engineering	Engineering	Total	Total
<b>Revenue</b>				
Segment Revenue	1,91,29,12,409	50,30,56,790	1,91,29,12,409	50,30,56,790
Inter-segment sales	-	-	-	-
<b>Total Revenue</b>	<b>1,91,29,12,409</b>	<b>50,30,56,790</b>	<b>1,91,29,12,409</b>	<b>50,30,56,790</b>
Segment Results	14,48,56,605	1,40,84,524	14,48,56,605	1,40,84,524
Unallocated corporate expenses	-	-	-	-
<b>Operating profit</b>			<b>14,48,56,605</b>	<b>1,40,84,524</b>
Finance costs			1,06,23,075	76,87,051
Foreign currency and derivative (gain)/loss (net)			55,34,242	(15,14,622)
Other income			2,79,41,890	37,68,949
<b>Profit from ordinary activities</b>			<b>15,66,41,178</b>	<b>1,16,81,043</b>
Exceptional items			-	-
<b>Profit/ (Loss) from continued operations</b>			<b>15,66,41,178</b>	<b>1,16,81,043</b>
<b>Total Profit/ (Loss) before tax</b>			<b>15,66,41,178</b>	<b>1,16,81,043</b>
Depreciation	40,88,188	37,70,254	40,88,188	37,70,254
Unallocated corporate depreciation	-	-	-	-
<b>Total Depreciation</b>	<b>40,88,188</b>	<b>37,70,254</b>	<b>40,88,188</b>	<b>37,70,254</b>
Capital expenditure	1,61,72,360	11,77,577	1,61,72,360	11,77,577
Unallocated corporate capital expenditure	-	-	-	-
<b>Total Capital Expenditure</b>	<b>1,61,72,360</b>	<b>11,77,577</b>	<b>1,61,72,360</b>	<b>11,77,577</b>

## Other Information

	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
	Engineering	Engineering	Total	Total
Segment assets	1,38,97,90,812	43,63,69,271	1,38,97,90,812	43,63,69,271
Unallocated corporate assets			51,39,97,616	2,98,66,811
<b>Total Assets</b>	<b>1,38,97,90,812</b>	<b>43,63,69,271</b>	<b>1,90,37,88,428</b>	<b>46,62,36,083</b>
Segment liabilities	1,18,41,71,034	22,33,38,095	1,18,41,71,034	22,33,38,095
Unallocated corporate liabilities			1,46,36,94,293	1,39,31,98,604
<b>Total Liabilities</b>	<b>1,18,41,71,034</b>	<b>22,33,38,095</b>	<b>2,64,78,65,327</b>	<b>1,61,65,36,699</b>

## Reconciliations to amounts reflected in the financial statements

## Reconciliation of assets

	As at 31st March, 2022	As at 31st March, 2021
<b>Segment operating assets</b>	<b>1,38,97,90,812</b>	<b>43,63,69,271</b>
Cash and cash equivalents	36,814	11,03,830
Other Bank balances	11,20,55,235	2,87,62,982
Other non current assets	16,17,76,080	-
Deferred Tax Assets	24,01,29,487	-
<b>Total assets</b>	<b>1,90,37,88,428</b>	<b>46,62,36,083</b>

## Reconciliation of liabilities

	As at 31st March, 2022	As at 31st March, 2021
<b>Segment operating liabilities</b>	<b>1,18,41,71,034</b>	<b>22,33,38,095</b>
Non-current borrowings	1,35,33,34,671	1,35,61,12,447
Current borrowings	11,03,59,622	3,14,01,945
Deferred Tax liabilities	-	56,84,212
<b>Total Liabilities</b>	<b>2,64,78,65,327</b>	<b>1,61,65,36,699</b>

## Revenue from customers

	Year ended 31st March, 2022	Year ended 31st March, 2021
India	1,64,87,71,256	36,01,46,472
Outside India	26,41,41,153	14,29,10,317
<b>Total revenue</b>	<b>1,91,29,12,409</b>	<b>50,30,56,790</b>

## Total assets

	As at 31st March, 2022	As at 31st March, 2021
India	1,86,09,04,386	42,62,79,370
Outside India	4,28,84,042	3,99,56,712
<b>Total assets</b>	<b>1,90,37,88,428</b>	<b>46,62,36,083</b>

## Total liabilities

	As at 31st March, 2022	As at 31st March, 2021
India	2,32,78,22,145	1,58,97,08,933
Outside India	32,00,43,182	2,68,27,766
<b>Total liabilities</b>	<b>2,64,78,65,327</b>	<b>1,61,65,36,699</b>

**Notes to financial statements for the year ended March 31, 2022**

All amounts in Indian rupees, unless otherwise stated

**Note 35 : Disclosure of ratios**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a) Current ratio	1.07	1.49
Current Assets	1,37,86,43,664	36,24,19,035
Current Liabilities	1,28,28,33,543	24,34,00,062
b) Debt-Equity ratio	(1.97)	(1.21)
Debt (Current and non current portion of long term borrowings + Short term borrowings)	1,46,36,94,293	1,38,75,14,392
Net worth	(74,40,76,901)	(1,15,03,00,616)
c) Debt service coverage ratio	194.87	59.49
Earnings before interest, Depreciation and Tax (EBITDA)	16,48,42,323	2,21,46,378
Interest Expense on long term and short term borrowings for the period	8,45,906	3,72,271
d) Return on equity ratio	(0.42)	(0.01)
Net Profits after taxes – Preference Dividend	40,04,65,364	1,22,56,526
Average Shareholder's Equity (net worth)	(94,71,88,758)	(1,15,63,81,333)
e) Inventory turnover ratio	4.06	3.01
Cost of goods sold	98,37,96,749	25,58,01,679
Average inventory	24,24,94,416	8,50,53,171
f) Trade receivables turnover ratio	4.84	4.09
Net credit sales = Gross credit sales - sales return	1,91,29,12,409	50,30,56,790
Average Trade Receivable	39,49,81,563	12,30,55,139
g) Trade payables turnover ratio	7.65	3.05
Net credit purchases = Gross credit purchases - purchase return	98,37,96,749	25,58,01,679
Average Trade Payables	12,85,63,623	8,39,44,239
h) Net capital turnover ratio	19.97	4.23
Net sales = Total sales - sales return	1,91,29,12,409	50,30,56,790
Working capital = Current assets – Current liabilities	9,58,10,121	11,90,18,973
i) Net profit ratio	0.21	0.02
Net Profit	40,04,65,364	1,22,56,526
Net sales = Total sales - sales return	1,91,29,12,409	50,30,56,790
j) Return on capital employed	0.23	0.08
Earnings before interest and taxes	16,72,64,253	1,93,68,094
Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	71,96,17,394	23,72,13,776

**Notes to financial statements for the year ended March 31, 2022**

All amounts in Indian Rupees, unless otherwise stated

**Note 36:**

- i) Balances appearing under the head trade payables, trade receivables, loans & advances and deposits are subject to confirmation, adjustments, if any, on the receipt/reconciliation of such accounts.
- ii) Holding Company in its Board meeting held on March 12, 2018 decided that it will not charge interest to the Company from January 01, 2018.
- iii) Previous year's figures have been regrouped/ rearranged wherever necessary to conform to the current year grouping.

To be read with our report of even date  
For **K N Prabhaskar & Co.**

Chartered Accountants

Firm Reg. No : 004982S

PRABHASHANKAR  
NARAYANARAO KHOKALE

**K.N. Prabhaskar**

Partner

Membership No : 019575

Digitally signed by  
PRABHASHANKAR  
NARAYANARAO KHOKALE  
Date: 2022.05.19 18:09:26 +05'30'

**For and on behalf of the Board of directors of  
KBK Chem Engineering Private Limited**

**Vijendra Singh**  
Digitally signed  
by Vijendra  
Singh  
Date: 2022.05.19  
16:15:58 +05'30'

**Vijendra Singh**

Director

DIN : 03537522

**Sunil Sakharam Kadam**  
Digitally signed  
by Sunil  
Sakharam Kadam  
Date: 2022.05.19  
16:25:59 +05'30'

**Sunil Kadam**

Director

DIN : 00212461

**Date :** May 19, 2022

**Place:** Mumbai