



31 ANNUAL REPORT  
2021-22

## FINANCIAL HIGHLIGHTS - 10 Years Performance at a Glance

₹. In Lakhs

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Sales	9,517.64	9,488.36	11,261.54	13,168.84	19,135.38	20,669.52	21,209.27	19,793.21	19,846.21	27,271.29
<b>PBDIT</b>	<b>554.73</b>	<b>976.91</b>	<b>1,330.47</b>	<b>1,572.38</b>	<b>1,541.03</b>	<b>2,533.38</b>	<b>2,862.79</b>	<b>2,222.91</b>	<b>2,551.70</b>	<b>3,541.50</b>
Profit after Tax	-417.64	-275.56	-48.55	21.35	-144.74	733.34	794.69	110.11	496.81	900.60
Dividend Paid	-	-	-	-	-	-	126.76	-	190.14	190.14
Dividend %	-	-	-	-	-	-	10.00	-	15.00	15.00
Share Capital	704.21	704.21	704.21	704.21	1,267.59	1,267.59	1,267.59	1,267.59	1,267.59	1,267.59
Reserves & Surplus	3,701.82	3,426.26	3,345.92	3,316.65	7,385.62	8,107.64	8,894.80	8,837.49	9,271.71	9,950.59
<b>Networth</b>	<b>4,406.03</b>	<b>4,130.47</b>	<b>4,050.13</b>	<b>4,020.86</b>	<b>8,653.21</b>	<b>9,375.23</b>	<b>10,162.39</b>	<b>10,105.08</b>	<b>10,539.30</b>	<b>11,218.18</b>
Gross Fixed Assets	12,938.46	13,886.99	14,637.98	16,526.58	9,947.25	11,744.79	15,010.29	16,213.09	19,910.40	22,063.92
EPS	-5.93	-3.91	-0.69	0.24	-1.64	5.79	6.27	0.87	3.92	7.11
Book Value / Share	62.57	58.65	57.51	57.10	68.27	73.96	80.17	79.72	83.14	88.54
Debt Equity	0.52	0.70	0.81	0.58	0.35	0.39	0.44	0.43	0.50	0.30

## BOARD OF DIRECTORS

Mr. A VENKATARAMANI  
Mr. M. GOVINDARAJAN  
Mr. YOSHITAKA OGAWA  
Mr. RYOSUKE HASUMI  
Dr. SANDHYA SHEKHAR  
Mr. VIKRAM VIJAYARAGHAVAN  
Mr. NAVIN PAUL

Managing Director  
Whole Time Director [since 02.08.2021]  
Non-Executive Director [upto 01.11.2021]  
Non-Executive Director [since 01.11.2021]  
Independent Director  
Independent Director  
Independent Director

## AUDIT COMMITTEE

Mr. VIKRAM VIJAYARAGHAVAN  
Dr. SANDHYA SHEKHAR  
Mr. NAVIN PAUL

Chairman  
Member  
Member [since 19.06.2021]

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. VIKRAM VIJAYARAGHAVAN  
Dr. SANDHYA SHEKHAR  
Mr. A VENKATARAMANI

Chairman [Since 01.11.2021]  
Member  
Member

## NOMINATION AND REMUNERATION COMMITTEE

Mr. NAVIN PAUL  
Dr. SANDHYA SHEKHAR  
Mr. VIKRAM VIJAYARAGHAVAN

Chairman [Since 19.06.2021]  
Member  
Member [Since 02.08.2021]

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. SANDHYA SHEKHAR  
Mr. NAVIN PAUL  
Mr. A VENKATARAMANI

Chairman [Since 01.11.2021]  
Member [Since 01.11.2021]  
Member

## KEY MANGERIAL PERSONNEL

Mr. R VENKATARAMAN  
Mr. V ANANTHA SUBRAMANIAN

Chief Financial Officer  
Company Secretary

## AUDITORS

M.S. Krishnaswami & Rajan  
GB, Anand Apartments, JP Avenue  
Dr Radhakrishnan Road, 6<sup>th</sup> Street,  
Mylapore, Chennai 600 004  
044-42046628

## COST AUDITORS

M/s. A N Raman & Associates  
No.1, Muthukumara Swamy Salai  
Baby Nagar, Velachery,  
Chennai 600 042  
044-32906831

## SECRETARIAL AUDITOR

Mr. R Mukundan [CS in Practice]  
215, Velachery Main Road,  
Chennai – 600 042  
Mobile: +91 98409 70898

## BANKERS

Standard Chartered Bank  
HDFC Bank Limited  
Central Bank of India  
AXIS Bank  
The Karur Vysya Bank Limited

## REGISTERED OFFICE

D 11/12, Industrial Estate  
Maraimalai Nagar, Chengalpattu Dist.  
Tamil Nadu – 603 209  
Chennai – 600 002  
Tel: (044) 2745 2816 / 2745 2929  
E-mail: [iprmmn@iprings.com](mailto:iprmmn@iprings.com) / [investor@iprings.com](mailto:investor@iprings.com)

## LEGAL ADVISORS

S Ramasubramaniam & Associates  
6/1, Bishop Wallers Avenue (W),  
Chennai 600 004  
044-24990069

## SHARES LISTED WITH

Bombay Stock Exchange  
Mumbai

## COMPANY WEBSITE

<https://iprings.com/>

## SHARE TRANSFER AGENTS

Cameo Corporate Services Limited  
No 1, Club House Road,

Tel: (044) 2556 5121  
Fax (044) 2556 5131  
E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com)

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY FIRST ANNUAL GENERAL MEETING** of the Members of **IP Rings Ltd** will be held on Monday, the 08<sup>th</sup> August 2022 at 12:30 P.M [Indian Standard Time (IST)] through Video Conferencing/ Other Audio Visual Means to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the year ended on March 31, 2022 together with the Reports of the Directors and the Independent Auditors and to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited financial statements (including consolidated financial statements) including Statement of Profit and Loss for the year ended on 31 March 2022, the Balance Sheet as on that date, the annexures thereto, the Cash Flow Statement for the year ended on 31 March 2022, the Reports of Independent Auditors and Directors thereon be and are hereby received and adopted."

2. To declare a Dividend for the year ended March 31, 2022 and to consider and if thought fit to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a Dividend of Rs. 2.00/- per Equity Share of the face value of Rs. 10/- each on the paid up Equity Share Capital of the Company as recommended by the Board of Directors be and is hereby declared for the financial year 2021 – 22."

### APPOINTMENT OF STATUTORY AUDITORS:

3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. M.S. Krishnaswami & Rajan, Chartered Accountants (Firm Registration No. 01554S) be and is hereby re appointed as Statutory Auditors of the Company for a Second Term to hold office from the conclusion of this Thirty First Annual General Meeting ("AGM") till the conclusion of the Thirty Sixth AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**.

**"RESOLVED THAT**, pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the Act, 2013), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory

modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the Company be and is hereby accorded to the re-appointment and remuneration of Mr. A. Venkataramani [DIN: 02277816], as Managing Director of the Company for a period of three years from **July 01, 2022** to **June 30, 2025** in terms of the Proviso to Section II, Part II of Schedule V of the Companies Act, 2013 on the terms and conditions as set out hereunder:

**TERMS & CONDITIONS:**

Salary	Basic Salary of INR 5,20,000/- per month with increments, as may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee
Special Allowance	INR 3,25,000/- per month
Performance Allowance	Upto an amount of <b>INR 40 Lakhs</b> p.a. as decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee
Perquisites	
(i.) Housing:	Either Free furnished residential accommodation, owned or leased out by the Company. Or House Rent Allowance subject to a ceiling of 60% of the Salary Reimbursement of gas and electricity, water and furnishing shall be borne by the Company
(ii.) Medical Reimbursement:	Reimbursement of expenses incurred for self and family up to one month's basic salary
(iii.) Leave Travel Assistance:	One month's basic salary per annum
(iv.) Club Membership:	Fees of Clubs subject to a maximum of two clubs.
(v.) Personal Accident Insurance:	Personal Accident Insurance – Premium shall not exceed INR 30,000/- p.a.
(vi.) Entertainment Expense	Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
(vii.) Other perquisites	Company's contribution towards Provident Fund as per the Rules of the Company. Gratuity at one half monthly's salary for each completed year of service Company's contribution towards Superannuation Fund as per the Rules of the Company
(viii.) Income Tax	All the above perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actuals.
(ix.) Leave	One month's annual privilege leave for every eleven months. Leave accumulated shall be encashable at the end of the tenure

(x.) Telephone & Car	Provision of telephone at residence. Provision of Mobile Phone and other communication facilities. Facility of Cars with Drivers.
(xi.) Minimum Remuneration	In the event of loss or inadequacy of profit, in any financial year, the Managing Director shall be paid remuneration by way of Salary, Performance Allowance and perquisites as specified above
(xii.) Termination	Either party may terminate the Agreement by giving to the other party six months' notice or six months' salary in lieu thereof.

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**.

“**RESOLVED THAT**, pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the Act, 2013), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the Company be and is hereby accorded to the Appointment and remuneration of Mr. M. Govindarajan [DIN: 09264840], as Whole – Time Director of the Company for a period of three years from **August 02, 2021 to August 01, 2024** in terms of the Proviso to Section II, Part II of Schedule V of the Companies Act, 2013 on the terms and conditions as set out hereunder:

**TERMS & CONDITIONS:**

Salary	Basic Salary of INR 1,00,000/- per month with increments, as may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee
Special Allowance	INR 3,02,300/- per month

- (i) The Whole Time Director shall be entitled to participate in provident fund, gratuity fund or such other schemes for the employees, as per Rules of the Company from time to time.
  - (ii) Leave Travel Allowance for the Whole Time Director and his family once in a year in accordance with the Rules of the Company.
  - (iii) Bonus for the financial year, as decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.
6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161, and other applicable provisions, if any, of the Companies Act, 2013 (the Act, 2013) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr Ryosuke Hasumi (holding DIN 09368134), who was appointed as an Additional Director

[Non-Executive] and who holds office upto the date of this AGM, consent of members be and is hereby accorded for his appointment as a Director [Non-Executive], who is liable to retire by rotation in terms of applicable provisions of the Act, 2013.”

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) remuneration of INR 1,50,000/- (Rupees One Lakh Fifty Thousands only) in addition to reimbursement of all applicable taxes, travelling and out-of-pocket expenses, payable to M/s. A N Raman & Associates, Practicing Cost Accountant, holding Membership No. 5359, allotted by the Institute of Cost Accountants of India, who was re-appointed as Cost Auditor of the Company for the financial year 2022 – 23 by the Board of Directors of the Company, as recommended by the Audit Committee be and is hereby ratified.”

**Chennai**  
**May 27, 2022**  
**Registered Office:**  
D 11/12, Industrial Estate  
Maraimalai Nagar, 603 209  
CIN: L28920TN1991PLC020232

**By the Order of the Board of Directors**

**CS V Anantha Subramanian**  
**Company Secretary**  
**ACS: A29770**



## **STATEMENT OF MATERIAL FACTS (EXPLANATORY STATEMENT) PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice dated 27<sup>th</sup> May 2022 and shall be taken as forming part of the Notice.

### **Item No. 3**

The Members at the Twenty Sixth Annual General Meeting (“AGM”) of the Company held on July 27, 2017, had approved the appointment of M/s. M.S. Krishnaswami & Rajan, Chartered Accountants [hereinafter to be referred as MSKR] (Firm Registration No. 01554S), as Statutory Auditors of the Company, to hold office till the conclusion of the Thirty First AGM.

The Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on May 27, 2022, proposed the re-appointment of MSKR, Chartered Accountants (Firm Registration No.: 101248W/W-100022), as the Statutory Auditors of the Company, for a second term of five consecutive years from the conclusion of Thirty First AGM till the conclusion of Thirty Sixth AGM of the Company to be held in the year 2027, at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

MSKR have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

### **Item No. 4**

The Board at its meeting held on 27<sup>th</sup> May 2022, approved the re-appointment of Mr. A. Venkataramani as Managing Director (MD) for a further period of three years from 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2025, in accordance with the Companies Act, 2013 (the Act, 2013) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the Listing Regulations, 2015) on such terms and conditions of his re-appointment, as recommended by the Nomination and Remuneration Committee of directors at their meeting held on 27<sup>th</sup> May 2022. His current tenure as MD will get completed on 31<sup>st</sup> October 2022.

The said re-appointment and payment of remuneration are further subject to the approval of the shareholders of the Company in terms of Sections 196, 197, 203 read with Schedule V of the Act, 2013 and the Listing Regulations, 2015.

Mr. A. Venkataramani, MD has been playing a pivotal role in the Company's growth. His efforts have helped the Company to develop aspirational products and grow fast including improved exports. He was instrumental in forming the Joint Venture with Eminox Limited, UK.

The Board of Directors considered the contribution by Mr. A. Venkataramani, to the overall progress of the Company and industry remuneration benchmarks, have re-appointed Mr. A. Venkataramani as Managing Director with effect from 1<sup>st</sup> July 2022 on the terms and conditions as detailed in the resolution:

During his tenure as MD, he will not be paid any sitting fee for attending meetings of the Board or Committees thereof. He attended all the Five board meetings held during the year 2021-22. During the year 2021-22, his remuneration was INR 150.68 Lakhs.

Subject to the control and supervision of the Board of Directors, Mr. A. Venkataramani shall be in charge of the management of the affairs of the Company; and he shall perform such duties and exercise such powers as may be entrusted to him from time to time by the Board and shareholders.

The terms of remuneration payable to MD as specified above are now being placed before the members for their approval by way of a Special resolution, as set out in item no. 4 of this Notice, in compliance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Act, 2013, as recommended by the Nomination and Remuneration Committee and by the Board.

Mr. A. Venkataramani is deemed to be concerned / interested in this resolution, since it relates to his re-appointment and remuneration, as MD.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

Except for the above, none of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

**The relevant information required to be furnished under Section II of Part II of Schedule-V to the Act are furnished hereunder:**

**I. General Information**

1. Nature of Industry	Auto Ancillary	
2. Date of commercial production	Company was established in 1991	
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4. Financial Performance based on given indicators:		
	<b>[Rs. In Lakhs]</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Particulars</b>		
Revenue from Operations (Net)	<b>27,271.49</b>	19,846.21
Other Income	<b>229.35</b>	99.80
<b>Total</b>	<b>27,500.84</b>	19,946.01
Profit Before Tax	<b>1,105.03</b>	654.01
Profit After Tax	<b>821.48</b>	496.81
Dividend Amount Paid	<b>190.14</b>	-
Dividend Percentage	<b>15.00%</b>	-

Earnings Per Share	6.48	3.92
Share Capital	1,267.59	1,267.59
Reserves (Other equity)	9,917.80	9,271.71
Net Worth	11,185.39	10,539.30
Debt-Equity Ratio	0.30:1	0.50:1
5. Foreign Investments / Collaborations if any		
Foreign Investments	Nil	
Technical Collaborators	Nippon Piston Rings, Japan	

**II. Information about the recipients of remuneration:**

- Back-ground details:** A British national who joined the Company in 2010 and instrumental in steering the company in terms of Digitization, Business strategy and renewed Mission. He did his MBA from Chicago, USA. He has been at the forefront of the company's efforts in successfully implementing systems and procedures based on TPM, TQM & Lean manufacturing in all locations. He plays a vital role in Madras Management Association, ACMA and various other forums.
- Past remuneration:** Remuneration paid for the year ended 31<sup>st</sup> March 2022

Fixed Components	(Rs. In Lakhs)
Salary	122.00
Value of Perquisites	28.68
<b>Total</b>	150.68

- Recognition or Awards:** -----
- Job profile and their suitability:** Mr. A. Venkataramani, MD has been playing a pivotal role in the Company's growth. His efforts have helped the Company to develop aspirational products and grow fast including improved exports. He was instrumental in forming the Joint Venture with Eminox Limited, UK. .
- Remuneration Proposed:** As mentioned in the Notice and which has been recommended by the Nomination & Remuneration Committee and approved by the Board of Directors at their meeting held on May 27, 2022
- Comparative remuneration with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with reference to the country of their origin):**  
The remuneration currently paid is comparable in the industry and commensurate with the responsibilities handled by Managing Directors in a listed entity.
- Pecuniary Relationship:** NIL

### III. Other Information:

1. **Reason for Loss or inadequacy:** The resolution is primarily to facilitate the payment of remuneration to Managing Director due to inadequacy of profit during his tenure which could be on account of economic slow-down and increase in input cost coupled with market competition.
2. **Steps taken or proposed to be taken for improvement:** As mentioned, it is only an enabling resolution.
3. **Expected increase in productivity / profit in measurable terms:** The same was discussed in the Management Discussion & Analysis which forms part of this Report.

**Disclosures:** Mr. A. Venkataramani, Managing Director holds 33,120 equity shares of Rs. 10/- each in the Company. He is a member of Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Share Transfer Committee.

During the year ended March 31, 2022 five Board meetings were held and Mr. A. Venkataramani attended all the meetings.

#### Item No. 5

The Board at its meeting held on 02<sup>nd</sup> August 2021, approved the Appointment of Mr. M. Govindarajan as Whole Time Director (WTD) for a further period of three years from 02<sup>nd</sup> August 2021 to 01<sup>st</sup> August 2024, in accordance with the Companies Act, 2013 (the Act, 2013) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the Listing Regulations, 2015), as recommended by the Nomination and Remuneration Committee of directors at their meeting held on 02<sup>nd</sup> August 2021 on the terms and condition as detailed in the resolution:

The said re-appointment and payment of remuneration are further subject to the approval of the shareholders of the Company in terms of Sections 196, 197, 203 read with Schedule V of the Act, 2013 and the Listing Regulations, 2015.

Mr. M. Govindarajan is deemed to be concerned / interested in this resolution, since it relates to his Appointment and remuneration, as WTD.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Except for the above, none of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 5 of the Notice.

#### Item No. 6

Consequent to the nomination of Mr. Ryosuke Hasumi in place of Mr. Yoshitaka Ogawa by Nippon Piston Ring Co. Ltd [NPR], Japan, Mr. Ryosuke Hasumi was appointed as an Additional Director under the Non Executive, Non Independent Directors Category on November 01, 2021 by the Board of Directors, subject to the approval of the Members at this Annual General Meeting. Individual notice has been received from a member proposing him as a candidate for the office of Director of the Company.

Mr. Ryosuke Hasumi, aged 50 years, is a Mechanical Engineer by profession graduated from Tamagawa University in 1997. He joined NPR in 1997 and he is currently the General Manager of Production Development Department. He does not hold any shares of the Company and he is not related to any other Directors.

Details of other Directorships/ Committee Memberships held by him - NIL

This statement may also be regarded as the necessary disclosure under Regulation 36 (3) of SEBI (LODR) Regulations, 2015.

Save and except Mr. Ryosuke Hasumi, no other Directors / KMPs / their relatives is interested or concerned in the proposed Resolution. The Directors, therefore, recommend the Ordinary resolution as set out in Item No. 6 of this Notice.

#### **Item No. 7**

As recommended by the Audit Committee, the Board at its meeting held on 27<sup>th</sup> May 2022, re-appointed M/s. A N Raman & Associates, Practising Cost Accountant, having Membership no. 5359, as Cost Auditor of the Company, in terms of Section 148 of the Act, 2013, and fixed a sum of ₹ 1.50 Lakhs as remuneration payable to him for the financial year 2022-23, subject to ratification by the Shareholders of the Company

In terms of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the shareholders of the Company, at the ensuing AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out in Item No.7 of this Notice.

The Directors, therefore, recommend the ordinary resolution, as set out in Item No.7 of the Notice.

#### **NOTES:**

1. In view of continuing social distancing norms due to Covid-19, the Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, the latest being 2/2022 dated 5th May, 2022 and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated 13th May, 2022, and other applicable circulars issued in this regard, have allowed the companies to conduct AGM through VC / OAVM till 31st December 2022 without physical presence of members at a common venue. In accordance with the applicable provisions of the Act and the said Circulars issued by MCA and SEBI, the 31st Annual General Meeting of the Company shall be conducted through VC / OAVM. National Securities Depositories Limited ('NSDL') will be providing facilities for voting through remote e-voting, for participation in the AGM through VC / OAVM and also for e-voting during the AGM.

Further it is informed that electronic copies of the Annual Report and the Notice of the 31st AGM inter alia indicating the process and manner of e-voting along with instructions to attend the Annual General Meeting through video-conferencing / other audio-visual means will be sent by email to those Members whose email addresses have been made available to the Company / RTA/ Depository Participants as on 08th July 2022. For Members who have not registered their email addresses, kindly register the same by submitting Form ISR-1 available in the website of the Company and RTA. The physical copies of Annual Report 2022 will be sent only to

such of those share-holders who would make a valid request in this regard and had not registered their e-mail IDs with the Company.

2. A statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to the relevant resolutions of this Notice is annexed herewith and the same should be taken as part of this Notice. Further, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and the provisions of the Secretarial Standard No. 2 on General Meetings, a brief profile of the directors proposed to be appointed and re-appointed has been set out in the Explanatory Statement to this Notice.
3. All relevant documents referred to in this Notice requiring the approval of the members at the meeting shall be available for inspection by the Members. Members who wish to inspect the documents are requested to send an email to [cs@iprings.co.in](mailto:cs@iprings.co.in) mentioning their Name, Folio No. / Client ID and DP ID and the documents they wish to inspect, with a self-attested copy of their PAN Card attached to the e-mail. The notice and the Annual Report are also available at the following link- <https://iprings.com/investors/annual-reports/> (Company's website) and also at [www.bseindia.com](http://www.bseindia.com) (official website of M/s. BSE Limited).
4. Pursuant to Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the register of members and Share Transfer Books of the Company will be closed from 02<sup>nd</sup> August 2022 to 08<sup>th</sup> August 2022.
5. **Pursuant to the aforesaid Circulars, the facility to appoint proxy by Members under Section 105 of the Act, 2013 to attend and cast vote for the Members is not available for this AGM as the physical attendance of Members has been dispensed with.** However, Body Corporates are entitled to appoint authorised representatives as its Member to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.
6. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of the dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the relevant documents, as specified in the following paragraphs, in accordance with the provisions of the IT Act

**For resident shareholders:**

Taxes shall be deducted at source under Section 194 of the IT Act) as follows:

Members having valid Permanent Account Number ("PAN") : 10% or as notified by the Government of India  
Members not having PAN / valid PAN : 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to resident individuals, if the total dividend to be received by them during fiscal 2022 does not exceed Rs.5,000/- and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the ITAct. Resident shareholders may also submit any other document as prescribed under the ITAct to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H.

Shareholders are requested to update their Permanent Account Number ("PAN") with the Company and depositories (in case of shares held in demat mode) on or before 25th July 2022 in order to enable the Company to determine and deduct appropriate tax.

**For non-resident shareholders:**

Taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge & cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are found to be beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income tax authorities duly attested by the member or details as prescribed under Rule 37BC of Income-tax Rules, 1962
- Copy of Tax Residency Certificate for fiscal 2022 obtained from the revenue authorities of the country of tax residence, duly attested by the member
- Self-declaration in Form 10F
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for applying lower withholding tax rates if applicable, duly attested by the member

Shareholders may upload / submit the aforementioned documents, to the following e-mail IDs: cs@iprings.com on or before 01st August 2022 in order to enable the Company to determine and deduct appropriate tax. No communication would be accepted from members after 01st August 2022 regarding tax withholding matters.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
  - a. **For shares held in electronic form:** to their Depository Participants (DPs)
  - b. **For shares held in physical form:** to the Company / Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters for furnishing the required details and the shareholders may also refer to the website of the Company ([www.iprings.com](http://www.iprings.com)) for downloading the relevant forms.
8. Members are requested to note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate share certificate; claim from unclaimed suspense account; renewal / exchange of share certificate; endorsement; sub-division / splitting of share certificates; consolidation of share certificates / folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's

website at [www.iprings.com](http://www.iprings.com) and on the website of the Company's RTA at [https://cambridge.cameoindia.com/Module/Downloadable\\_Formats.aspx](https://cambridge.cameoindia.com/Module/Downloadable_Formats.aspx). It may be noted that any service request can be processed only after the folio is KYC Compliant.

9. The Members can join the AGM through the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cut off date as defined), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "**first come first served**" basis.
10. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
11. Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by MCA dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020 and January 15, 2021 the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.
12. In line with MCA Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.iprings.com](http://www.iprings.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).

#### UNCLAIMED DIVIDEND

13. In terms of Section 124 of the Act, 2013, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.
14. Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the un-encashed warrants immediately to the Company.

Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of unclaimed amount referred to under Section 124 of the Act, 2013 on its website and also on the website of MCA viz., [www.iepf.gov.in](http://www.iepf.gov.in).



## GENERAL

15. With a view to serving the Members better and for administrative convenience, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings into one folio.
16. Members may also note that the Annual Report will also be available on the Company's website viz., [www.iprings.com](http://www.iprings.com) for their download.

### **Members holding shares in electronic form**

17. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their PAN to the Depository Participant(s) (DP) with whom they are maintaining their DEMAT accounts.
18. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC Code, Mandates, Nominations, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., to their DP.
19. The Link containing the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.

### **Members holding shares in physical form**

20. Members can submit their PAN details to the Share Transfer Agent (STA) of the Company.
21. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, Mandates, Nomination as per Section 72 of the Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the STA. Blank forms (SH-13) will be sent by e-mail.
22. Members holding shares in physical form, in their own interest, are requested to de-materialize the shares to avail the benefits of electronic holding / trading.

### **Voting**

23. The businesses as set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Members may cast their votes using electronic voting system ('remote e-Voting').
24. In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
25. In terms of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended ('the Rules') and Regulation 44 of the Listing Regulations, the Company has provided

facility to exercise votes through electronic voting system to Members holding shares as on 01<sup>st</sup> August 2022 being the "Cut-off Date" ("Cut-Off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of Members entitled to participate in the remote e-Voting process through the platform provided by NSDL viz., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

The voting rights of the Members/Beneficial Owners will be reckoned on the Equity Shares held by them as on Cut-off date. Members as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the meeting.

### THE INSTRUCTIONS FOR REMOTE E-VOTING AND VOTING AT THE MEETING ARE AS UNDER

1. The remote e-Voting period begins on Friday **05<sup>th</sup> August 2022** at **9:00 A.M.** (IST) and ends on Sunday, **07<sup>th</sup> August 2022** at **5:00 P.M.** (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date [01<sup>st</sup> August 2022], may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
2. The details of the process and manner for remote e-Voting are explained herein below:
  - Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
  - Step 2: Cast your vote electronically on NSDL e-Voting system.




#### **Step 1: Access to NSDL e-Voting system**

#### **A) LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the</li> </ol>

	<p>following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="644 712 1104 987" style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/loginorwww.cdslindia.com">https://web.cdslindia.com/myeasi/home/loginorwww.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**B) LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

**PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**

1. In case shares are held in physical mode please, provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy) by email to [investor@cameoindia.com](mailto:investor@cameoindia.com).  
In case shares are held in DEMAT mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN and AADHAR (self-attested scanned copy) to [investor@cameoindia.com](mailto:investor@cameoindia.com).
2. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- ii. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

**INSTRUCTIONS TO THE MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- i. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/members login where EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, members desiring any information relating to the annual accounts for the year ended 31<sup>st</sup> March 2022 of the Company are requested to send an email to the Company at [cs@iprings.com](mailto:cs@iprings.com) at least 48 hours before the meeting, mentioning their name, complete 16 digit DEMAT account number / folio number, email address and mobile number. Alternatively the members can access our portal <http://portals.iprings.com/investorQuery/> to raise their questions. Only those requests as received from the members on the aforementioned email addresses on or before **05<sup>th</sup> August 2022 at 05:00 P.M.** (IST) shall be considered and responded to, prior / until the date of the AGM by way of email.
- vi. Members who would like to register themselves as a speaker shall send an email with the details of name, DEMAT account number/folio number, email id, mobile number to [cs@iprings.com](mailto:cs@iprings.com) and only e-mail request alone shall be entertained to enrol as speaker as the portal should be used only to raise questions to be replied by the Company.
- vii. Members who would like to express their views or ask questions may do so by accessing the following web-link <http://portals.iprings.com/investorQuery/> from Wednesday the **03<sup>th</sup> August 2022** to Friday the **05<sup>th</sup> August 2021** by providing either of their credentials such as name, DP ID and Client ID / folio number, PAN, mobile number, and email address. Members who hold shares of the Company as on **01<sup>st</sup> August 2022** being the cut-off date for this purpose and have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM and they may have to allow camera access during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders who have

registered themselves as a speaker shareholder will only be allowed to express their views/ask questions during the meeting.

#### **GENERAL GUIDELINES FOR SHAREHOLDERS:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [rmukund@gmail.com](mailto:rmukund@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
4. Mr R Mukundan, Practicing Company Secretary (Membership No. 7876), has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote at the meeting in a fair and transparent manner.
5. In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990. Members, who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / or contact Mr Amit Vishal, Senior Manager - NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / 022-24994360 / +91 9920264780 or Mr Sagar Ghosalkar, Assistant Manager - NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in) / 022-24994553 / +91 9326781467.
6. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
7. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.iprings.com](http://www.iprings.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to BSE Limited, Mumbai.
8. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the year 2021-22, the said documents are being sent only by email to the Members.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the year 2021-22 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's RTA at [investor@cameoindia.com](mailto:investor@cameoindia.com).
  - b) For Members holding shares in Demat form, please update your email address through your respective Depository Participant/s.
9. In terms of the Regulation 36(3) of the Listing Regulations, read with Secretarial Standards on General Meeting, brief profile of the Directors, who are proposed to be reappointed in this AGM, nature of their expertise in specific functional areas, other Directorships and Committee Memberships, their shareholding and relationship with other Directors of the Company are elaborated in the Report on Corporate Governance which forms part of the Annual Report.

**Chennai**

**May 27, 2022**

**Registered Office:**

D 11/12, Industrial Estate

Maraimalai Nagar, 603 209

CIN: L28920TN1991PLC020232

**By the Order of the Board of Directors**

**CS V Anantha Subramanian**

**Company Secretary**

**ACS: A29770**

## DIRECTORS' REPORT

The Directors have pleasure in presenting the **Thirty First Annual Report** together with the Audited Financial Statements for the year ended March 31, 2022 and the Auditor's Report thereon.

### 1. COMPANY PERFORMANCE & COVID IMPACT

Total Revenue of the Company including other income was ₹27,271.49 Lakhs in the Current Year as against ₹ 19,846.01 Lakhs in the previous year. Profit before Tax (PBT) was ₹1,105.03 Lakhs as against ₹654.01 Lakhs in the previous year.

Your Company took initiatives to combat the ill effects of COVID by following stringent protocols of people movement inside the factory premises, providing supplements like masks, gloves, sanitizers to employees and others who are associated with the day-to-day operations of the factory.

### 2. FINANCIAL RESULTS

	(₹ in Lakhs)	
	2021-22	2020-21
Profit before Finance charges, Depreciation and Tax	3,541.50	2,551.70
Finance charges	1,002.29	743.41
Depreciation	1,434.18	1,154.28
Profit / (Loss) before Tax	1,105.03	654.01
Provision for Taxation (Net)	283.55	157.20
Profit / (Loss) after Tax	821.48	496.81
Other Comprehensive Income	14.75	-62.59
Profit/(loss) attributable to Equity Share holders	821.48	496.81

### 3. DIVIDEND

Your Directors recommend a Dividend of Re.2.00/- per Equity Share of face value of Rs. 10/- each for the year ended March 31, 2022.

### 4. RESERVES

Your Directors have not recommended any transfer to the General Reserve for the year ended 31st March 2022 and hence the General Reserve remains at Rs.3,015.27 Lakhs.

### 5. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the financial year 2021-22 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued there under, applicable accounting standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial statements of your Company take into account the financial statement prepared by the management of M/s. IPR EminoX Technologies Private Limited,, a Joint Venture Company.



## 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### THE INDIAN AUTO INDUSTRY

The Indian auto components industry is expected to grow to US\$ 200 billion by FY26. This growth will be backed by strong export demand which is expected to rise at an annual rate of 23.9% to reach US\$ 80 billion by 2026. The automobile component industry's turnover was Rs 3.40 lakh crore (US\$ 45.9 billion) in FY21, down 3% from the previous year. In 2020, India was the sixth-largest automobile producer worldwide, after China, the US, Japan, Germany and South Korea. The auto components industry is expected to become the third-largest in the world by 2025. In 2020, India was the sixth-largest automobile producer worldwide, after China, the US, Japan, Germany and South Korea. The auto components industry is expected to become the third-largest in the world by 2025.

### REVIEW OF BUSINESS OPERATIONS

Demand for your company's products picked up in Q3 and Q4 of FY 22. The Piston Ring Division benefitted from the Auto Industry's transition to BS VI Emission norms. The more stringent emission norms required increasingly higher cost and sophisticated surface treatment like Physical Vapor Deposition (PVD) of special Cr-N alloys on Piston Rings, thus improving the utilization of the expensive PVD furnaces. The contraction in OE volumes therefore translated to a 13.5% reduction in sales turnover for this division. The Precision Forgings, Machined Steel products and Specialty tooling divisions fared better, registering a growth of 7.5 % over PY. This was primarily fueled by increased demand for the company's near net shaped cold forged products from NA and the domestic passenger car industry. As a result, your company on the whole was able to achieve the same level of sales revenue as the previous year despite 'near zero' activity levels for the first 4 months of the financial year. However, the various austerity measures adopted, and efficiency improvement initiatives undertaken helped your company improve its profitability thus recording a Profit after Tax of Rs 821.48 Lakhs while continuing to invest in technology capabilities, capacities and modernization.

### OPPORTUNITIES AND THREATS

#### OPPORTUNITIES:

Stringent Emission norms will necessitate the usage of increasingly sophisticated coating technologies on Piston Rings. Your company's access to global technologies through its relationship with NPR of Japan and its locally developed innovative design solutions augur well for the future.

With increasing NVH (Noise, Vibration and Harshness) standards and demand for light-weighting, the necessity for near net shaped precision forged components continue to grow in the rapidly changing automotive world. Your company's innovative use of the unique Orbital Cold Forming technology places it in a strong position to leverage these opportunities.

Your company's fully integrated design, engineering and manufacturing capabilities can be further leveraged to make strategic entries into the growing global opportunities for precision engineered products in the automotive, defense and aerospace segments.

#### THREATS:

Global health crisis: COVID 19, its repeated reoccurrence in waves and other similar potential out breaks makes planning and forecasting very challenging in a dynamic business environment.

Economic Uncertainty caused by fluctuating commodity prices, exchange rates, freight availability and supply chain disruptions add to the challenge.

Fast changing Government regulations and Customer sentiment pertaining to safety and emissions can jeopardize some of the existing businesses while providing several opportunities for new generation components.

### FUTURE PROSPECTS

The Indian Automotive Industry continues to be the engine for the Governments '**Make in India**' program. The sector is expected to contribute 12% to the country's GDP and over 40% to India's manufacturing sector. The automotive industry in India is expected to grow at a CAGR of between 12 and 14%. In addition, the Government's PLI schemes to promote exports will further enhance the company's competitive position in the global automotive markets.

Continuous focus on technology and business development while keeping a relentless focus on value engineering and customer partnerships will enable your company to meet the shareholders expectations of sustained growth and profitability.

## **7. FINANCIAL PERFORMANCE**

Your Company has achieved a turnover for the year 2021-22 of ₹ 272.71 Crores which was higher than the previous year turnover of ₹ 198.46 Crores and ended the same with a Profit after Tax of ₹ 821.48 lakhs while compared to Profit after tax of ₹ 496.81 recorded in the previous year.

## **8. HUMAN RESOURCE**

Health, Safety, Security and environment is a core value of your Company. The health, safety and security of everyone who works for your Company, is critical to the success of its business. Employee training is continuing to receive top priority in the Management's efforts to reach World Class Standards. Systematic training is given at all levels to improve the knowledge and skill level of all employees.

## **9. INDUSTRIAL RELATIONS**

Industrial relations during the year were cordial during the financial year.

## **10. 10 YEAR RECORD**

A chart showing 10 years' performance is appended forming part of this Report under the heading "Financial highlights".

## **11. DIRECTORS**

Mr. A. Venkataramani was appointed as Managing Director by the Members at the 28<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> July 2019 for a period of 3 years from November 01, 2019 to October 31, 2022. Accordingly, the Board, subject to the approval of the Shareholders, re-appointed Mr. A. Venkataramani as Managing Director for a period of 3 years from July 01, 2022 to June 30, 2025. Your directors are seeking Member's approval for appointment of Mr. A. Venkataramani as Managing Director of the Company.

Mr. M. Govindarajan was appointed as Whole Time Director of the Company at the Board meeting held on August 02, 2021 for a period of 3 years from August 02, 2021 to August 01, 2024. Your directors are seeking Member's approval for appointment of Mr. M. Govindarajan as Whole Time Director of the Company.

Mr. Ryosuke Hasumi [DIN: 09368134], was appointed as an Additional Director by the Board on November 01, 2021 and he will hold office till this Annual General Meeting. By virtue of Sections 149, 152, 161, and other applicable provisions, if any, of the Companies Act, 2013, your Directors are seeking Members' approval for appointment of Mr. Ryosuke Hasumi as Director [Non-Executive] of the Company, who is liable to retire by rotation.

All the Independent Directors of the Company have affirmed that they meet the criteria for independence as provided in Section 149(6) of the Companies Act, 2013. They have also complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. Formal Annual Evaluation of Directors was done as per the requirements of the Companies Act, 2013.

## **12. AUDITORS**

M/s Krishnaswamy & Rajan, Chartered Accountants (Firm Regn. No.: 01554S) [hereinafter to be referred as MSKR] are the Statutory Auditors of the Company for the period of 5 years from the conclusion of 26<sup>th</sup> Annual General Meeting until the conclusion of the 31<sup>st</sup> Annual General Meeting. The Board of Directors recommend the re-appointment of M/s. MSKR for a second term of 5 years from the Conclusion of 31<sup>st</sup> Annual General Meeting till the Conclusion of 36<sup>th</sup> Annual General Meeting. Your Directors' seek the approval of Members for said re-appointment of Statutory Auditors of the Company.

## **13. RELATED PARTY TRANSACTIONS**

All transactions entered by the Company with Related Parties were in the ordinary course of business and at arm's length basis. The Audit Committee granted prior approval for the transactions and the same are being reviewed by the Audit Committee and the Board of Directors at regular intervals. There were no materially significant transactions with related parties during the financial year 2021-22 which conflicted with the interest of the Company. The details of the transactions with related parties are given in Note No. 48 of the financial statements.

#### 14. [BOARD MEETINGS HELD DURING THE YEAR](#)

During the year ended 31<sup>st</sup> March 2022, 5 meetings of the Board of Directors were held. The details of the meetings, composition of the Board, its committees and the attendance by the Directors are furnished in the Corporate Governance Report which is attached as Annexure-III to this Report.

#### 15. [POLICIES](#)

In accordance with the requirements of the Companies Act, 2013, the Listing Agreement and SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has framed the required policies and the policies wherever mandated, are uploaded on the company's website, under the web-link [www.iprings.com](http://www.iprings.com). The brief list of the links is as follows: -

<b>TERMS OF APPOINTMENT OF IDs</b> <a href="https://iprings.com/investors/code-of-conduct/">https://iprings.com/investors/code-of-conduct/</a>	<b>DIRECTORS FAMILIARIZATION PROGRAM</b> <a href="https://iprings.com/investors/code-of-conduct/">https://iprings.com/investors/code-of-conduct/</a>
<b>POLICY ON VIGIL MECHANISM / WHISTLE BLOWER POLICY</b> <a href="https://iprings.com/investors/code-of-conduct/">https://iprings.com/investors/code-of-conduct/</a>	<b>CODE OF BUSINESS CONDUCT AND ETHICS</b> <a href="https://iprings.com/investors/code-of-conduct/">https://iprings.com/investors/code-of-conduct/</a>
<b>ANNUAL REPORTS</b> <a href="https://iprings.com/investors/annual-reports/">https://iprings.com/investors/annual-reports/</a>	<b>RELATED PARTY TRANSACTION POLICY</b> <a href="https://iprings.com/investors/code-of-conduct/">https://iprings.com/investors/code-of-conduct/</a>
<b>CSR POLICY</b> <a href="https://iprings.com/investors/code-of-conduct/">https://iprings.com/investors/code-of-conduct/</a>	<b>NOMINATION AND REMUNERATION POLICY</b> <a href="https://iprings.com/investors/code-of-conduct/">https://iprings.com/investors/code-of-conduct/</a>
<b>GENERAL UPDATES</b> <a href="https://iprings.com/investors/">https://iprings.com/investors/</a>	

#### 16. [PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013](#)

The Company has not either given / taken any loans, guarantees under Section 186 of the Companies Act, 2013 and the details of investments are provided under Note Number 2A [NON-CURRENT FINANCIAL ASSETS – INVESTMENTS] in the Financial Statements.

#### 17. [ANNUAL RETURN](#)

The Annual Return as on 31<sup>st</sup> March 2022 has been uploaded in the company's website i.e. [www.iprings.com](http://www.iprings.com)

#### 18. [BOARD EVALUATION](#)

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Independent Directors at their meeting held on 04<sup>th</sup> February 2022 considered / evaluated the Board's performance, Committees and performance of the Chairman and other non-independent Directors. The Board has undergone a formal review which comprised Board effectiveness and allied subjects. The Board also reviewed the workings of the various committees and sub-committees without participation of the concerned Directors / Members.

#### 19. [VIGIL MECHANISM](#)

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism which inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

#### 20. [INTERNAL COMPLAINTS COMMITTEE](#)

The Company has put in place a policy for prevention, prohibition and Redressal against sexual harassment of women at the workplace to protect women employees and enable them to report sexual harassment at the work place. No complaints were received from any employee during the year ended 31<sup>st</sup> March 2022.

#### 21. [DIRECTORS' RESPONSIBILITY STATEMENT](#)

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility statement, it is hereby stated-

- i. that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for year under review;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the annual accounts for the year ended 31<sup>st</sup> March 2022 on a “going concern” basis;
- v. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **22. CORPORATE SOCIAL RESPONSIBILITY [CSR]**

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and its subsequent amendments, your Company framed a Policy on Corporate Social Responsibility and an amount of Rs 22.50 Lakhs was spent towards Corporate Social Responsibility obligations and the relevant details are provided in Annexure-II to this Report.

## **23. ACKNOWLEDGEMENT**

The Directors wish to express their appreciation for the continued co-operation of the Central and State Governments, Bankers, customers, dealers, suppliers and share-holders.

Your Directors wish to place on record their appreciation of the Technical Assistance and also the support extended by M/s Nippon Piston Ring Co. Ltd., Japan and M/s. India Pistons Limited, Chennai, respectively.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at all levels.

**For and on behalf of the Board**

**For and on behalf of the Board**

**M. Govindarajan**  
**(DIN 09264840)**  
**Whole Time Director**

**A. Venkataramani**  
**(DIN 00277816)**  
**Managing Director**

Chennai  
May 27, 2022

Chennai  
May 27, 2022

**ANNEXURE – I OF THE DIRECTORS' REPORT TO THE SHAREHOLDERS**

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR 2021-22**

**A. CONSERVATION OF ENERGY**

**i. Energy conservation measures taken**

The manufacturing units of the company have continued their efforts to reduce the energy consumption. Energy conservation initiatives are being planned and implemented across manufacturing locations. Apart from regular practices and measures for energy conservation, many new initiatives were driven across all the units.

**ii. The steps taken by the company for utilizing alternate sources of energy: -**

The Company has entered into power purchase agreement with M/s. K. Ramakrishnan Clean Energy Private Limited to purchase Clean Energy [Wind Energy] thereby tapping alternate source of energy.

**B. TECHNOLOGY ABSORPTION AND INNOVATION**

**i. The Efforts made by the Company towards technology absorption**

**RESEARCH & DEVELOPMENT:**

<p>1. Specific areas in which R&amp;D is carried out by the company.</p>	<p>Continuous Research is being undertaken in the following areas:</p> <p><b>Piston Rings:</b></p> <p>Developed H Free DLC Low Friction Coating for Diesel application.</p> <p>Developed new proposals of Taper Side Rails for K15C Engine application</p> <p>Developed new proposal for Direct PVD Side Rail in SR34 material grade</p> <p>GN PVD Side Rails with high crowning profile manufactured and under Engine validation.</p> <p>Developed bigger diameter Rings (131 dia)</p> <p><b>Orbital Cold Forming:</b></p> <p>Developed intricate geometrical parts and higher diameter forgings</p> <p>Developed new material SCM420H2V2</p> <p>Developed larger diameter EDL gear (123 mm) for Export Line</p> <p>Developed auto gauging and auto compensation in CNC machines to eliminate manual intervention</p>
<p>2. Benefits derived as a result of above R&amp;D</p>	<p><b>Piston Rings:</b></p> <p>Developed 'H' free DLC Ring which is under Testing</p> <p>Piston Rings Manufactured for 2piece oil Rings with concavity and step land for better oil scrapping and friction reduction. The Product is in off process validation</p> <p>GN PVD Side Rails with high crowning profile is under off process validation</p>

	<p>Direct PVD Side Rails manufactured in SR34 material grade and the parts are under Engine Validation</p> <p>Development of bigger diameter rings 131 dia for export market</p> <p><b>Orbital Cold Forming</b></p> <p>Development of intricate geometrical parts and higher diameter forgings has resulted in entry of new export projects for DANA &amp; AAM Customers</p> <p>Development of new material has given entry in supplying differential gear to MSIL Customer</p> <p>Development of bigger diameter EDL gear has resulted in new product development for export Business</p> <p>Implementation of auto gauging and auto compensation has improved the manufacturing process</p>
<p>3. Future Plan of Action:</p>	<p><b>Piston Rings:</b></p> <p>Development of alloyed PVD coating for ethanol fuel application</p> <p>Development of Resin Coating on the Piston Ring Width face to prevent micro welding</p> <p>Developing smaller diameter Rings for Turbo charger</p> <p><b>Orbital Cold Forming</b></p> <p>Introduction of auto Visual Inspection for the export line</p> <p>Development of Non-Ferrous Aluminum alloy Forgings</p> <p>Development of Larger Size Commercial Vehicle Differential Gears</p>
<p>4. Expenditure on R&amp;D:</p>	<p>Capital NIL  Revenue Rs.4.30 Lakhs/-  Total Rs. <u>4.30 Lakhs/-</u>  Total R &amp; D Expenditure <u>0.02%</u>  as a % of Total Turnover</p>

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (i.) Activities relating to Exports Exploring additional opportunities for export of Transmission Components to new customers
- (ii.) Total Foreign Exchange used and earned

Foreign Exchange earned	<u>Rs 10,582.67 Lakhs</u>
Foreign Exchange outgo	<u>Rs.3,622.56 Lakhs</u>

**ANNEXURE – II OF THE DIRECTORS' REPORT TO THE SHAREHOLDERS**

**PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES CARRIED OUT BY THE COMPANY IN TERMS OF SECTION 135 OF THE COMPANIES ACT, 2013**

1. A brief outline of the Company's CSR Policy:

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

2. Overview of projects or programs proposed to be undertaken:

Focus areas relate to Rural Development Projects, economic development, quality education, health care, conservation of environment and the creation, maintenance of infrastructure, art, culture and protection of places of public and historical importance.

3. Web-link to the CSR policy and projects or programs is provided in this Annual Report under "Policies".

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. - **Not Applicable**

5. Composition of the CSR Committee:

Sl. No.	Name of the Member	Designation	Status
1.	Dr Sandhya Shekhar	Independent Director	Chairman
2.	A Venkataramani	Managing Director	Member
3.	Navin Paul	Independent Director	Member

6. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (In Rs.)	Amount required to be set-off for the financial year if any (In Rs.)
Not Applicable			

7. Average net profit of the Company for the last three financial years **₹ 527.28 Lakhs**

8. Prescribed CSR Expenditure (2% of the amount as in item 5 above) **₹ 10.55 Lakhs**

9. Details of CSR spent during the financial year:

- (a) Total amount spent for the financial year **₹ 22.50 Lakhs**  
 (b) Amount unspent, if any **Not Applicable**  
 (c) Manner in which the amount spent during the financial year is detailed below:

SL. No.	CSR Project Activity	Sector in which project is covered	Project Details	Amount outlay - budget	Amount spent on the projects	Cumulative Expenditure	Amount spent direct or through implementation agency
1.	Donation of Ambulance	Social Empowerment	Hindu Mission Hospital Local	20,00,000	Direct Expenses	20,00,000/-	Direct

2.	Donation to Library	Promoting Education and also Conservation of Art and Culture	Roja Muthiah Research Library Trust	2,50,000	Direct Expenses	22,50,000/-	Direct to the Institution
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10. Amount Spent in Administrative overheads : Not Applicable  
 Amount Spent on Impact Assessment, if applicable : Not Applicable  
 Total Amount Spent for the Financial year : INR 22.50 Lakhs

11. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – **Not applicable**

12. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

13. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year; (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset	
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	
(d) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	

To discharge the duties cast under provisions of the Act, 2013, members of the CSR Committee visit places where the implementing agencies are doing service.

**For and on behalf of the Board**

**For and on behalf of the Board**

**For and on behalf of the Board**

**Dr V Sandhya Shekhar**  
 (DIN 06986369)  
 Director

**A Venkataramani**  
 (DIN 00277816)  
 Managing Director

**Navin Paul**  
 (DIN 00424944)  
 Director

Chennai  
 May 27, 2022



## ANNEXURE – III OF THE DIRECTORS' REPORT TO THE SHAREHOLDERS

### REPORT ON CORPORATE GOVERNANCE

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance continues to be a strong focus area for the Company. Our philosophy on Corporate Governance emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working - workplace management, market place responsibility, community engagement and business decision.

#### 2. COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors of the company comprises of qualified members with requisite skills, competence and expertise in various areas that allows them to have effective contribution in the Board and committee deliberations. They possess the skills and competence in various areas like Technology, Finance, Legal, Taxation, Leadership, Marketing with diversified experience contributing to the effective corporate governance by the Company.

As on 31<sup>st</sup> March 2022, the total strength of the board was Six as under:

#### EXECUTIVE DIRECTORS

1. Mr. A Venkataramani, Managing Director
2. Mr. M. Govindarajan, Whole Time Director

#### NON- EXECUTIVE DIRECTORS

3. Mr. Ryosuke Hasumi (From 01.11.2021)

#### INDEPENDENT DIRECTORS

4. Dr. V. Sandhya Shekhar (Women Director)
5. Mr. V. Vikram Vijayaraghavan
6. Mr. N. Navin Paul.

During the year 2021-22, the Board met five times viz., 28<sup>th</sup> May 2021, 19<sup>th</sup> June 2021, 02<sup>nd</sup> August 2021, 01<sup>st</sup> November 2021 and 04<sup>th</sup> February 2022, and the gap between two meetings did not exceed one hundred and twenty days. Besides, the NE-IDs held a separate meeting on 04<sup>th</sup> February 2022, in compliance with the provisions of the Act, 2013 and Regulation 25(3) of Listing Regulations. All the NE-IDs were present at the meeting.

#### 2.1. ATTENDANCE AND OTHER DIRECTORSHIPS

The details of attendance of the directors at the board meetings during the year and at the last AGM held on 24<sup>th</sup> September 2020 and other directorships and committee memberships / chairmanships as on 31<sup>st</sup> March 2021 are as follows:

Name of the Director		Attendance Particulars		Number of other Directorships, committee memberships / chairmanships			
		Board Meetings	Last Annual General Meeting	Other Directorships*	Name of the Listed Companies and the category of directorship	Committee Memberships**	Committee Chairmanships
A Venkataramani	(DIN 00277816)	5	Yes	7	-	-	-
Yoshitaka Ogawa [till 01.11.2021]	(DIN 08949781)	1	Yes	-	-	-	-
Ryosuke Hasumi [w.e.f. 01.11.2021]	(DIN 09368134)	1	No	-	-	-	-
Mr. M. Govindarajan [w.e.f. 02.08.2021]	(DIN 09264840)	2	No	-	-	-	-
Sandhya Shekhar	(DIN 06986369)	5	Yes	3	Bimetal Bearings Ltd – Independent Director	3	0

Vikram Vijayaraghavan	(DIN 01944894)	5	Yes	10	-	1	1
Navin Paul	(DIN 00424944)	5	Yes	1	Pricol Limited – Independent Director	-	-
<p>* Represents includes private companies  ** includes committees where the director holds the position of Chairman  - For the membership and chairpersonship in Committees, Audit Committee and Stakeholders' Relationship Committee have only been considered as per Regulation 26 of the Listing Regulations. Also, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded.</p>							

None of the Directors on the Board is a member of more than ten committees or Chairman of more than five committees across all the companies in which they are directors. Chairmanships / Memberships of Committees include only Audit and Stakeholders' Relationship Committee as covered under Regulation 26 of the Listing Regulations, as per the disclosures made by the Directors.

None of the NEIDs holds directorships in more than eight listed entities and serves as an Independent director in more than seven listed entities. As far as, managing director / whole time director in the Company are concerned, they do not serve as an independent director in more than three listed entities. None of the Independent Directors is serving as Whole Time Director in a Listed Company.

## **2.2. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE**

None of the Directors are related to each other.

## **2.3. ACCESS TO INFORMATION AND UPDATION TO DIRECTORS:**

The Board reviews all the information provided periodically for discussion and consideration at its meetings in terms of the Listing Regulations. Functional heads are present whenever necessary and apprise all the Directors about the developments. They also make presentations to the Board and Audit Committee of Directors.

## **2.4. FAMILIARIZATION PROGRAM**

Familiarization program is made available to the Directors covering such topics on Board's role, Board's composition and conduct, Board's risks and responsibilities, to ensure that they are fully informed on current governance issues. The details of familiarization program are available on the Company's website in the link is provided in this Annual Report under "Policies"

## **2.5. PRINCIPAL / CORE SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS**

The Board is well structured to ensure a high degree of diversity by age, gender, educational qualification, professional background, present activity, sector expertise and special skills (classification).

Board comprises range and balance of skills, experience, knowledge, gender, social-economic backgrounds and independence. This needs to be backed by a diversity of personal attributes, including sound judgement, honesty and courage.

Professional Background & Skills / expertise / competency of Directors:

<b>Name of the Directors</b>	<b>Brief Description about the Directors</b>
Mr. A Venkataramani Managing Director	<ul style="list-style-type: none"> <li>• A British national who joined the Company in 2010 and instrumental in steering the company in terms of Digitization, Business strategy and renewed Mission.</li> <li>• He did his MBA from Chicago, USA. He has been at the forefront of the company's efforts in successfully implementing systems and procedures based on TPM, TQM &amp; Lean manufacturing in all locations.</li> <li>• He plays a vital role in Madras Management Association, ACMA and various other forums.</li> </ul>
Mr. Yoshitaka Ogawa Non-Executive Director [Till 01-Nov-2021]	<ul style="list-style-type: none"> <li>• He is an Engineer by profession graduated from Tokyo Denki University in 1984.</li> <li>• He joined NPR in 1984 and he is currently the General Manager of Production Engineering Department and represents Nippon Piston Rings Co Ltd Japan</li> </ul>

Mr. Ryosuke Hasumi Non-Executive Director [From 01-Nov-2021]	<ul style="list-style-type: none"> <li>Mr. Ryosuke Hasumi, aged 50 years, is a Mechanical Engineer by profession graduated from Tamagawa University in 1997.</li> <li>He joined NPR in 1997 and he is currently the General Manager of Production Development Department.</li> </ul>
Mr. M. Govindarajan Whole Time Director [From 02-Aug-2021]	<ul style="list-style-type: none"> <li>Mr. M. Govindarajan is an Engineer by profession and his qualification details are B.E., M.B.A., M.S. (Technological Operations).</li> <li>He is currently the plant head of the Company.</li> </ul>
Dr Sandhya Shekhar Independent Director	<ul style="list-style-type: none"> <li>She joined the Company in 2014 and holds a Doctorate in Information Technology and was the first CEO of IIT Madras Research Park.</li> <li>She is also an expert in the area of Knowledge and Innovative Strategy</li> <li>She is instrumental in giving expert advice on steering the Digitization and other strategic areas.</li> </ul>
Mr. Vikram Vijayaraghavan Independent Director	<ul style="list-style-type: none"> <li>He joined the Company in 2019 and is holding a Bachelor of Law and holds MS [Computer Science &amp; Electrical Engineering] at Stanford University.</li> <li>He is an Advocate, specialized in Corporate and Taxation and Consultation at one of the leading tax firms in South India.</li> <li>He is the Chairman of Audit Committee and is pivotal in providing technical advice to the Company.</li> </ul>
Mr. Navin Paul Independent Director	<ul style="list-style-type: none"> <li>He joined the Company in 2019 and is a Qualified Engineer and holds MBA in the field of Marketing.</li> <li>He also held various pivotal roles in Bosch, Escorts, Ashok Leyland, and TI Engineering.</li> <li>He specializes in Trend Monitoring, Technology Road maps, Business enabler.</li> <li>He plays a pivotal role of guiding the Board in terms of Business Development due to his rich experience</li> </ul>

## **2.6. CODE OF BUSINESS CONDUCT AND ETHICS FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL**

The Company has in place a Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel (the Code) approved by the Board.

The Code has been communicated to Directors and the Senior Management Personnel. The Code has also been displayed on the Company's website in the link is provided in this Annual Report under "Policies".

All the Members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31<sup>st</sup> March 2022. The Annual Report contains a declaration to this effect signed by the Managing Director of the Company.

## **2.7. COMMITTEES OF THE BOARD**

The Board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory committees viz., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee.

The terms of reference of these Committees are determined by the Board and their performance is being reviewed. Meetings of each of these Committees are convened by the respective Chairman of the Committee. The minutes of the Committee Meetings are placed before the subsequent Board meetings.

## **3. AUDIT COMMITTEE**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

### **3.1. BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as applicable.

The subjects reviewed and recommended in the meetings of the Audit Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the board.

### **3.2. COMPOSITION, NAME OF THE CHAIRMAN AND MEMBERS**

The composition of the Committee is in accordance with the requirements of the Regulation 18 of the Listing Regulations read with Section 177 of the Act, 2013.

Mr. Vikram Vijayaraghavan, the Chairman of the Committee was present at the last AGM held on 29<sup>th</sup> July 2021 to answer the Shareholders' queries.

CS V Anantha Subramanian, Company Secretary acts as Secretary of the Committee.

As at 31<sup>st</sup> March 2022, the Committee consists of 3 Directors. The names and members of the Committee are as follows:

Mr. Vikram Vijayaraghavan	Chairman	Non Executive – Independent
Dr Mahadevan	Member	Non Executive Director [till 29.07.2021]
Dr Sandhya Shekhar	Member	Non Executive – Independent
Mr Navin Paul	Member	Non Executive – Independent [from 19.06.2021]

### **3.3. THE PARTICULARS OF MEETINGS AND ATTENDANCE BY THE MEMBERS OF THE COMMITTEE**

The Details are given in the table below:

Date of the Meetings	Members Present			
	Vikram	Sandhya Shekhar	Mahadevan	Navin Paul
19.06.2021	✓	✓	✓	✓
02.08.2021	✓	✓	-	✓
01.11.2021	✓	✓	-	✓
04.02.2022	✓	✓	-	✓

## **4. DISCLOSURES**

### **4.1. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and the Listing Regulations during the financial year 2021-22 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder.

There were no materially significant transactions with the related parties during the year, which were in conflict of interest, and hence no approval of the Company was required in terms of the Listing Regulations.

The transactions with the related parties, namely its promoters, its holding, subsidiary and associate companies etc., of routine nature have been reported in the Annual Report, as per Indian Accounting Standard 24 (IND AS 24) notified vide the Companies (Indian Accounting Standard) Rules, 2015.

Details of material related party transactions are enclosed as part of accounts for the year ended 31<sup>st</sup> March 2022.

In terms of Regulation 23 of the Listing Regulations, all RPTs for the succeeding financial year, with clear threshold limit, are regularly placed before the Audit Committee meeting convened during last quarter of the financial year for its approval and recommendation to the Board for its approval, wherever required. RPTs entered during the financial year are reviewed at the same meeting for any upward revision in the threshold limit.

It was also ensured that none of RPTs involving payments with respect to brand usage or royalty during the financial year, exceeded five percent of the annual consolidated turnover of the Company as per the previous audited financial statements of the Company.

### **4.2. DISCLOSURE OF ACCOUNTING TREATMENT**

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 01<sup>st</sup> April 2016. Accordingly, the financial statements for the year 2021-22 have been prepared in compliance with the said Rules.

#### **4.3. INSTANCES OF NON-COMPLIANCES, IF ANY**

There were no instances of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during last three years.

#### **4.4. DISCLOSURE BY SENIOR MANAGEMENT PERSONNEL**

The Senior Management Personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have personal interest that could result in conflict of interest with the Company at large.

#### **4.5. CEO AND CFO CERTIFICATION**

The Managing Director and CEO and Chief Financial Officer of the Company have certified to the Board on financial and other matters in accordance with Regulation 33 of the Listing Regulations for the financial year ended 31<sup>st</sup> March 2022.

#### **4.6. COMPLIANCE WITH MANDATORY / NON-MANDATORY REQUIREMENTS**

The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed in this Report.

#### **4.7. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In compliance with SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has a comprehensive Code of Conduct for Prevention of Insider Trading and the same is being strictly adhered to by the designated persons as defined under this Code.

The Board adopts the Code of Practices and Procedures for fair disclosure of "Unpublished Price Sensitive Information" (UPS) and the Code of Conduct to regulate, monitor and report trading by insiders to maintain consistency and statutory amendments to be reflected in the policies and to make it upto date and more comprehensive.

The Code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with the shares of the Company.

The Company follows closure of trading window from the end of every quarter till 48 hours after the declaration of financial results. The Company has been advising the Designated Persons covered by the Code not to trade in Company's securities during the closure of trading window period.

#### **4.8. DISCLOSURE OF WHISTLE BLOWER POLICY**

The Company has not received any complaint that are administered by the Vigil Mechanism Policy adopted by the Company. Copy of the said Policy is available on the Company's website in the link is provided in this Annual Report under "Policies"

### **5. NOMINATION AND REMUNERATION COMMITTEE (NRC)**

#### **5.1. COMPOSITION OF THE COMMITTEE**

The Committee comprises of three Directors.

Mr. Navin Paul	Chairman	Non Executive – Independent
Dr Mahadevan	Member	Non Executive Director [till 29.07.2021]
Dr Sandhya Shekhar	Member	Non Executive – Independent
Mr Vikram Vijayaraghavan	Member	Non Executive – Independent [from 01.11.2021]

Mr. Navin Paul, Chairman of the Committee was present at the last AGM held on 29<sup>th</sup> July 2021 to answer the shareholders queries.

#### **5.2. BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The powers, role and terms of reference of the Nomination and Remuneration Committee cover the areas as contemplated under Clause 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also Section 178 of the Companies Act, 2013 apart from any references made to it by the Board of Directors.

### 5.3. THE PARTICULARS OF MEETINGS AND ATTENDANCE BY THE MEMBERS OF THE COMMITTEE

The Details are given in the table below:

Date of the Meetings	Members Present			
	Navin Paul	Mahadevan	Sandhya Shekhar	Vikram Vijayaraghavan
19.06.2021	✓	✓	✓	-
02.08.2021	✓	-	✓	✓
01.11.2021	✓	-	✓	✓
04.02.2022	✓	-	✓	✓

### 5.4. EVALUATION CRITERIA

The performance evaluation of the Board as a whole was assessed based on the criteria, like its composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow up action, quality of information, governance issues and the performance and reporting by various Committees set up by the Board. The performance evaluation of individual Director was carried out based on his / her commitment to the role and fiduciary responsibilities as a board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading / acting as Member of various Committees etc. The performance of Senior Management Personnel was measured against their achievement of the business plans approved by the Board during and at the completion of the financial year.

### 5.5. REMUNERATION TO DIRECTORS

The remuneration payable to Managing Director [MD] is fixed by the Board and is within the limits approved by the shareholders in terms of the relevant provisions of the Act, 2013.

#### I. MANAGING DIRECTOR [EXECUTIVE & NO SITTING FEE]

Particulars	Managing Director (₹)
Fixed Component Salary	1,22,00,000
Perquisites	26,68,171
<b>Total</b>	<b>1,50,68,171</b>

#### II. WHOLE TIME DIRECTOR [EXECUTIVE & NO SITTING FEE]

Particulars	Whole Time Director (₹)
Fixed Component Salary	34,35,600
Perquisites	26,400
<b>Total</b>	<b>34,62,000</b>

#### III. NON – EXECUTIVE DIRECTORS

Apart from the sitting fees, the Non – Executive Directors are eligible for commission as per the provisions of Section 197 of the Companies Act, 2013. Compensation paid to the individual director is limited to a sum as determined by the Board. The Board on an annual basis review the performance of the Independent Directors.

Director	Sitting Fee	Commission	No. of Shares Held
Mr. Yoshitaka Ogawa [till 01.11.2021]	-	-	-
Mr. Ryosuke Hasumi [since 01.11.2021]	-	-	-
Dr R Mahadevan [till 29.07.2021]	30,000	1,00,000	1,080
Dr Sandhya Shekhar	1,50,000	3,00,000	-
Mr. Vikram Vijayaraghavan	1,45,000	3,00,000	-
Mr. Navin Paul	1,45,000	3,00,000	-

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

## 6.1. COMPOSITION OF THE COMMITTEE

The Committee comprises of three Directors. The name and members of the Committee are as follows:

Mr. Vikram Vijayaraghavan	Chairman	Non Executive Independent [from 01.11.2021]
Mr A Venkataramani	Member	Executive
Dr Sandhya Shekhar	Member	Non Executive Independent

Mr Vikram Vijayaraghavan, the Chairman of the Committee was present at the last AGM held on 29<sup>th</sup> July 2021 to answer shareholders queries.

## 6.2. THE PARTICULARS OF MEETINGS AND ATTENDANCE BY THE MEMBERS OF THE COMMITTEE

The Details are given in the table below:

Date of Meeting	Members Present		
	Vikram Vijayaraghavan	A Venkataramani	Sandhya Shekhar
04.02.2022	✓	✓	✓

## 6.3. COMPLIANCE OFFICER

As required by the Listing Regulations, Mr V Anantha Subramanian, Company Secretary is the Compliance Officer of the Company, who oversees the redressal of investor grievances.

For any clarification / complaint, the shareholders may contact the Company Secretary.

## 6.4. REGISTRAR & SHARE TRANSFER AGENT

The Company has appointed an external Share Transfer Agent [STA] M/s. Cameo Corporate Services Limited who oversees all the Share Transfers and other Depository related activities. The Company receives the reports on quarterly basis from STA and reviews the same. The role of the Stakeholder Relationship Committee is to oversee the overall compliance related to Stakeholders Relationship. SRC oversees and reviews all the matters connected with issue of duplicate share certificates and other issues pertaining to shares. The Company, as a matter of policy, disposes of investors' complaints within a span of seven days.

## 6.5. QUERIES

Only 1 SCORES Compliant was received and the same was disposed by SEBI as no action is pending from the Company. The details are as follows: -

Date of the Compliant Received	:	21-Feb-2022
Nature of Compliant	:	Rejection in Demat request
Folio No	:	00042462
Status	:	Redressed
Remarks by SEBI	:	

The RTA reply is self-explanatory. It is observed that the complainant has submitted banker attestation along with the recent DRF and RTA has not raised any objection with respect to the signature. The instant Demat request has been rejected owing to absence of authorization by DP for manual modifications observed in the DRF. Reply of the RTA is accepted and complainant is advised to furnish a fresh DRF for dematerializing his shares. In view of the above, matter is treated as resolved and closed.

The said compliant was discussed at the Board Meeting held on May 27, 2022 and the Exchange was informed accordingly.

## 6.6. DEMATERIALIZATION OF SHARES

All requests for dematerialization of shares were carried out within the stipulated time period and no request for dematerializing the share certificates was pending as on 31<sup>st</sup> March, 2022.

## 6.7. RECONCILIATION OF SHARE CAPITAL AUDIT



A Practicing Company Secretary carries out Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The reports are being regularly placed before the board for its perusal.

The RSC audit reports confirmed that the total issued and listed capital was in agreement with the total number of shares in physical form and in dematerialized form held with NSDL and CDSL. The Said Share Capital Reconciliation reports were duly filed with the Bombay Stock Exchange on Quarterly basis.

## **7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

### **7.1 COMPOSITION OF THE COMMITTEE**

The Committee comprises of three Directors. The name and members of the Committee are as follows:

Dr R Mahadevan	Chairman	Non Executive [till 29.07.2021]
Dr Sandhya Shekhar	Member	Non Executive Independent [since 01.11.2021]
Mr. A Venkataramani	Member	Executive
Mr. Navin Paul	Member	Non Executive Independent [since 01.11.2021]

### **7.2 THE PARTICULARS OF MEETINGS AND ATTENDANCE BY THE MEMBERS OF THE COMMITTEE**

The details are given in the table below:

Date of Meeting	Members Present		
	Sandhya Shekhar	A Venkataramani	Navin Paul
04.02.2022	✓	✓	✓

The details of CSR Policy, initiatives and spending are spelt out in Annexure-III to the Directors Report.

## **8. ANNUAL GENERAL MEETINGS**

### **8.1 LOCATION AND TIME WHERE AGMS WERE HELD DURING THE LAST THREE YEARS:**

Year	GM	Location	Date	Time
2018-19	EGM	D11/12, Industrial Estate, Maraimalai Nagar, 603209	28.03.2019	03:00PM
2018-19	AGM		25.07.2019	11:30 AM
2019-20*	AGM		24.09.2020	11:30 AM
2020-21*	AGM		29.07.2021	11:30 AM

\* Held through VC/OAVM

### **8.2 SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMS**

During the last three years, 2018-19 to 2020-21 approvals of the shareholders were obtained by passing special resolutions as follows:

Year	Subject Matter of Special Resolution	Date of AGM/EGM
2018 – 19	(i.) Continuation of Directorship by Mr. N Venkataramani [DIN: 00001639] as a Director of the Company from April 01, 2019 (ii.) Continuation of Directorship by Dr. R Mahadevan [DIN: 00001690] as a Director of the Company from April 01, 2019 (iii.) Re-appointment of Mr. PM Venkatasubramanian [DIN: 00001579] as an Independent Director and continuation of Directorship from April 01, 2019	28.03.2019
2018 – 19	(i.) Re-appointment of Dr. Sandhya Shekhar [DIN: 06986369] as an Independent Director and continuation of Directorship from September 29, 2019 (ii.) Re-appointment of Mr. A Venkataramani [DIN: 00277816] as the Managing Director for the period 01.11.2019 to 31.10.2022 (iii.) Managerial Remuneration to Dr N Gowrishankar, former Whole Time Director for the year 2013 – 14: - Waiver of recovery of excess remuneration	25.07.2019



	(iv.)	Managerial Remuneration to Mr. A Venkataramani [DIN: 00277816], Managing Director for the year 2013 – 14: - Waiver of recovery of excess remuneration	
2019 – 20	(i.)	Re-appointment of Dr. Mahadevan as non-Executive who is liable to retire by rotation and who has attained more than 75 years of Age.	24.09.2020
2020 – 21	(i.) (ii.)	To approve the appointment of M/s. Cameo Corporate Services Limited as Registrar and Share Transfer Agent To approve the payment of Minimum remuneration to the Non-Executive Directors for a period of 3 years from April 01, 2021 in the event of inadequacy of profit in a financial year	29.07.2021

## 9. MEANS OF COMMUNICATION TO SHAREHOLDERS:

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

### 9.1 QUARTERLY RESULTS

The unaudited quarterly financial results of the Company were published in English and Regional newspapers. The results are normally published in English Newspapers viz., The Financial Express and Regional Newspaper viz. Makkal Kural.

### 9.2 WEBSITE

The Company has in place a website [www.iprings.com](http://www.iprings.com). This website contains the basic information about the Company, viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances, such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are periodically updated.

## 10. GENERAL SHAREHOLDER INFORMATION

### 10.1 ANNUAL GENERAL MEETING

Day, Date and time: Monday,  
08<sup>th</sup> August 2022, 12.30 P.M.  
Through Video Conferencing/ Other Audio-Visual Means

### 10.2 FINANCIAL YEAR PARTICULARS

Financial year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Financial calendar	:	2021-22
Financial reporting for the quarter ending	:	Financial calendar
*30 <sup>th</sup> June 2021	:	Before 14 <sup>th</sup> August 2022
30 <sup>th</sup> September 2021	:	Before 14 <sup>th</sup> November 2022
31 <sup>st</sup> December 2021	:	Before 14 <sup>th</sup> February 2023
31 <sup>st</sup> March 2022	:	Before 30 <sup>th</sup> May 2023

\* Dates will vary subject to the relaxations if made available by SEBI in this regard

### 10.3 PARTICULARS OF DIVIDEND PAYMENT

The Board of Directors has recommended a payment of dividend of Re.2.00 per equity share (on equity share of face value of Rs.10 each) for the year ended March 31, 2022.

### 10.4 LISTING ON STOCK EXCHANGES

Name & Address of the Stock Exchange	Stock Code
--------------------------------------	------------

<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. India Tel.: 91 22 2272 1233, Fax : 91 22 2272 1919	<b>523638</b>
<b>ISIN allotted by Depositories (Company ID Number)</b> (Note: Annual listing fees and custodial charges for the year 2020-21 were duly paid to the above Stock Exchange and Depositories)	<b>INE 558 A01019</b>

## 10.5 MARKET PRICE DATA

Month	BSE Indices		IP Rings Share Price – BSE Limited	
	High price	Low Price	High (Rs.)	Low (Rs.)
	Apr'21	50,375.77	47,204.50	111.00
May'21	52,013.22	48,028.07	105.60	85.70
Jun'21	53,126.73	51,450.58	130.35	89.80
Jul'21	53,290.81	51,802.73	187.00	123.50
Aug'21	57,625.26	52,804.08	186.35	140.00
Sep'21	60,412.32	57,263.90	150.00	125.30
Oct'21	62,245.43	58,551.14	146.40	126.05
Nov'21	61,036.56	56,382.93	134.80	108.00
Dec'21	59,203.37	55,132.68	160.35	106.75
Jan'22	61,475.15	56,409.63	165.75	134.20
Feb'22	59,618.51	54,383.20	149.95	123.50
Mar'22	58,890.92	52,260.82	142.75	116.65

## 10.6 SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

- Cameo Corporate Services, which has been registered with SEBI as Share Transfer Agents in Category II, has been appointed as the STA with a view to rendering prompt and efficient service to the investors and in compliance with Regulation 7 of the Listing Regulations. The shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.
- All matters connected with the shares, dividends and other matters are being handled by STA located at the address mentioned in this report.
- All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from investors are processed by STA within 7 days. Other miscellaneous correspondence relating to change of addresses, mandates etc., is processed by STA within 15 days.
- Certificates have also been received from a company secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996.
- The Company, as required under Regulation 6(2)(d) of the Listing Regulations, has designated the following e-mail IDs, [cs@iprings.com](mailto:cs@iprings.com) / [investor@iprings.com](mailto:investor@iprings.com) in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- Shareholders are, therefore, requested to correspond with STA for transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this Report.

## 10.7 SHAREHOLDING PATTERN OF THE COMPANY AS ON MARCH 31 2022

Category of Shareholder	No. of	No. of Shares	%
-------------------------	--------	---------------	---

	Shareholders	held	
<b>Promoter and Promoter Group</b>			
Bodies Corporate	5	71,72,057	56.58
<b>Total (A)</b>	<b>5</b>		
<b>Public Shareholding</b>			
Mutual Funds	1	200	0.00
<b>Total Institutions (B)</b>	<b>1</b>	<b>200</b>	<b>0.00</b>
Bodies Corporate	59	17,66,187	13.93
Individuals holding nominal capital in excess of ₹ 2 Lakhs	15	7,20,997	5.69
Individuals holding nominal capital upto ₹ 2 Lakhs	6,218	20,20,566	16.64
Clearing members	11	3,640	0.03
HUF	199	178962	1.41
Non-Resident Indians	48	13,181	0.10
Foreign Collaborator	1	7,04,200	5.56
IEPF	1	95,875	0.76
<b>Total Non-Institutions (C)</b>	<b>6,552</b>	<b>55,03,608</b>	<b>43.42</b>
<b>Total Public Shareholding D = (B+C)</b>	<b>6,553</b>	<b>55,03,808</b>	<b>43.42</b>
<b>Grand Total (A+D)</b>	<b>6,558</b>	<b>1,26,75,865</b>	<b>100.00</b>

#### DETAILS OF SHAREHOLDING AS ON MARCH 31, 2022

No of Shares	No of Shareholders	Percentage	Total Number of Shares	Percentage
10 – 5000	6438	89.70	712902	5.62
5001 – 10000	326	4.54	253496	2.00
10001 – 20000	191	2.66	284922	2.25
20001 – 30000	71	0.99	176317	1.40
30001 – 40000	33	0.46	112429	0.89
40001 – 50000	25	0.35	116796	0.92
50001 – 100000	41	0.57	299713	2.36
100001 – And Above	52	0.72	10719290	84.56
<b>Total</b>	<b>6,699</b>	<b>100.00</b>	<b>1,26,75,865</b>	<b>100.00</b>

#### 10.8 DEMATERIALIZATION OF SHARES AND LIQUIDITY

The promoter holding consisting of 71,72,057 Equity Shares of ₹10/- each is in dematerialized form. Out of 55,03,808 Equity Shares of ₹ 10/- each held by persons other than promoters 53,29,459 Equity Shares have been dematerialized as on 31<sup>st</sup> March 2022 accounting for 98.62%.

#### 10.9 DEPOSITORY RECEIPTS

The Company has not issued any Global Depository Receipt / American Depository Receipt/Warrant or any convertible instrument, which is likely to have impact on the Company's Equity.

#### 10.10 OTHER DISCLOSURES

- Pecuniary relationships or transactions with Non-Executive Independent Directors vis-a-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations and the same have been reported in the notes to the accounts.
- During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large.
- Company is a net exporter. The exposure of the Currency Risk along with the Forex Transactions is reviewed by the Audit Committee on regular basis.
- The Company has not entered into any commodity derivatives with any of the bankers and hence the disclosure of exposure in commodity risks faced by the Company is not required, as directed in the SEBI Circular dated 15<sup>th</sup> November 2018.

#### **10.11 PLANT LOCATION**

D 11/12, Industrial Estate  
Maraimalai Nagar - 603 209  
Tel: (044) 2745 2816 / 2745 2929  
E-mail: [iprmmn@iprings.com](mailto:iprmmn@iprings.com)

**IP Rings Plant 2**  
Plot No. 17, Area II,  
CMDA Industrial Complex,  
Maraimalai Nagar – 603 209

#### **10.12 INVESTOR CORRESPONDENCE DETAILS**

**Registered office**  
D 11/12, Industrial Estate  
Maraimalai Nagar - 603 209  
Tel: (044) 2745 2816 / 2745 2929  
E-mail: [iprmmn@iprings.com](mailto:iprmmn@iprings.com)

**E-Mail for Investors**  
[investor@iprings.com](mailto:investor@iprings.com)  
**Website**  
[www.iprings.com](http://www.iprings.com)

#### **10.13 CERTIFICATE FROM PRACTICING COMPANY SECRETARY**

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

#### **10.14 FEES PAID TO STATUTORY AUDITOR ON A CONSOLIDATED BASIS**

During the year, the Company has paid ₹8.73 lakhs to the Statutory Auditors for all services received by the Company excluding other certifications and reimbursement of expenses.

#### **10.15 DISCLOSURE ON COMPLIANCE WITH THE ISSUE OF DEBT SECURITIES FOR INCREMENTAL BORROWINGS BY LARGE CORPORATE:**

As on March 31, 2022 the Company was not considered as Large Corporate and the necessary Disclosures were filed with BSE to that effect.

### **11. NON-MANDATORY DISCLOSURES**

#### **11.1 SHAREHOLDER RIGHTS**

The half-yearly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded on the Company's website namely [www.iprings.com](http://www.iprings.com). The results are not sent to the shareholders individually.

#### **11.2 AUDIT QUALIFICATIONS**

The financial statements of the Company are unmodified.

#### **11.3 REPORTING OF INTERNAL AUDITOR**

The internal auditor is regularly reporting his observations directly to the audit committee.

### **12. REQUEST TO SHAREHOLDERS**

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder in order for the Company to serve them efficiently and avoid risks while dealing in the securities of the Company.

#### **12.1 REGISTRATION OF ELECTRONIC CLEARING SERVICE (ECS) MANDATE**

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

#### **12.2 TRANSFER OF SHARES IN PHYSICAL MODE**

SEBI has amended relevant provisions of the Listing Regulations to disallow listed companies from accepting request for transfer of securities which are held in physical form with effect from April 1, 2019.

The shareholders, who continue to hold shares in physical form even after this date, will not be able to lodge the shares with the Company for further transfer. Therefore, such shareholders will need to convert them to Demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the Company.

### **12.3 REGISTRATION OF NOMINATIONS**

Nomination in respect of shares, as per Section 72 of the Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will, etc.

It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13 to STA. This form will be made available on request. Investors holding shares in Demat form are advised to contact their DPs for making nominations.

### **12.4 UPDATION OF ADDRESS**

Shareholders are requested to update their addresses registered with the Company, directly through the STA, to receive all communications promptly.

Shareholders, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.

### **12.5 SMS ALERTS**

Shareholders are requested to note that NSDL and CDSL have announced the launch of SMS alert facility for Demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their Demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their DPs. No charge will be levied by NSDL / CDSL on DPs providing this facility to investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely [www.nsdl.co.in](http://www.nsdl.co.in) and [www.cdslindia.com](http://www.cdslindia.com) respectively.

### **12.6 TIMELY ENCASHMENT OF DIVIDENDS**

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation. As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 124(6) of the Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority.

## **13. TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY**

As per Section 124(6) of the Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred to a Demat Account opened in the name of IEPF Authority with Punjab National Bank by the Ministry of Corporate Affairs.

In case the dividends are not claimed within the due date(s) mentioned above, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. As required under the said provisions, all subsequent corporate benefits that accrues in relation to the above shares will also be credited to the said IEPF Account.

In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and

sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5, as per the following procedures:

1. Download the Form IEPF - 5 Web from the website of IEPF (<http://www.iepf.gov.in>) for filling the claim for refund of shares and dividends.
2. Read the instructions provided on the website / instructions kit along with the e-form carefully before filling the form.
3. After filling/completing the form save it on your computer and submit the duly completed form by following the instructions given in the upload link on the website.
4. On successful uploading, the acknowledgment will be generated indicating the SRN. This SRN is to be used for future tracking of the form.
5. Printout of the duly completed IEPF - 5 and the acknowledgment issued after uploading the form will have to be submitted together with an Indemnity Bond in original along with the other documents as mentioned in the Form IEPF-5 to the Nodal Officer of the Company in an envelope marked "Claim for refund from IEPF Authority".

In the process, general information about the Company which has to be provided is as under.

- |  |   |   |
|--|---|---|
| (a) Corporate Identification Number (CIN) of Company | - | L28920TN1991PLC020232   |
| (b) Name of the company                              | - | IP RINGS LIMITED  |
| (c) Address of Registered Office of the Company      | - | D 11/ 12, Industrial Estate,<br>Maraimalai Nagar – 603 209<br>Chengalpattu District,<br>Tamil Nadu, India |
| (d) email ID of the company                          | - | <a href="mailto:investor@iprings.com">investor@iprings.com</a>  |

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed dividend amount referred in relevant sections of the Act, 2013 on its website and also in the Ministry of Corporate Affairs website in the relevant form every year.

**For and on behalf of the Board**

**M Govindarajan**  
(DIN 09264840)  
Whole Time Director

Chennai  
May 27, 2022

**For and on behalf of the Board**

**A Venkataramani**  
(DIN 00277816)  
Managing Director

Chennai  
May 27, 2022

**ANNEXURE – IV OF THE DIRECTORS' REPORT TO THE SHAREHOLDERS**

**FORM AOC – 2**

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

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

**1.) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transactions	NIL
c)	Duration of the contracts/arrangements/transactions	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions	NIL
f)	Date(s) of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

**2.) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS**

The details were explained in the Notes to Financial Statements which form part of this report. The Audit Committee and the Board approved those transactions which are valid up to March 31, 2023. The Company has put in place effective mechanism to review such transactions on a regular basis.

**For and on behalf of the Board of Directors**

**For and on behalf of the Board of Directors**

**M Govindarajan**  
**(DIN 09264840)**  
**Whole Time Director**

**A Venkataramani**  
**(DIN 00277816)**  
**Managing Director**

Chennai  
May 27, 2022

**ANNEXURE – V OF THE DIRECTORS' REPORT TO THE SHAREHOLDERS**

**DETAILS OF REMUNERATION PAID TO DIRECTORS AND EMPLOYEES WITH THE COMPANY'S PERFORMANCE**

Comparative analysis of remuneration paid to Directors & employees with the Company's Performance is not circulated in accordance with the provisions of Section 197 (12) of the Companies Act, 2013 and are available with the company. Shareholders interested to have a copy of the same may send an email to the Company Secretary or send letter with Folio Number / DEMAT ID to the Registered Office of the Company.

The Remuneration paid to Directors and Employees was based on the Remuneration Policy and is comparable with market standards of the industry in which the company operates.

**For and on behalf of the Board of Directors**

**For and on behalf of the Board of Directors**

**M Govindarajan  
(DIN 09264840)  
Whole Time Director**

**A Venkataramani  
(DIN 00277816)  
Managing Director**

Chennai  
May 27, 2022





**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To  
The Shareholders of IP Rings Limited,  
Chennai

As required under regulation 34(3) read with part D of Schedule V to the SEBI (LODR) Regulations, 2015, we hereby confirm that the members of Board of Directors and Senior Management Personnel of IP Rings Limited have affirmed compliance with the Code of Conduct of the Company in respect of the year ended 31<sup>st</sup> March 2022 and as required under regulation 26(3) of SEBI (LODR) Regulations, 2015.

(By Order of the Board)

For **IP RINGS LIMITED**

Chennai  
May 27, 2022

**A Venkataramani**  
**Managing Director**  
**[DIN: 00277816]**

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To,

The Board of Directors  
IP Rings Limited  
D 11/12, Industrial Estate  
Maraimalai Nagar, 603 209

We certify that we have reviewed the financial statements prepared based on the Indian Accounting Standards for the year ended 31<sup>st</sup> March 2022 and to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with applicable Indian Accounting Standards, Laws and Regulations.
3. No transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
  - a) significant changes, if any, in internal control over financial reporting during the year;
  - b) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) that there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**A Venkataramani**  
**Managing Director**

**R Venkataraman**  
**Chief Financial Officer**

Chennai  
May 27 2022

## **AUDITOR'S CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE**

### **INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)**

#### **TO THE MEMBERS OF IP RINGS LIMITED**

1. The Corporate Governance Report prepared by IP RINGS LIMITED ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2022. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

#### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### **Auditors' Responsibility**

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtaining necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 1 above.

#### **Other Matters and Restriction on use**

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report

For M.S.Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No.01554S

M.S.Murali –Partner  
Membership No.26453  
UDIN: 22026453AKUFYD7982

Chennai  
May 27,2022.

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

*(In terms of Regulation 34(3) read with Schedule V Para C (10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

To  
The Members  
IP Rings Limited  
D 11/12, Industrial Estate,  
Maraimalai Nagar – 603 209

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IP Rings Limited having CIN : L28920TN1991PLC020232 and having Registered Office at D-11/12, Industrial Estate, Maraimalai Nagar – 603 209 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No	Name of the Director	DIN	Date of Appointment in the Company	Date of Cessation in the Company
1	A Venkataramani	00277816	27.10.2010	NA
2	R Mahadevan	00001690	14.07.1995	29.07.2021
3	Yoshitaka Ogawa	08949781	09.11.2020	01.11.2021
4	Sandhya Shekhar	06986369	30.09.2014	NA
5	Vikram Vijayaraghavan	01944894	16.05.2019	NA
6	Navin Paul	00424944	07.11.2019	NA
7	M Govindarajan	09264840	02.08.2021	NA
8	Ryosuke Hasumi	09368134	01.11.2021	NA

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

R Mukundan  
Company Secretary in Practice

Membership No.: 7876 / CP No.: 12635  
UDIN: **A007876D000383350**

Place: Chennai  
Date: 25.05.2022

## SECRETARIAL AUDIT REPORT

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule*  
*No.9 of the Companies (Appointment and Remuneration Personnel)*  
*Rules, 2014]*

To

The Members  
IP Rings Ltd.  
Maraimalai Nagar 603 209

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. Other vital laws applicable specifically to the Company:

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

**I report that**, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

**I further report that**, there were no events / actions in pursuance of:

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

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, requiring compliance thereof by the Company during the audit period.

**I further report that**, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

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

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that**, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Chennai  
Date: 25.05.2022

**R MUKUNDAN**  
**ACS No.: 7876 / C P No.: 12635**  
**UDIN: A007876D000383561**

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

## ANNEXURE A TO SECRETARIAL AUDIT REPORT

To

The Members  
IP Rings Ltd.  
Maraimalai Nagar 603 209

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation Letter about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the prevailing Covid-19 Pandemic, the audit was conducted based on the verification of the Company's books, papers, filings, minutes, returns, forms, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers through audio / visual means.

Place: Chennai  
Date: 25.05.2022

**R MUKUNDAN**  
**ACS No.: 7876 / C P No.: 12635**  
**UDIN: A007876D000383561**

**IP RINGS LIMITED**  
**CIN: L28920TN1991PLC020232**  
**STANDALONE FINANCIAL STATEMENTS**



## STANDALONE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IPRINGS LIMITED

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

#### Opinion

We have audited the accompanying Standalone Financial Statements of **IP RINGS LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash flows for the year then ended, and a summary of the 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 Standalone Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("IND AS") and other Accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter Description</b>	<b>Response to Key Audit Matter</b>
<p><b>Revenue Recognition</b></p> <p>Reference may be made to Note 58(10) of significant accounting policies and Note 22 and 29 to the standalone financial statements of the Company.</p> <p>Revenue recognition is inherently an area of audit risk, which we have focused on mainly covering the aspects of cut off.</p> <p>Considering the above, impact of Ind AS 115 and cut-off are considered by us as key audit matters.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:</p> <p>i. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue.</p> <p>ii. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p>

	<p>iii. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes, customer acknowledgement/proof of acceptance and the terms of sales.</p> <p>iv. We have also validated subsequent credit notes and sales returns up to the date of this Report to ensure the appropriateness and accuracy of the revenue recognition.</p> <p>v. We tested journal entries on a sample basis to identify any unusual or irregular items.</p> <p>vi. We also considered the adequacy of the disclosures in Company's financial statements in relation to Ind AS 115 and were satisfied they meet the disclosure requirements.</p> <p><b><u>Conclusion</u></b> Based on the procedures performed above, we did not find any material exceptions with regards to timing of revenue recognition and disclosure requirement of Ind AS 115 in the financial statements.</p>
<p><b>Impairment in Trade Receivables</b></p> <p>Reference may be made to Note 5 to the standalone financial statements of the Company.</p> <p>The Company is exposed to potential risk of financial loss when there is the risk of default on receivables from the customers for which the Management would make specific provision against individual balances with reference to the recoverable amount. Such provision/allowance for credit losses is based on historical experience adjusted to reflect current and estimated future economic conditions.</p> <p>For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realization of these receivables, are required for the identification of impairment events and the determination of the impairment charge.</p> <p>In view of the above, we identified allowance for credit losses as a key audit matter since significant judgement is exercised in calculating the expected credit losses/impairment charge.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We have performed the following procedures in relation to the recoverability of trade receivables and computing allowance for credit losses:</p> <ul style="list-style-type: none"> <li>• Tested the effectiveness of the control over the methodology for computing the allowance for credit losses, including consideration of the economic conditions and completeness and accuracy of information used in the estimation of probability of default. Tested the accuracy of aging of trade receivables at year end on a sample basis.</li> <li>• Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management.</li> <li>• Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made;</li> </ul>

	<ul style="list-style-type: none"> <li>Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis.</li> </ul> <p><b><u>Conclusion</u></b> Based on the above procedures we found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence and consequently are satisfied on the sufficiency of provisions/allowance for credit losses.</p>
<p><b>Allowance for inventory obsolescence</b></p> <p>Refer to note 58(8)(b) of the standalone financial statements.</p> <p>The Company holds significant inventories and records allowance for identified and estimated inventory obsolescence.</p> <p>As at 31st March 2022, the Company had inventories of Rs.5285.29 lakhs.</p> <p>The Company provides for obsolescence of Inventory considering the inventory on hand, existing/probable customer orders, the production plan, expected utilisation in production and expected sales. Further the estimates are validated by technological changes/legislative changes in the auto business and trends of the obsolescence in the past. The obsolescence covers inventory under Raw material, work-in-progress, and finished goods. Given the significant judgment involved in management's assessment, the allowance for inventory obsolescence is identified as a key audit matter</p>	<p><b>Our audit procedures in respect of this matter included:</b></p> <p>Understood management policy and process for identification of providing of obsolete inventory, including performing testing of controls to assess the effectiveness of the same. Reviewed the management's judgement applied in calculating the value of inventory obsolescence, taking into consideration the expected changes in auto industry and management assessment of the present and future condition of the inventory. Assessed the adequacy of the relevant disclosure in the notes to the financial statements.</p> <p><b><u>Conclusion</u></b> Based on the above procedures performed, we consider the provision for inventory obsolescence to be reasonable.</p>

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern..
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or

when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, 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 Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder.
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- f. With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the company to its directors during the year is in compliance with the provisions of Section 197, read with Schedule V of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us:
  - (i.) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer Note 30)
  - (ii.) The company has long-term contracts including derivative contracts for which there were no material foreseeable losses as at March 31, 2022.
  - (iii.) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv.) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 50 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 50 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or

otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(v.) The final dividend declared for the previous year and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 10.7 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend so proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

2.As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For M.S. Krishnaswami & Rajan**  
**Chartered Accountants-**  
**Registration No. 01554S**

**M.S. Murali – Partner**  
**Membership No. 26453**  
**UDIN: 22026453AKUFZO8548**

May 27, 2022  
Chennai

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of IP RINGS LIMITED)**

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

We have audited the Internal Financial Controls Over Financial Reporting of **IP RINGS LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 (iii) 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, considering the remediation measures taken by the Company, to the best of our information and according to the explanations given to us, the Company has maintained, 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 of 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 M.S. Krishnaswami & Rajan**  
**Chartered Accountants-**  
**Registration No. 01554S**

**M.S. Murali – Partner**  
**Membership No. 26453**  
**UDIN: 22026453AKUFZO8548**

May 27, 2022  
Chennai



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of IP RINGS LIMITED ("the Company") for the year ended March 31, 2022).

1. In respect of the Company's Property, Plant and Equipment:
  - a) (i) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets but the situation of the assets needs to be updated in certain cases.  
  
(ii) The company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a programme of verification to cover all the items of Property, Plant and Equipment and right of use assets in a phased manner covering all assets once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed during the year on such verification.
  - c) According to the information and explanations given to us and the records examined by us we report that title deeds of all freehold immovable property belonging to the Company are held in the name of the Company as at the end of the year. In respect of properties where the company is the lessee including building constructed on leasehold land, the lease agreement is in the name of the Company.
  - d) The Company has not revalued its Property, Plant and Equipment (including right- of- use assets) or intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the company as at March 31,2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) As explained to us, inventories, other than the Goods in transit, have been physically verified at periodic intervals by the management. The coverage and procedure of such verification by the management were, in our opinion, appropriate. Discrepancies (of 10% or more in value, in the aggregate for each class of inventory) were noticed on such physical verification and the said discrepancies has been properly accounted in the books of accounts.  
  
(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year by banks or financial institutions on the basis of security of current assets during the year and the quarterly returns or statements, as revised, filed by the company with such banks or financial institutions are materially in agreement with the books of account of the Company.
3. The Company has not made investment in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties, during the year and hence the provisions of clause 3(iii)(a), (c), (d), (e) and (f) are not applicable to the Company.
4. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, furnished guarantees or provided security to any party covered by provisions of sections 185 and 186 of the Companies Act, 2013. Hence reporting on whether there is a compliance with the said provisions does not arise. In respect of Investments made, the provisions of Section 186 of the Companies Act, 2013 has been complied with.
5. According to information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and there are no unclaimed deposits as at March 31,2022 to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act are applicable. Accordingly, the provisions of clause (v) of paragraph 3 of the Order is not applicable to the Company.
6. As per the information and explanation given to us, the maintenance of the cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the

company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended and prescribed by the Central Government under Section 148(1) of the Act and we are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of Cost records with a view to determine whether they are accurate and complete.

7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
- (i.) the company is generally regular in depositing material amounts of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, Cess, and other material statutory dues as applicable to the appropriate authorities during the year. There were no material undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2022, for a period of more than six months from the date they became payable.
  - (ii.) there are no statutory dues referred to in above sub-clause, which have not been deposited on account of any dispute with the relevant authorities, except dues of Income tax, Provident fund dues and Value added tax that have not been deposited on account of disputes as detailed hereunder:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (In Rs. Lakhs) of Disputed dues</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Interest on Income tax	21.10	AY 2018-19	CIT (Appeals)
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Interest/ Damages	22.44	FY 2014-15	Employees' Provident Fund Tribunal, Tamil Nadu.
The Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	1.30	FY 2007-08	Appellate Deputy Commissioner

For the above purposes, demand for income tax dues has been arrived based on orders received even though not given effect to by the Income Tax Department.

8. As per the information and explanation given to us, there were no transactions previously not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. (a) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of dues to any financial Institution or bank. The Company does not have any borrowings from Government or by way of Debentures.
- (b) As per the information and explanation given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) As per the information and explanation given to us, the monies raised by way of term loans have been applied for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture. The Company does not have

subsidiaries or associates.

(f) The company has not raised any loans during the year on the pledge of securities held in its joint venture company.

10. (a) As per the information and explanation given to us, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under the provisions of Clause 3(x)(a) of the Order does not arise.

(b) During the year, the Company has not made any preferential allotment or private placement of shares (covered by section 42 and section 62 (1)c of the Companies Act, 2013) or fully or partly convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable.

11. (a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.  
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.  
(c) As per the information and explanation given to us, there are no whistle-blower complaints received during the year by the company up to the date of this report.

12. The Company is not a Nidhi Company and accordingly the provisions of Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of the transactions during the year have been disclosed in the Financial Statements as required by the applicable Accounting Standards. (Refer Note 48 to Financial Statements).

14. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

15. In our opinion, the Company has not entered into any non-cash transactions during the year, with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. The Company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934 and it is not a Core Investment Company. Accordingly, the provisions of Clause 3(xvi) (a),(b),(c) and (d) of the Order is not applicable to the Company.

17. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, the provisions of Clause 3(xviii) of the Order are not applicable to the Company.

19. According to the information and explanations given to us and on the basis of (i) the financial ratios, (ii) ageing and expected dates of realization of financial assets and payment of financial liabilities, (iii) other information accompanying the financial statements, (iv) our knowledge of the Board of Directors and management plans and (v) based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due

within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

20. There are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

**For M.S. Krishnaswami & Rajan**  
**Chartered Accountants-**  
**Registration No. 01554S**

**M.S. Murali – Partner**  
**Membership No. 26453**  
**UDIN: 22026453AKUFZO8548**

May 27, 2022  
Chennai

## STANDALONE BALANCE SHEET

Particulars	Note No.	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	1A	14,599.83	13,681.98
Capital work-in-progress	1A	454.47	192.48
Right-of-use assets	1B	495.02	601.06
Intangible assets	1C	317.01	178.66
Financial assets			
- Investments	2A	51.76	1.18
- Other Financial Assets	2B	197.56	44.75
Income tax assets (net)	2C	121.67	378.65
Other non-current assets	3	237.08	439.89
<b>Current assets</b>			
Inventories	4	5,285.29	4,720.67
Financial assets			
(i) Trade receivables	5	6,728.25	5,649.79
(ii) Cash and cash equivalents	6	339.84	658.21
(iii) Bank balances other than (ii) above	7	8.13	1.07
(iv) Other financial assets	8	143.80	131.29
Current Tax Assets	9	214.75	6.51
Other current assets	9A	876.34	597.66
<b>TOTAL ASSETS</b>		<b>30,070.80</b>	<b>27,283.85</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	10	1,267.59	1,267.59
Other equity	11	9,917.80	9,271.71
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	12	5,046.83	3,873.87
(ii) Lease liabilities	13	452.79	524.60
(iii) Other financial liabilities	13	7.62	31.34
Provisions	14	122.67	100.88
Deferred tax liabilities (Net)	15	250.89	163.62
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	16	5,758.34	5,416.41
(ii) Lease liabilities	17	81.66	82.84
(iii) Trade payables	18		
a) Total outstanding dues of Micro and Small Enterprises		296.42	78.85
b) Total outstanding dues other than Micro and Small Enterprises		6,020.93	5,248.32
(iv) Other financial liabilities	19	607.04	1,035.66
Other current liabilities	20	215.83	148.91
Provisions	21	24.39	39.25
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,070.80</b>	<b>27,283.85</b>

The accompanying notes form an integral part of the Standalone financial statements  
This is the Balance sheet referred to in our Report of even date

For M S Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No: 01554S

A VENKATARAMANI  
Managing Director  
DIN: 00277816

R. VENKATARAMAN  
Chief Financial Officer

M S Murali  
Partner  
Membership No. 26453  
UDIN: 22026453AKUFZO8548

M. GOVINDARAJAN  
Director  
DIN: 09264840

VIKRAM VIJAYARAGHAVAN  
Director  
DIN: 01944894

Chennai  
27-May-2022

V ANANTHA SUBRAMANIAN  
Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the year Ended March 31, 2022 ₹ In Lakhs	For the year Ended March 31, 2021 ₹ In Lakhs
<b>Income</b>			
Revenue From Operations	22	27,271.49	19,846.21
Other Income	23	229.35	99.80
<b>Total Income</b>		<b>27,500.84</b>	<b>19,946.01</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	9,262.68	6,473.96
Changes in Inventories of Finished goods and Work-in-Progress	25	(1,075.23)	(488.62)
Employee Benefits Expense	26	2,876.43	2,454.90
Finance Costs	27	1,002.29	743.41
Depreciation and Amortization Expense	1.A,1.B,1.C	1,434.18	1,154.28
Other Expenses	28	12,895.46	8,954.07
<b>Total Expenses</b>		<b>26,395.81</b>	<b>19,292.00</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>1,105.03</b>	<b>654.01</b>
Exceptional items		-	-
<b>Profit/ (loss) before tax</b>		<b>1,105.03</b>	<b>654.01</b>
<b>Tax Expense:</b>			
Current tax - Current Year		186.73	96.29
- Previous Year		15.20	(31.61)
MAT Credit Entitlement		(189.66)	(97.04)
Deferred tax		271.28	189.56
<b>Total Tax expense</b>		<b>283.55</b>	<b>157.20</b>
<b>Profit/ (loss) for the year</b>	(A)	<b>821.48</b>	<b>496.81</b>
<b>Other Comprehensive Income (OCI)</b>			
i. Items that will not be reclassified to Profit or Loss			
– Remeasurement of Defined Benefit Plans		20.32	(86.82)
– Fair valuation of investments valued through OCI- Gain/(Loss)		0.08	0.08
ii. Income tax relating to items that will not be reclassified to Profit or Loss		(5.65)	24.15
i. Items that will be reclassified to profit or loss			
–Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	-
<b>Total Other Comprehensive Income</b>	(B)	<b>14.75</b>	<b>(62.59)</b>
<b>Total Comprehensive Income</b>	(A+B)	<b>836.23</b>	<b>434.22</b>
Profit / (loss) attributable to equity share holders		821.48	496.81
<b>Earnings per Equity Share, Face Value of the Share Rs.10/-</b>			
- Basic & Diluted	44	6.48	3.92

The accompanying notes form an integral part of the Standalone financial statements

This is the Statement of Profit and loss referred to in our Report of even date

For M S Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No: 01554S

A VENKATARAMANI  
Managing Director  
DIN: 00277816

R. VENKATARAMAN  
Chief Financial Officer

M S Murali  
Partner  
Membership No. 26453  
UDIN: 22026453AKUFZO8548

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VIKRAM VIJAYARAGHAVAN  
Director  
DIN: 01944894

Chennai  
27-May-2022

V ANANTHA SUBRAMANIAN  
Company Secretary

## STANDALONE CASH FLOW STATEMENT

Particulars	For the year Ended March 31, 2022 ₹ In Lakhs	For the year Ended March 31, 2021 ₹ In Lakhs
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	1,105.03	654.01
Adjustments for :		
Provision for Doubtful debts made – Net	(14.95)	(1.97)
Bad debts written off	4.12	6.48
Provision for Inventory	8.28	11.41
Unrealized exchange fluctuation	81.92	(116.43)
Depreciation	1,434.18	1,154.28
Interest Expense	1,002.29	743.41
Interest Income	(60.05)	(43.65)
Loss/(Profit) on sale of fixed assets	(0.25)	(1.90)
<b>Operating profit/(Loss) before working capital changes</b>	<b>3,560.57</b>	<b>2,405.64</b>
Adjustments for changes in:		
(Increase)/ Decrease in Trade receivables	(1,121.23)	(1,816.66)
(Increase)/ Decrease in Inventories	(572.90)	(934.93)
(Increase) /Decrease in Other Financial Assets	(15.35)	41.99
(Increase)/Decrease in Other Current Assets	(278.68)	(188.13)
Increase / (Decrease) in Non Current provisions	21.79	(5.55)
Increase / (Decrease) in Trade Payables	990.77	2,335.75
Increase / (Decrease) in Other Financial Liabilities	(206.90)	(83.27)
Increase / (Decrease) in Other Current Liabilities	66.92	68.42
Increase / (Decrease) in Current Provisions	(14.86)	0.43
<b>Cash flow from operations</b>	<b>2,430.13</b>	<b>1,823.69</b>
Income Tax paid	(153.20)	(120.00)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>[A] 2,276.93</b>	<b>1,703.69</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for acquisition of assets – Net	(2,638.82)	(1,371.11)
Receipts from disposal of fixed Assets	0.50	7.01
(Increase) / Decrease in Other Non Current Assets - Capital advances	202.81	(315.09)
Increase / (Decrease) in Capital Creditors	(227.07)	(990.38)
Interest received	60.05	43.65
Investment in joint venture	(50.50)	-
<b>NET CASH FLOW (USED IN) INVESTING ACTIVITIES</b>	<b>[B] (2,653.03)</b>	<b>(2,625.92)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term borrowings	3,315.40	2,584.71
Repayment of long term borrowings	(1,442.91)	(1,462.76)
Proceeds from short term borrowings	2,088.98	2,454.89
Repayment of short term borrowings	(2,475.48)	(2,419.82)
Interest paid	(955.98)	(734.31)
Investment in fixed deposit	(155.00)	
Payment of Dividend*	(190.14)	
Payment of lease liability	(127.14)	(31.37)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>[C] 57.73</b>	<b>391.34</b>

## STANDALONE CASH FLOW STATEMENT

Particulars		For the year Ended March 31, 2022 ₹ In Lakhs	For the year Ended March 31, 2021 ₹ In Lakhs
<b>NET CASH INFLOW</b>	<b>[A+B+C]</b>	<b>(318.37)</b>	<b>(530.89)</b>
Opening Cash and Cash Equivalents	[D]	658.21	1,189.10
Closing Cash and Cash Equivalents	[E]	339.84	658.21
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>[E-D]</b>	<b>(318.37)</b>	<b>(530.89)</b>

\*Net of earmarked balances

Previous figures have been regrouped/reclassified wherever necessary

The accompanying notes form an integral part of the Standalone financial statements

This is the Cash Flow Statement referred to in our Report of even date

For M S Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No: 01554S

A VENKATARAMANI  
Managing Director  
DIN: 00277816

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Director  
DIN: 01944894

Chennai  
27-May-2022

V ANANTHA SUBRAMANIAN  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2022

### A. Equity Share Capital

(₹ In Lakhs)

Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 01, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,267.59	-	1,267.59	-	<b>1,267.59</b>

Balance as at April 01, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 01, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,267.59	-	1,267.59	-	1,267.59

### B. Other Equity

PARTICULARS	Reserves & Surplus			Items of other comprehensive Income		Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Remeasurement of defined benefit plans	Fair Value Adjustment for investment	
<b>Balance as at April 01, 2021</b>	<b>3,015.27</b>	<b>5,302.25</b>	<b>1,093.25</b>	<b>(138.79)</b>	<b>(0.27)</b>	<b>9,271.71</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2021	3,015.27	5,302.25	1,093.25	(138.79)	(0.27)	9,271.71
Total Comprehensive Income for the current year	-	-	821.48	14.67	0.08	836.23
Dividends	-	-	(190.14)	-	-	(190.14)
<b>Balance as at March 31, 2022</b>	<b>3,015.27</b>	<b>5,302.25</b>	<b>1,724.59</b>	<b>(124.12)</b>	<b>(0.19)</b>	<b>9,917.80</b>
<b>Balance as at April 01, 2020</b>	<b>3,015.27</b>	<b>5,302.25</b>	<b>596.44</b>	<b>(76.12)</b>	<b>(0.35)</b>	<b>8,837.49</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2020	3,015.27	5,302.25	596.44	(76.12)	(0.35)	8,837.49
Total Comprehensive Income for the current year	-	-	496.81	(62.67)	0.08	434.22
Dividends	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>3,015.27</b>	<b>5,302.25</b>	<b>1,093.25</b>	<b>(138.79)</b>	<b>(0.27)</b>	<b>9,271.71</b>

a) In accordance with provisions of Para 122 of Ind AS 19, the company has transferred all re-measurement costs recognised in the past periods upto April 1, 2015 within the accumulated profit or loss (a component of equity).

b) The above amount (other than the balance in Securities Premium Reserve) are generally available for distribution of dividend subject to the provisions of the Companies Act, 2013.

c) Share application money pending allotment, Equity component of Compound financial instruments, Capital Reserves, Effective portion of Cash Flow hedges, Revaluation surplus etc. Rs.Nil (FY 2020-21 Rs.Nil)

This is the Statement of Changes in Equity referred to in our Report of even date

For M S Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No: 01554S

A VENKATARAMANI  
Managing Director  
DIN: 00277816

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Chennai  
27-May-2022

V ANANTHA SUBRAMANIAN  
Company Secretary

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 1.A PROPERTY, PLANT AND EQUIPMENT (PPE)

(2021- 22 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				DEPRECIATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2021	Additions / Adjustments	(Disposals)	31.03.2022	Upto 31.03.2021	Charge during the year	(Disposals)	Upto 31.03.2022	As at 31.03.2022
Land - Freehold	33.90	-	-	33.90	-	-	-	-	33.90
Buildings	2,589.14	53.82	-	2,642.96	406.68	98.42	-	505.10	2,137.86
Plant & Machinery	14,641.25	1,800.94	-	16,442.19	4,081.12	994.30	-	5,075.42	11,366.77
Electrical Installations	903.19	186.60	-	1,089.79	314.84	82.52	-	397.36	692.43
Furniture & Fixtures	107.42	9.29	-	116.71	46.39	10.46	-	56.85	59.86
Vehicles	242.25	46.44	(0.45)	288.24	99.52	30.83	(0.30)	130.05	158.19
Office Equipment	308.53	76.00	(1.39)	383.14	195.15	38.46	(1.29)	232.32	150.82
<b>TOTAL</b>	<b>18,825.68</b>	<b>2,173.09</b>	<b>(1.84)</b>	<b>20,996.93</b>	<b>5,143.70</b>	<b>1,254.99</b>	<b>(1.59)</b>	<b>6,397.10</b>	<b>14,599.83</b>

DESCRIPTION	01.04.2021	-	Additions	-	-	-	Capitalized	-	As at 31.03.2022
Capital Work - in - Progress	192.48	-	2,435.08	-	-	-	(2,173.09)	-	454.47

#### Capital-Work-in Progress aging schedule

DESCRIPTION	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Projects in Progress	454.47	-	-	-	454.47

### 1.A PROPERTY, PLANT AND EQUIPMENT (PPE)

(2020- 21 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				DEPRECIATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2020	Additions / Adjustments	(Disposals)	31.03.2021	Upto 31.03.2020	Charge during the year	(Disposals)	Upto 31.03.2021	As at 31.03.2021
Land - Freehold	33.90	-	-	33.90	-	-	-	-	33.90
Buildings	2,581.88	7.26	-	2,589.14	307.56	99.12	-	406.68	2,182.46
Plant & Machinery	11,835.84	2,805.41	-	14,641.25	3,266.50	814.62	-	4,081.12	10,560.13
Electrical Installations	893.22	9.97	-	903.19	243.65	71.19	-	314.84	588.35
Furniture & Fixtures	105.82	1.60	-	107.42	36.12	10.27	-	46.39	61.03
Vehicles	247.11	13.12	(17.98)	242.25	83.98	28.41	(12.87)	99.52	142.73
Office Equipment	247.58	60.95	-	308.53	161.04	34.11	-	195.15	113.38
<b>TOTAL</b>	<b>15,945.35</b>	<b>2,898.31</b>	<b>(17.98)</b>	<b>18,825.68</b>	<b>4,098.85</b>	<b>1,057.72</b>	<b>(12.87)</b>	<b>5,143.70</b>	<b>13,681.98</b>

DESCRIPTION	01.04.2020	-	Additions	-	-	-	Capitalized	-	As at 31.03.2021
Capital Work - in - Progress	1,938.53	-	1,152.26	-	-	-	(2,898.31)	-	192.48

<b>Capital-Work-in Progress aging schedule</b>					
<b>DESCRIPTION</b>	<b>Less than 1 Year</b>	<b>1 – 2 Years</b>	<b>2 – 3 Years</b>	<b>More than 3 years</b>	<b>Total</b>
Projects in Progress	134.00	35.15	23.33	-	192.48

1. The Company makes periodical assessment of the PPE considering product and technological obsolescence, process change, replacement and Beyond Economic Repair (BER) and other factors and accordingly, brings down the carrying value to its current fair value less cost of disposal to recognize the impairment, if any, through Statement of profit and loss Impairment loss recognized during the year Rs.Nil (2021-Nil).

2. For amount of contractual commitments for the acquisition of PPE (Refer Note 31)

3. In terms of Ind AS 101 and the Clarifications issued by the Institute of Chartered Accountants of India, the carrying value of all PPE as on April 01, 2015 (i.e Gross cost less Depreciation/ amortisation upto that date) as per previous GAAP has been considered as deemed cost on the date of transition to Ind AS. The data above is accordingly stated.

4. For details of assets given as security against borrowings, Refer Note 12(a)

5. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

6. Capital Work in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan - Nil (2020-21 Nil)

7. CWIP is to be completed in less than 1 year.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**1.B NON-CURRENT ASSETS - RIGHT OF USE OF ASSETS**

(2021-22 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				AMORTISATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2021	Additions	(Disposals)/ Adjustments	31.03.2022	Upto 31.03.2021	Charge during the year	(Disposals)/ Adjustments	Upto 31.03.2022	As at 31.03.2022
Server and Storage	44.93	-	-	44.93	29.54	14.12	-	43.66	1.27
Leasehold Land	598.13	7.76	-	605.89	12.46	99.68	-	112.14	493.75
<b>TOTAL</b>	<b>643.06</b>	<b>7.76</b>	<b>-</b>	<b>650.82</b>	<b>42.00</b>	<b>113.80</b>	<b>-</b>	<b>155.80</b>	<b>495.02</b>

**1.B NON-CURRENT ASSETS - RIGHT OF USE OF ASSETS**

(2020-21 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				AMORTISATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2020	Additions	(Disposals)/ Adjustments	31.03.2021	Upto 31.03.2020	Charge during the year	(Disposals)/ Adjustments	Upto 31.03.2021	As at 31.03.2021
Server and Storage	44.93	-	-	44.93	14.56	14.98	-	29.54	15.39
Leasehold Land	-	598.13	-	598.13	-	12.46	-	12.46	585.67
<b>TOTAL</b>	<b>44.93</b>	<b>598.13</b>	<b>-</b>	<b>643.06</b>	<b>14.56</b>	<b>27.44</b>	<b>-</b>	<b>42.00</b>	<b>601.06</b>

**Note:**

- Additions during the year is pursuant to amendment in lease terms
- Escalation clause – the percentage of escalation is upto a maximum of 10%
- Discount rate used for the purpose of computing Right to Use asset ranges from 7.95% to 12.75% p.a.
- Rental amount (undiscounted) per annum ranges from Rs. 17.68 Lakh to Rs. 109.46 lakhs which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
- The lease period ranges from 36 months to 72 months over which the Right-to-use asset is depreciated on a straight-line basis.
- Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any major covenants other than the security interests in the leased assets that are held by the Lessor. Leased assets are not used as security for borrowing purposes.
- Lease agreements are duly executed in favor of the Company

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**1.C INTANGIBLE ASSETS**

(2021-22 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				AMORTISATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2021	Additions	(Disposals)	31.03.2022	Upto 31.03.2021	Charge during the year	(Disposals)	Upto 31.03.2022	As at 31.03.2022
Technical Knowhow Fee	111.54	-	-	111.54	111.54	-	-	111.54	-
Computer software – Acquired	224.25	-	-	224.25	45.60	49.48	-	95.08	129.17
Product Development - Acquired	0.01	-	-	0.01	0.01	-	-	0.01	-
Product Development - Internally Generated	105.86	203.74	-	309.60	105.85	15.91	-	121.76	187.84
<b>TOTAL</b>	<b>441.66</b>	<b>203.74</b>	<b>-</b>	<b>645.40</b>	<b>263.00</b>	<b>65.39</b>	<b>-</b>	<b>328.39</b>	<b>317.01</b>

DESCRIPTION	01.04.2021	ADDITIONS	CAPITALIZATION	AS AT 31.03.2022
Capital Work in Progress	-	203.74	(203.74)	-

**1.C INTANGIBLE ASSETS**

(2020-21 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				AMORTISATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2020	Additions	(Disposals)	31.03.2021	Upto 31.03.2020	Charge during the year	(Disposals)	Upto 31.03.2021	As at 31.03.2021
Technical Knowhow Fee	111.54	-	-	111.54	111.54	-	-	111.54	-
Computer software – Acquired	5.40	218.85	-	224.25	1.23	44.37	-	45.60	178.65
Product Development - Acquired	0.01	-	-	0.01	0.01	-	-	0.01	-
Product Development - Internally Generated	105.86	-	-	105.86	81.10	24.75	-	105.85	0.01
<b>TOTAL</b>	<b>222.81</b>	<b>218.85</b>	<b>-</b>	<b>441.66</b>	<b>193.88</b>	<b>69.12</b>	<b>-</b>	<b>263.00</b>	<b>178.66</b>

DESCRIPTION	01.04.2020	ADDITIONS	CAPITALIZATION	AS AT 31.03.2021
Capital Work in Progress	-	218.85	(218.85)	-

- The Company makes periodical assessment of the PPE considering product and technological obsolescence, process change, replacement and Beyond Economic Repair (BER) and other factors and accordingly, brings down the carrying value to its current fair value less cost of disposal to recognize the impairment, if any, through Statement of profit and loss. Impairment loss recognized during the year Rs.Nil (2021-Nil).
- For amount of contractual commitments for the acquisition of PPE (Refer Note 31)
- In terms of Ind AS 101 and the Clarifications issued by the Institute of Chartered Accountants of India, the carrying value of all PPE as on April 01, 2015 (i.e Gross cost less Depreciation/ amortization upto that date) as per previous GAAP has been considered as deemed cost on the date of transition to Ind AS. The data above is accordingly stated.
- Additions to computer software include Rs.Nil (2021: 20.91 lakhs) being expenditure capitalized - Refer Note 26
- Additions to Product Development - Internally Generated represents net material cost (Gross cost - Rs.434.66 lakhs less Proceeds Rs.230.92 lakhs) incurred on new products developed during the year.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>2A. NON-CURRENT FINANCIAL ASSETS – INVESTMENTS</b>		
<b>A. Investments in Equity Instruments (unquoted)</b>		
<b>1) Joint Venture (at cost)</b>		
505000 (2021: Nil) equity shares of Rs.10 (2021: Nil) each fully paid in IPR Eminox Technologies Private Limited	50.50	-
<b>2) Others (at fair value through OCI)</b>		
5600 (2021: 5600) equity shares of Rs 10 (2021: Rs 10) each fully paid in K. Ramakrishnan Clean Energy Pvt Ltd	0.56	0.56
<b>B. Investments in Equity Instruments (quoted) - (at fair value through OCI)</b>		
1815 (2021: 1815) equity shares of Rs.2 (2021: Rs 2) each fully paid in Union Bank of India (Quoted) - Market Value being Rs.38.70 per share (2021: Rs.34.05 per share)	0.70	0.62
	<u>51.76</u>	<u>1.18</u>
Refer Note 42		
<b>2B. NON-CURRENT FINANCIAL ASSETS – LOANS</b>		
Security Deposits - Lease Rent Deposits	47.56	44.75
Bank deposit with original maturity of greater than 12 months	150.00	-
	<u>197.56</u>	<u>44.75</u>
<b>2C. NON-CURRENT INCOME TAX ASSETS (NET)</b>		
Advance Income Tax (net of provision)	121.67	378.65
	<u>121.67</u>	<u>378.65</u>
<b>3. NON-CURRENT ASSETS – OTHERS</b>		
Capital Advances	237.08	439.89
	<u>237.08</u>	<u>439.89</u>
<b>4. INVENTORIES*</b>		
(a) Raw materials	1,499.57	1,877.07
(b) Work-in-progress	1,136.79	911.51
(c) Finished goods	1,878.60	1,028.65
(d) Stores	770.33	903.44
	<u>5,285.29</u>	<u>4,720.67</u>
Goods in Transit Comprises of		
Raw materials	21.93	172.73
Stores	-	28.28
Finished Goods	15.71	10.15
* Net off provision made for slow- and non-moving stock.		
<b>Movement in provision is as follows:</b>		
Opening	185.49	174.08
Add: Additions	8.28	11.41
Closing	<u>193.77</u>	<u>185.49</u>

Cost of material consumed (including cost of purchased goods) during the year is Rs 8,187.45 lakhs (2020-21: Rs 5,985.34 lakhs) reflected in Notes 24 and 25. Refer Note 12(a) for details of inventories pledged as security for liabilities.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>5. TRADE RECEIVABLES</b>		
(a) Unsecured considered good	6,728.25	5,649.79
(b) Unsecured considered doubtful	10.43	25.38
(c) Less: Allowance for Credit Loss	<u>(10.43)</u>	<u>(25.38)</u>
	<u>6,728.25</u>	<u>5,649.79</u>

**Note:**

Movement in loss allowance is as follows:

Opening	25.38	27.35
Add: Additions	-	4.65
Less: Reversal	<u>(14.95)</u>	<u>(6.62)</u>
Closing	<u>10.43</u>	<u>25.38</u>

Refer Note 48(c) for receivables from related parties

5.1 These are carried at amortised cost.

5.2 Trade Receivables which have significant increase in credit risk/ credit impaired

### Trade Receivable - Ageing

₹ In Lakhs

Particulars		Outstanding As at March 31, 2022 for following periods from due date of Payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good - Related Parties	1,239.13	113.83	1.71	-	20.73	1,375.40
(ii)	Undisputed Trade Receivables –considered good - Others	5,314.50	48.78				5,363.28
(iii)	Allowance for Credit Loss						(10.43)

₹ In Lakhs

Particulars		Outstanding As at March 31, 2021 for following periods from due date of Payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good - Related Parties	811.02	19.74	7.96	-	20.73	859.45
(ii)	Undisputed Trade Receivables –considered good - Others	4,796.38	4.07		15.27		4,815.72
(iii)	Allowance for Credit Loss						(25.38)

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>6. CASH AND CASH EQUIVALENTS</b>		
(a) Cash on hand	0.24	0.52
(b) Balances with banks in Current accounts	339.60	657.69
	339.84	658.21
<b>7. OTHER BANK BALANCES</b>		
(a) Earmarked balances for dividend	3.13	1.07
(b) Deposits with original maturity of more than 3 months but less than 12 months	5.00	
	8.13	1.07
<b>8. CURRENT FINANCIAL ASSETS – OTHERS</b>		
Unsecured Considered good, unless otherwise stated		
(a) Security Deposits		
Lease Rent Deposits	17.74	17.34
Other Deposits	102.45	108.50
	120.19	125.84
(b) Employee Advances	-	3.29
(c) Export incentive	13.46	2.07
(d) Other receivables	3.92	-
(e) Other loans and advances	6.23	0.09
Other loans and advances - Considered Doubtful	16.81	16.81
Less: Provision for Doubtful Advances	(16.81)	(16.81)
	6.23	0.09
	143.80	131.29
<b>9. CURRENT INCOME TAX ASSETS (NET)</b>		
Current Tax Assets - Refund due	214.75	6.51
	214.75	6.51
<b>9A. OTHER CURRENT ASSETS</b>		
(a) Prepaid expenses	117.06	50.29
(b) Prepaid Gratuity	20.62	-
(c) Balances with government authorities	119.75	74.66
(d) Export incentive - MEIS/RoDTEP Licence	61.46	21.65
(e) Supplier Advances	51.01	53.98
(f) Others*	506.44	397.08
	876.34	597.66
* Includes GST Credit to be availed Rs.464.16 Lakhs (2021: Rs.356.62 Lakhs)		
<b>10. SHARE CAPITAL</b>		
<b>Authorized</b>		
2,00,00,000 (2021: 2,00,00,000) Equity Shares of Rs. 10 each	2,000.00	2,000.00
	2,000.00	2,000.00
<b>Issued, Subscribed and fully paid up</b>		
1,26,75,865 (2021: 1,26,75,865) Equity shares of Rs. 10 each fully paid up	1,267.59	1,267.59
	1,267.59	1,267.59
<b>1. Reconciliation of number of Equity shares subscribed</b>		
Balance as at the beginning of the year - No of shares	-	-
Add: Issued during the year	1,26,75,865	1,26,75,865
	-	-
<b>Balance as at the end of the year - No of shares</b>	1,26,75,865	1,26,75,865
<b>2. Shares issued in preceding 5 years</b>		

On 12.01.17, the Company invited its shareholders to subscribe to a rights issue of 56,33,718 equity shares at an issue price of Rs. 88.75 per share, with such shares to be issued to rank paripassu for dividends after 16.02.17. The issue was fully subscribed. Aggregate number and class of equity shares allotted for consideration other than cash, bonus etc. in the five years immediately preceding the Balance Sheet date as on March 31, 2022 is NIL (2021-NIL)



## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 3. Details of Equity shares held by its holding company including shares held by subsidiaries or associates of the holding company in aggregate

Shareholder- Relationship	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
Simpson & Co., Ltd.- Holding Company	37,67,000	29.72	37,67,000	29.72
Tractor & Farm Equipment Limited- Fellow Subsidiary	14,40,192	11.36	14,40,192	11.36
India Pistons Ltd.- Fellow subsidiary	12,69,885	10.02	12,69,885	10.02
Amalgamations Pvt. Ltd.- Ultimate Holding Company	6,91,380	5.45	6,91,380	5.45
The United Nilgiri Tea Estates Co. Ltd.	3,600	0.03	3,600	0.03

### 4. Shareholders holding more than 5% of the total share capital

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
Simpson & Co., Ltd.	37,67,000	29.72	37,67,000	29.72
Tractor & Farm Equipment Limited	14,40,192	11.36	14,40,192	11.36
India Pistons Ltd.	12,69,885	10.02	12,69,885	10.02
Enam Shares & Securities Pvt Ltd	10,66,552	8.41	10,66,552	8.41
Nippon Piston Ring Co., Ltd.	7,04,200	5.56	7,04,200	5.56
Amalgamations Pvt. Ltd.	6,91,380	5.45	6,91,380	5.45

### 5. Shareholding of Promoters

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
Simpson & Co., Ltd.	37,67,000	29.72	37,67,000	29.72
Tractor & Farm Equipment Limited	14,40,192	11.36	14,40,192	11.36
India Pistons Ltd.	12,69,885	10.02	12,69,885	10.02
Amalgamations Pvt. Ltd.	6,91,380	5.45	6,91,380	5.45
The United Nilgiri Tea Estates Co. Ltd.	3,600	0.03	3,600	0.03

### 6. Rights, preferences and restrictions in respect of equity shares issued by the Company

The equity shareholders are entitled to receive dividend as and when declared, a right to vote in proportion of holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue and the provisions of the Companies Act, 2013.

### 7. Dividend

The Board of Directors in their meeting on May 27, 2022 recommended a final dividend of Rs.2/- per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company.

11. Other Equity*	Note	As at	As at
		March 31, 2022	March 31, 2021
		₹ In Lakhs	₹ In Lakhs
General Reserve	A	3,015.27	3,015.27
Securities Premium Reserve	B	5,302.25	5,302.25
Other comprehensive Income		(124.31)	(139.06)
Retained Earnings	C	1,724.59	1,093.25
		<u>9,917.80</u>	<u>9,271.71</u>

\* Refer Statement of Changes in equity for additions / deletions in each reserve.

A. General reserve is created from time to time by transferring profits from retained earnings and can be utilized for the purposes such as payment of dividends.

B. Securities Premium Reserve represents premium received on equity shares issued which can be utilized only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

C. Retained Earnings is generally available for distribution of dividend subject to the provisions of the Companies Act, 2013.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>12. NON- CURRENT FINANCIAL LIABILITIES – BORROWINGS</b>		
<b>Secured</b>		
Term Loans		
From Banks	5,046.83	3,858.14
From Financial Institutions	-	15.73
	<b>5,046.83</b>	<b>3,873.87</b>

**12 (a) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:**

Particulars	Terms of repayment and security
<b>Term Loans</b>	
From Banks	The term loans are availed for purchase of assets relating to Capital Projects and are secured by hypothecation of specific assets purchased out of the said loan. The weighted average rate of interest of these loans is around 7.71%. Per annum. The loans availed for purchase of Vehicles are secured by hypothecation of vehicles purchased out of the said loan. The weighted average rate of interest of these loans is around 8.50 %. Per annum.
From Financial Institutions	Loan taken from other parties for term loan are secured by hypothecation of specific asset. The weighted average rate of interest of these loans is around 10.75%. Per annum.

**Details of security for the Secured short-term borrowings:**

**Loans repayable on demand from Banks:**

Particulars	Terms of repayment and security
Cash Credit	First pari-paasu charge on working capital assets viz. inventory, book debts and other current assets with other lenders under multiple banking arrangements. The weighted average rate of interest of these loans is around 7.65%. Per annum.
Working Capital Demand loan	Hypothecation of stock and book debts on pari-paasu basis. The weighted average rate of interest of these loans is around 6.30%. Per annum.
<b>Terms of Repayment</b>	
<b>Loan Description</b>	<b>Repayment Terms</b>
a. Term Loans – Banks	Both monthly and Quarterly installments
b. Term Loans- other parties	Monthly installment
c. Unsecured Term Loan from Bank	Monthly installment

12(b). The quarterly returns/statements of current assets (as revised) filed by the Company with banks/financial institutions are in agreement with the books of accounts.

12(c). The Company has applied the monies raised by way of term loans for the purposes for which they were obtained.

12(d). The Company has not utilized the funds raised on short term basis for long term purposes.

12(e). The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>13. NON-CURRENT OTHER FINANCIAL LIABILITIES</b>		
Lease liabilities (Refer note 46)	452.79	524.60
Derivative Liabilities (Refer note 39)	7.62	31.34
	<b>460.41</b>	<b>555.94</b>
<b>14. NON-CURRENT PROVISIONS</b>		
<b>Provision for Employee benefits</b>		
Compensated Absences	122.67	100.88
	<b>122.67</b>	<b>100.88</b>
<b>15. DEFERRED TAX (ASSET) / LIABILITY</b>		
<b>Deferred Tax Asset:</b>		
Unabsorbed depreciation	(334.84)	(483.79)
Expenses allowable on payment	(56.33)	(46.67)
Provision for Inventory and debtors	(56.81)	(58.66)
MAT Credit	(776.02)	(586.36)
	<b>(1,224.00)</b>	<b>(1,175.48)</b>
<b>Deferred Tax Liability:</b>		
Depreciation and amortization on PPE & Intangibles	1,474.89	1,339.10
	<b>1,474.89</b>	<b>1,339.10</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>250.89</b>	<b>163.62</b>
* The company has recognised deferred tax asset for Unabsorbed depreciation considering the future projected profitability.		
<b>16. CURRENT BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand *		
- From Banks	2,611.61	2,998.11
<b>Current Maturities of Long-term borrowings*</b>		
From Banks	2,131.00	1,184.96
From Other Parties	15.73	233.34
<b>Unsecured</b>		
Loans repayable on demand *		
From Banks	1,000.00	1,000.00
	<b>5,758.34</b>	<b>5,416.41</b>
* Refer Note 12(a) for security details		
<b>17. LEASE LIABILITIES</b>		
Lease liabilities (Refer note 46)	81.66	82.84
	<b>81.66</b>	<b>82.84</b>

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>18. TRADE PAYABLES</b>		
Trade Payables to Micro, Small & Medium Enterprises (Refer Note 36)	296.42	78.85
Acceptances - Letter of Credit	230.13	314.07
Trade Payables - others	5,118.00	4,485.23
Trade Payables- Due to related parties*	2.21	3.69
Vendor Bills Payable	670.59	445.33
	<b>6,317.35</b>	<b>5,327.17</b>

\* Refer Note 48(c)

### Trade Payables – Ageing.

₹ In Lakhs

Particulars	Outstanding As at March 31, 2022 for following periods from due date of Payment				
	Less than 1 Year	1 – 2 years	2 – 3 Years	More than 3 years	Total
(i) MSME	296.42				296.42
(ii) Others	5,906.67	82.71	24.77	6.78	6,020.93
<b>Total</b>	<b>6,203.09</b>	<b>82.71</b>	<b>24.77</b>	<b>6.78</b>	<b>6,317.35</b>

₹ In Lakhs

Particulars	Outstanding As at March 31, 2021 for following periods from due date of Payment				
	Less than 1 Year	1 – 2 years	2 – 3 Years	More than 3 years	Total
(i) MSME	78.85				78.85
(ii) Others	4,951.29	187.22	82.89	26.92	5,248.32
<b>Total</b>	<b>5,030.14</b>	<b>187.22</b>	<b>82.89</b>	<b>26.92</b>	<b>5,327.17</b>

### 19. OTHER FINANCIAL LIABILITIES

Interest accrued but not due on borrowings	25.05	30.05
Capital Creditors	205.89	432.96
Unclaimed dividend	3.10	1.07
Dues towards Funded Gratuity - LIC	-	57.85
Employee related payables	251.72	364.22
Derivative Liabilities (Refer note 39)	41.57	45.43
Other payables	79.71	104.08
	<b>607.04</b>	<b>1,035.66</b>

### 20. OTHER CURRENT LIABILITIES

Statutory dues	207.63	146.81
Contract liabilities - Customer Advances	8.20	2.10
	<b>215.83</b>	<b>148.91</b>

### 21. CURRENT PROVISIONS

<b>Provision for Employee benefits</b>		
Compensated Absences	24.39	39.25
	<b>24.39</b>	<b>39.25</b>

#### 21.1 Movement in Provision for Compensated Absences in Note 14 and Note 21 is as follows

Particulars	Opening	Additions (net of utilization)	Closing
March 2022	140.13	6.93	147.06
March 2021	145.25	(5.12)	140.13

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
<b>22. REVENUE FROM OPERATIONS</b>		
(a) <b>Sale of Products</b>		
Rings Sales	6,868.54	4,883.73
OCF Sales	17,116.70	12,534.48
Pin Sales	1,774.29	1,341.25
Tooling Sales	586.98	501.41
(b) <b>Sale of Services</b>	271.34	215.72
(c) <b>Other operating revenues</b>		
Export Incentives	396.51	232.56
Scrap Sales	257.13	137.06
	<b>27,271.49</b>	<b>19,846.21</b>
<b>23. OTHER INCOME</b>		
(a) Interest income	60.05	43.65
(b) Liabilities no longer required written back	143.72	26.25
(c) Exchange Gain	19.80	-
(d) Other non-operating income	5.53	0.01
(e) Mark to Market Gain on derivatives (Refer note 39)	-	27.99
(f) Profit on Sale of Assets	0.25	1.90
	<b>229.35</b>	<b>99.80</b>
<b>24. COST OF MATERIALS CONSUMED*</b>		
(a) Opening Stock	1,877.07	1,127.48
(b) Add: Purchases	8,885.18	7,223.55
(c) Less: Closing Stock	(1,499.57)	(1,877.07)
	<b>9,262.68</b>	<b>6,473.96</b>
* Net of Material cost (net) on New Product Development capitalised. Refer Note 1.C(5)		
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK – IN –PROGRESS</b>		
(a) (Increase) / Decrease in Work-in-Progress	(225.28)	9.67
(b) (Increase) / Decrease in Finished Goods	(849.95)	(498.29)
	<b>(1,075.23)</b>	<b>(488.62)</b>
<b>26. EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and wages	2,343.99	2,073.00
(b) Contribution to provident and other funds	155.51	132.82
(c) Staff welfare expenses	376.93	269.99
(d) Less: Expenses capitalized	-	(20.91)
	<b>2,876.43</b>	<b>2,454.90</b>
<b>27. FINANCE COSTS</b>		
(a) Interest expenses	896.61	697.60
(b) Interest on leases	46.31	9.10
(c) Exchange loss regarded as adjustment to interest costs	15.35	-
(d) Other borrowing costs	44.02	36.71
	<b>1,002.29</b>	<b>743.41</b>

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
<b>28. OTHER EXPENSES</b>		
Sub - Contracting Expenses	4,899.28	2,948.62
Power and Fuel	1,148.24	900.74
Stores Consumed	3,958.84	2,591.83
Exchange (Gain)/Loss	-	35.64
Mark to Market Loss on - derivatives (Refer note 39)	14.35	-
Rent	77.07	141.90
Rates and Taxes	37.97	34.41
Insurance	109.29	91.55
Travelling and Conveyance	346.39	242.33
Packing and Forwarding	246.97	220.76
Advertisement	2.73	4.05
Royalty	177.31	156.25
Consultation Fee	188.09	105.14
Directors' Sitting Fees	5.96	5.90
Freight	741.08	772.25
Payment to Auditors for:		
Statutory Audit	8.73	8.70
Tax Audit	1.60	1.50
GST Audit	1.20	3.00
Certification	7.72	3.34
Reimbursement of expenses	0.16	0.38
Repairs and Maintenance		
- Buildings	16.52	13.79
- Machinery and Electrical Installations	479.79	314.09
- Vehicles	42.28	29.48
- Computer System	71.78	66.52
Bad Debts written off	4.12	6.48
Provision for doubtful receivables made/ (written back) - Net	(14.95)	(1.97)
CSR Expenses	22.50	9.00
Research and Development expense	4.30	22.04
Commission to Non-Whole Time Directors	10.00	6.00
Miscellaneous Expenses	286.14	220.35
	<u>12,895.46</u>	<u>8,954.07</u>
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>₹ In Lakhs</b>	<b>₹ In Lakhs</b>
<b>29. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
<b>29.1 Disaggregated revenue information</b>		
<b>Type of goods and service</b>		
(a) Sale of products		
Rings Sales	6,868.54	4,883.73
OCF Sales	17,116.70	12,534.48
Piston Pin Sales	1,774.29	1,341.25
Tooling Sales	586.98	501.41
(b) Revenue from services		
- Jobwork	271.34	215.72
(c) Other operating revenues		
- Scrap sales	257.13	137.06
<b>Total revenue from contract with customers</b>	<u>26,874.98</u>	<u>19,613.65</u>
India	16,147.71	12,036.87
Outside India	10,727.27	7,576.78
<b>Total revenue from contract with customers</b>	<u>26,874.98</u>	<u>19,613.65</u>

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Timing of revenue recognition	March 31, 2022		March 31, 2021	
	At a point in time	Over a period of time	At a point in time	Over a period of time
Sale of products	26,603.64	-	19,397.93	-
Revenue from Services - Job Work	271.34	-	215.72	-
<b>Total revenue from contract with customers</b>	<b>26,874.98</b>	<b>-</b>	<b>19,613.65</b>	<b>-</b>

Particulars	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
<b>29.2 Contract balances</b>		
Trade receivables	6,728.25	5,649.79
Contract liabilities	8.20	2.10
Trade receivables are non-interest bearing and are generally as per terms of contract. Contract liabilities are Amounts received from customers in respect of obligation to be performed by the Company.		
<b>29.3 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	26,874.98	19,613.65
<b>Adjustments</b>		
Rebates and discounts	-	-
<b>Revenue from contract with customers</b>	<u>26,874.98</u>	<u>19,613.65</u>
Export Incentives	396.51	232.56
<b>Total Revenue from Operations as per Note 22</b>	<u>27,271.49</u>	<u>19,846.21</u>
<b>30. CONTINGENT LIABILITY</b>		
<b>Claims against the Company not acknowledged as debts</b>		
(a) Bills Discounted	460.41	379.38
(b) Outstanding Letters of Credit	200.06	433.52
(c) Bank Guarantees	15.85	15.85
(d) Income Tax matters under appeal*	21.10	21.10
(e) The impact of the retrospective operation of the amendment to the Payment of Bonus Act, 1965 for the financial year 2014-15 has not been considered in accounts in view of stay granted by Madras and High Courts in India*	-	-
*Future cash outflows in respect of the above are determinable only on receipt of judgement/decisions pending with various forums/authorities.		
<b>31. COMMITMENTS</b>		
Capital commitments (net of advances) not provided for	124.09	601.35
The outflow in respect of the above is not practicable to ascertain in the View of uncertainty involved.		
<b>32. VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>		
Raw materials	<u>1,774.24</u>	<u>1,994.22</u>
Stores consumed	147.70	88.03
Spare parts	69.07	43.52
<b>Total Components and spare parts</b>	<u>216.77</u>	<u>131.55</u>
Capital goods	572.90	204.35

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
<b>33. EXPENDITURE IN FOREIGN CURRENCY (ON PAYMENT BASIS)</b>		
Royalty	192.39	119.35
Travel	1.71	5.74
Professional Fee / Technical Services	90.66	38.43
Capital Expenditure / Advance	478.54	1,519.69
Others	295.35	132.81
<b>Total</b>	<b>1,058.65</b>	<b>1,816.02</b>
<b>34. DETAILS OF CONSUMPTION IN NOTE 24,25 AND 28 OF IMPORTED AND INDIGENOUS ITEMS</b>		
<b>Imported - 25.24% (18.71%)</b>		
Raw materials	2,589.05	1,538.17
Spares & Loose tools	274.85	66.69
	<b>2,863.90</b>	<b>1,604.86</b>
<b>Indigenous - 74.76% (81.29%)</b>		
Raw materials	5,596.96	4,447.17
Spares & Loose tools	3,685.43	2,525.14
	<b>9,282.39</b>	<b>6,972.31</b>
<b>35. EARNINGS IN FOREIGN EXCHANGE</b>		
Export of goods calculated on FOB basis	10,582.67	7,278.56
	<b>10,582.67</b>	<b>7,278.56</b>
<b>36. DISCLOSURES REQUIRED UNDER THE MICRO, SMALL &amp; MEDIUM DEVELOPMENT ACT, 2006</b>		
The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:		
The Principal amount (21-22; Rs.268.33 lakhs; 20-21: Rs.72.80 lakhs) and the interest due (21-22: Rs.28.09 lakhs; 20-21: Rs.6.05 lakhs) thereon remain unpaid to suppliers at the end of each accounting year.	296.42	78.85
The amount of Interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the accounting year.	-	0.36
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	21.75	6.00
The amount of interest accrued and remaining unpaid at the end of each accounting year.	28.09	6.05
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure u/s 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	28.09	6.05
The above information regarding Micro and Small Enterprises have been Determined to the extent such parties have been identified on the basis of information available with the company i.e. Details available in the vendor database on the Company's web portal.		



## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
<b>37. INCOME TAXES RELATING TO CONTINUING OPERATIONS</b>		
<b>Income tax recognised in profit or loss</b>		
Current Tax	201.93	64.68
MAT Credit entitlement	(189.66)	(97.04)
Deferred tax	271.28	189.56
Total income tax expense recognised in the current year	283.55	157.20
<b>The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
<b>Profit/(loss) before tax from continuing operations</b>	1,105.03	654.01
Income tax expense calculated at %	27.82	27.82
Income tax expense	307.42	181.95
Effect of expenses that are deductible in determining taxable profit of the current year	(7.80)	3.13
Effect of unabsorbed depreciation/loss of previous years utilized in current year	148.94	47.46
Others	(180.21)	(43.73)
Adjustments recognised in the current year in relation to the current tax of prior years	15.20	(31.61)
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	283.55	157.20
The tax rate used for the reconciliations above is the corporate tax rate of 27.82 % (for the year 2021-22) and 27.82% (for the year 2020-21) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.		
<b>Income tax recognised in other comprehensive income</b>		
<b>Current tax</b>		
Remeasurement of defined benefit obligation	-	-
<b>Deferred tax</b>		
Remeasurement of defined benefit obligation	5.65	(24.15)
<b>Total income tax recognised in other comprehensive income</b>	5.65	(24.15)
<b>Deferred tax balances</b>		
The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:		
Deferred tax assets (including MAT credit)	(1,224.00)	(1,175.48)
Deferred tax liabilities	1,474.89	1,339.10
	250.89	163.62

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, depreciation carry-forwards and unused tax credits could be utilized.

### 38. EMPLOYEE BENEFITS

#### Defined Contribution Plan

Contribution to Defined Contribution Plan, are charged off for the year as under

Employer's Contribution to Provident Fund	106.07	94.85
Employer's Contribution to Superannuation Fund	20.48	15.68

#### Defined Benefit Plan

##### Gratuity:

The Company operates gratuity plan through approved gratuity fund with Life Insurance Corporation of India. Every employee is entitled to the benefit in accordance with The Payment of Gratuity Act, 1972, as applicable from time to time, except in the case of Managing Director where there is no maximum limit. The present value of obligation is determined based on actuarial valuation.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
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### 38. EMPLOYEE BENEFITS – [Contd]

#### Leave Salary Encashment:

Eligible employees can carry forward and encash leave on superannuation or death or permanent disablement subject to a maximum accumulation of 60 days except in the case of Managing Director where there is no limit to maximum accumulation. The present value of obligation is determined based on actuarial valuation.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity and Compensated absences		
Discount rate(s)	7.00%	7.00%
Expected rate(s) of salary increase	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

Gratuity		
Current service cost	30.78	23.77
Past service cost	-	-
Net interest expense	34.83	27.35
Return on plan assets (excluding amounts included in net interest expense)	(36.65)	(28.83)
<b>A Components of defined benefit costs recognised in profit or loss</b>	<b>28.96</b>	<b>22.29</b>
The above expenses for the year are included under 'Contribution to provident, gratuity and other funds' in the 'employee benefits expense' in statement of profit or loss.		
Remeasurement on the net defined benefit liability comprising:		
Actuarial(gains) /losses arising from obligations	(20.32)	86.82
<b>B Components of defined benefit costs recognised in other comprehensive income</b>	<b>(20.32)</b>	<b>86.82</b>
<b>A+B Total</b>	<b>8.64</b>	<b>109.11</b>

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
<b>38. EMPLOYEE BENEFITS – [Contd]</b>		
The Remeasurement of the net defined benefit liability is included in other comprehensive income.		
<b>Compensated Absences</b>		
Current service cost	-	-
Net interest expense	6.85	7.70
Actuarial (gains)/losses arising from changes in financial assumptions	1.35	1.64
Actuarial (gains)/losses arising from experience adjustments	10.09	5.35
	<u>18.29</u>	<u>14.69</u>
Recognised in Statement of Profit & Loss	18.29	14.69
Recognised in Other Comprehensive Income	-	-

The above expenses for the year are included under 'Salaries, wages and bonus' in the 'employee benefits expense' in statement of profit or loss.

The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

<b>Gratuity</b>		
Present value of defined benefit obligation	515.05	497.56
Fair value of plan assets	535.67	439.71
Net liability arising from defined benefit obligation (funded)	<u>(20.62)</u>	<u>57.85</u>
Gratuity is reflected in Prepaid Gratuity under Other Current Assets. [Refer note 9A].		

<b>Compensated Absences</b>		
Present value of defined benefit obligation	147.06	140.13
Net liability arising from defined benefit obligation (funded)	<u>147.06</u>	<u>140.13</u>
The above provisions are reflected under 'Provision for employee benefits' in "other non-current provisions" and in "short-term provisions". [Refer notes 14 and 21]		

**Movements in the present value of the defined benefit obligation in the current year were as follows:**

<b>Gratuity</b>		
Opening defined benefit obligation	497.56	377.24
Current service cost	30.78	23.77
Interest cost	34.83	27.35
Actuarial(gains) /losses arising from obligations	(20.32)	86.82
Benefits paid	(27.80)	(17.62)
<b>Closing defined benefit obligation</b>	<u>515.05</u>	<u>497.56</u>

<b>Compensated Absences</b>		
Opening defined benefit obligation	140.13	145.25
Current service cost	-	-
Interest cost	6.85	7.70
Actuarial (gains)/losses arising from changes in financial assumptions	1.35	1.64
Actuarial (gains)/losses arising from experience adjustments	10.09	5.35
Actuarial (gains)/losses arising from changes in geographical assumptions	9.62	-
Benefits paid	(20.98)	(19.81)
<b>Closing defined benefit obligation</b>	<u>147.06</u>	<u>140.13</u>

**Movements in the fair value of the plan assets in the current year were as follows:**

<b>Gratuity</b>		
Opening fair value of plan assets	439.71	359.08
Return on plan assets (excluding amounts included in net interest expense)	36.65	28.83
Contributions	87.11	69.42
Benefits paid	(27.80)	(17.62)
<b>Closing fair value of plan assets</b>	<u>535.67</u>	<u>439.71</u>

The Company funds the cost of the gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India, which manages the plan assets. The actual return on plan assets was Rs.36.65 lakhs (2020-21: Rs.28.83 lakhs).

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 39. FINANCIAL INSTRUMENTS

#### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non-convertible debt securities, and other long-term/short-term borrowings.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 12 and 16, and offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>Gearing Ratio:</b>		
Debt (Long-term and short-term borrowings including current maturities)	10,854.36	9,367.05
Less: Cash and bank balances	(339.84)	(658.21)
Net debt	10,514.52	8,708.84
Total equity	11,185.39	10,539.30
Net debt to total equity ratio	0.94	0.83

Categories of Financial Instruments:

#### A Financial assets

##### (a) Measured at amortized cost:

Cash and bank balances	497.97	659.28
Trade Receivables	6,728.25	5,649.79
Investments	50.50	-
Loans	191.36	176.04

##### (b) Mandatorily measured at fair value through other comprehensive income (FVOCI):

Investments	1.26	1.18
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#### B Financial liabilities

##### (a) Measured at amortized cost:

Borrowings	8,658.44	7,871.98
Trade Payables	6,317.35	5,327.17
Current maturity of Long-Term Borrowings	2,146.73	1,418.30
Lease Liabilities	534.45	607.44
Others	565.47	990.23

##### (b) Measured at fair value through Statement of Profit and Loss:

Derivatives	49.19	76.77
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#### Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

#### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 39. FINANCIAL INSTRUMENTS – [Contd]

#### Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2022:

(₹ In Lakhs)

Currency	Liabilities	Assets	Net overall exposure on the currency - net assets - (net liabilities)
	Gross exposure*	Gross exposure	
USD	1,731.43	2,234.82	503.39
EUR	1.77	112.61	110.84
JPY	85.10	-	(85.10)

\*Excludes exposure on Unutilised Letter of Credit aggregating Rs.82.81 lakhs

As on March 31, 2021:

(₹ In Lakhs)

Currency	Liabilities	Assets	Net overall exposure on the currency - net assets - (net liabilities)
	Gross exposure*	Gross exposure	
USD	1,983.25	2,411.30	428.05
EUR	35.69	4.40	(31.29)
JPY	113.41	-	(113.41)

\*Excludes exposure on Unutilised Letter of Credit aggregating Rs 235.50 lakhs

#### Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The following table details the Company's sensitivity movement in the foreign currencies. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%. 2% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

Currency	Profit or Loss (₹ in lakhs)	
	March 31, 2022	March 31, 2021
USD Impact	10.07	8.56
EUR Impact	2.22	(0.63)
JPY Impact	(1.70)	(2.27)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 39. FINANCIAL INSTRUMENTS – [Contd]

The following table details the derivative contracts outstanding at the end of the reporting period:

As on March 31, 2022:

(₹ In Lakhs)

Nature	Notional Value in FCY (Lakhs)	MTM in INR in Lakhs	Maturity date
Currency swap - INR to USD	USD 4.63	38.08	01-Jun-23
Currency swap - INR to USD	USD 0.93	7.62	01-Jun-22
Interest rate swap - Floating to Fixed	USD 1.88	1.17	02-Aug-23
Interest rate swap - Floating to Fixed	USD 3.75	2.32	02-Aug-23

As on March 31, 2021:

(₹ In Lakhs)

Nature	Notional Value in FCY (Lakhs)	MTM in INR in Lakhs	Maturity date
Currency swap - INR to USD	USD 8.33	47.01	01-Jun-23
Currency swap - INR to USD	USD 4.63	26.12	01-Jun-22
Interest rate swap - Floating to Fixed	USD 3.13	1.21	02-Aug-23
Interest rate swap - Floating to Fixed	USD 6.25	2.43	02-Aug-23

**Note:**

Included in the balance sheet under 'Current - other financial liabilities and non-Current - Financial Liabilities'. [Refer Notes 13 and 19]

#### Interest rate risk management

The company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The exposure of company's borrowings to interest rate changes at the end of the reporting period are as follows.

(₹ In Lakhs)

Particulars	March 31, 2022	March 31, 2021
Variable rate Borrowings	3,611.61	3,998.11
Fixed rate Borrowings *	7,193.56	5,292.16

\* includes variable rate borrowings subsequently converted to fixed rate borrowings through swap contracts.

#### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2022 would decrease/increase by Rs.9.03 lakhs (March 31, 2021: decrease/increase by Rs.10.77 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 39. FINANCIAL INSTRUMENTS – [Contd]

#### Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. Fair and nominal value of shares are same since entire nominal value will be payable on sale back of shares as per the agreement and the shares are not held for trading purpose.

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure

The company sells predominantly to local and export customers which are on credit basis. The average credit period is 30 days to 60 days.

The Company did not have credit risk exposure in the past 3 years and there were no bad debt during the mentioned period but the Company makes an allowance for doubtful debts on a case to case basis.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company is also working with banks for obtaining separate facility for financing of Dies. Promoters will support by way of fund infusion on need basis.

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	₹ In Lakhs	
	March 31, 2022	March 31, 2021
Expiring within one year (bank overdraft and other facilities) - Secured	3,558.27	667.89
Term Loan - Secured	-	2,025.62

#### Liquidity tables:

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

31-03-2022	₹ In Lakhs			
	Due in 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Carrying amount
Trade payables	6,317.35	-	-	6,317.35
Current maturity of long-term borrowings	2,146.73	-	-	2,146.73
Lease liabilities (Refer note 46)	121.65	516.08	-	637.73
Other financial liabilities	581.99	7.62	-	589.61
Borrowings (including interest accrued thereon upto the reporting date)	3,636.66	5,046.83	-	8,683.49
	12,804.38	5,570.53	-	18,374.91

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 39. FINANCIAL INSTRUMENTS – [Contd]

31-03-2021	Due in 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	(₹ In Lakhs)
Trade payables	5,327.17	-	-	5,327.17
Current maturity of long term borrowings	1,418.30	-	-	1,418.30
Lease liabilities (Refer note 46)	128.51	514.48	123.25	766.24
Other financial liabilities	1,088.45	-	-	1,088.45
Borrowings (including interest accrued thereon upto the reporting date)	4,028.16	3,873.87	-	7,902.03
	<b>11,990.59</b>	<b>4,388.35</b>	<b>123.25</b>	<b>16,502.19</b>

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):**

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

### 40. SEGMENT INFORMATION

The Managing Director of the Company has been identified as being the chief operating decision maker. Based on the internal reporting to the Chief operating decision maker, the Company has identified that the Company has only one segment which is manufacture and sale of Auto Component – Piston Rings, Differential Gears, Pole Wheel and other Transmission Components and accordingly there are no other reportable segments. The Company is domiciled in India. Information about entity wide disclosures as mandated under Ind AS 108 are as below:

**Geographical segment information:**

(₹ In Lakhs)							
Description	Year	India	USA	Thailand	Rest of the world	Unallocated	Total
Revenue	2021-22	16,147.71	2,348.01	8,124.56	254.70	396.51	27,271.49
	2020-21	12,036.87	1,221.08	6,284.03	71.67	232.56	19,846.21
Assets	2021-22	4,413.00	432.35	1,728.55	154.35	-	6,728.25
	2020-21	3,540.97	344.61	1,739.72	24.49	-	5,649.79

Out of the above said revenue one customer represents more than 10% of the gross revenue and in total contribute 38.35% of the gross revenue.

### 41. NET DEBT RECONCILIATION

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
1. Cash and cash equivalents	347.97	659.28
2. Liquid Investments	155.00	-
3. Lease Liability	(534.45)	(607.44)
4. Current borrowings	(5,758.34)	(5,416.41)
5. Non-current borrowings	(5,046.83)	(3,873.87)
<b>NET DEBT</b>	<b>(10,836.65)</b>	<b>(9,238.44)</b>

Particulars	Other assets		Liabilities from financing activities			Total
	cash and bank overdraft	Liquid investments	lease Liability	Non-current borrowings	Current borrowings	
<b>Net debt as at March 31, 2021</b>	<b>659.28</b>	<b>-</b>	<b>(607.44)</b>	<b>(3,873.87)</b>	<b>(5,416.41)</b>	<b>(9,238.44)</b>
Cash flows	(311.31)	155.00	-	(1,172.96)	(341.93)	(1,671.20)
Movement in Lease Liability			72.99			72.99
Foreign exchange adjustments	-	-	-	-	-	
Interest expense				691.68	310.61	1,002.29
Interest paid				(691.68)	(310.61)	(1,002.29)
Other non-cash movements						
- Acquisitions / disposals						
- Fair value adjustments						
<b>Net debt as at March 31, 2022</b>	<b>347.97</b>	<b>155.00</b>	<b>(534.45)</b>	<b>(5,046.83)</b>	<b>(5,758.34)</b>	<b>(10,836.65)</b>
<b>Note:</b>						
Assets represented by positive numbers & Liabilities represented by negative numbers						



## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2022 ₹ In Lakhs	As at March 31, 2021 ₹ In Lakhs
<b>42. INVESTMENT</b>		
(a) Quoted investment		
Cost	0.88	0.88
Market value	0.70	0.62
(b) Unquoted investment		
Cost	51.06	0.56
(c) Impairment in value of investment	-	-

### 43. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year is Rs.10.55 lakhs (2020-21 Rs.7.35 lakhs).

b) Amount spent during the year on:

(2021-22 ₹ In Lakhs)			
Particulars	In Cash	Yet to be paid in cash	Total
1. Construction/acquisition of any asset	-	-	-
2. On Purposes other (1) above	22.50		22.50

(2020-21 ₹ In Lakhs)			
Particulars	In Cash	Yet to be paid in cash	Total
1. Construction/acquisition of any asset	-	-	-
2. On Purposes other (1) above	9.00		9.00

c) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year Nil (2020-21 - Nil)

d) The total of previous years' shortfall amounts Nil (2020-21 - Nil)

e) The nature of CSR activities undertaken by the Company:

- Donation of Ambulance to Hospital (Social Empowerment) Rs.20.00 lakhs (2020-21 - Nil)
- Contribution to Roja Muthiah Research Library Trust (Promoting education and also conservation of art and culture) Rs.2.50 lakhs (2020-21- Nil)
- Apprenticeship training under the apprentices act 1961 (Skill Training) Nil (2020-21 Rs.9.00 lakhs)

	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
<b>44. BASIC AND DILUTED EARNINGS PER SHARE</b>		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.		
Profit/ (loss) for the year attributable to owners of the Company	821.48	496.81
Adjustments	-	-
Earnings used in the calculation of basic earnings per share	821.48	496.81
Profit/(loss) for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	-
Earnings used in the calculation of basic earnings per share from continuing operations	821.48	496.81
	<b>NOS</b>	<b>NOS</b>
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,26,75,865	1,26,75,865
Basic and Diluted Earnings per share	6.48	3.92

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 45. ESTIMATION UNCERTAINTY RELATING TO COVID 19 PANDEMIC

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases etc. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

### 46. DISCLOSURES ON LEASES

#### Company as Lessee

The Company has adopted Ind AS 116 Leases (Refer Note .58 (15)) with effect from April 1, 2019. All other lease arrangements on that date were short term leases and the lease rentals recognized as an expense in the Statement of Profit and Loss. The following are the disclosures in terms of Ind AS 116:

#### 46.1 Payments recognized as expense for non-cancellable lease

	For the year Ended March 31, 2022 ₹ In Lakhs	For the year ended March 31, 2021 ₹ In Lakhs
<b>Maturity Analysis of future lease payments</b>		
(a) Not later than 1 year	81.66	82.84
(b) Later than 1 year and not later than 5 years	452.79	405.90
(c) Later than 5 years	-	118.70

#### 46.2 Details of rental payment for contracts for which exemption is availed under IND AS 116 on account of the following

1. Lease asset for low value asset (less than Rs 5 lakhs)	-	-
2. Short term leases	77.07	141.90

#### 46.3 OTHER DISCLOSURES

	Note No		
(a) Carrying value of right of use of (ROU) asset	1B	495.02	601.06
(b) Depreciation charge for ROU asset	1B	113.80	27.44
(c) Interest expense on lease liability	27	46.31	9.10
(d) Total cash flow during the year for leases grouped in ROU		127.14	31.37
(e) Additions to ROU	1B	7.76	598.13
(f) Lease commitments for short term leases		77.07	141.90
(g) Lease liability outstanding	13 & 17	534.45	607.44

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than that the company cannot provide the leased asset as security for its borrowings etc, nor can it be subleased without the permission of the lessor.

The lease payment are discounted using the company's incremental borrowing rate (12.75% and 7.95%) being the rate that the company would have to pay to borrow funds necessary to obtain an asset of similar value to ROU asset in a similar economic environment with similar terms, security and conditions.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

47. The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Sl. No	Particulars	Numerator	Denominator	Year ended		Variance	Remarks
				Ratio	Ratio		
1	Current Ratio	Current assets	Current liabilities	1.05	0.98	7.10%	
2	Debt Equity Ratio	Total Debt (Including lease liabilities)	Shareholder's Equity	1.01	0.94	8.00%	
3	Debt Service Coverage Ratio	Earnings available for debt service (1)	Debt Service (2)	1.35	1.09	23.90%	The ratio has improved due to Increase in EBITDA during the period
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.08	0.05	57.10%	The ratio has improved due to increased profit during the period.
5	Inventory Turnover Ratio	Sales	Average Inventory	5.45	4.66	17.00%	
6	Trade Receivables Turnover Ratio	Revenue	Average Trade Receivable	4.41	4.20	4.90%	
7	Trade Payables Turnover Ratio	Purchases of goods, services and other expenses	Average Trade Payables	1.41	1.44	-2.30%	
8	Net Capital Turnover Ratio	Revenue	Working Capital	46.08	(69.63)	-166.20%	The ratio has improved due to increase in Sales
9	Net Profit Ratio	Net Profit	Revenue	0.03	0.03	20.30%	The ratio has improved due to increased profit during the period
10	Return on Capital Employed	Earning before interest and taxes	Capital Employed (3)	0.09	0.07	33.80%	The ratio has improved due to increased profit during the period
11	Return on Investment	Income generated from Investments	Time weighted average investments	0.00	0.07	-93.50%	The deviation is due to investment in joint venture

1. Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
2. Debt service = Interest & Lease Payments + Principal Repayments
3. Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 48. RELATED PARTY DISCLOSURE

**(a) List of parties having transactions with IP Rings Ltd:**

Name of the Related Party	Relationship
Simpson & Company Ltd.	Holding Company
Amalgamations Private Ltd.	Holding Company of Simpson & Company Ltd
IPR Eminox Technologies Private Limited	Joint Venture
Addison & Company Limited	Fellow Subsidiary
George Oakes Limited	Fellow Subsidiary
India Pistons Limited	Fellow Subsidiary
Sri Rama Vilas Service Limited	Fellow Subsidiary
Tractors & Farm Equipment Limited	Fellow Subsidiary
Associated Printers (Madras) Pvt Limited	Fellow Subsidiary
The Madras Advertising Company Pvt Limited	Fellow Subsidiary
Speed-A-Way Pvt Limited	Fellow Subsidiary
Bimetal Bearings Limited	Fellow Subsidiary
Amalgamations Repco Limited	Fellow Subsidiary
L.M. Van Moppes Diamond Tools India Pvt Limited	Fellow Subsidiary
United Nilgiri Tea Estates Company Limited	Associate of Holding Company
IP Rings Ltd Senior Executives Superannuation Fund	Controlled Trusts
IP Rings Ltd Employees Gratuity Fund	Controlled Trusts
Mr. A. Venkataramani - Managing Director	Key Managerial Personnel
Mr. R. Venkataraman - Chief Financial Officer	Key Managerial Personnel
Mr. Anantha Subramanian - Company Secretary (From Nov 30,2019)	Key Managerial Personnel
Mr. Muthalagu Govindarajan - Executive Director (From Aug 2, 2021)	Key Managerial Personnel
Mr. N. Venkataramani - (up to August 1, 2020)	Relatives of Key Managerial Personnel
Mrs. Sita Venkataramani	Relatives of Key Managerial Personnel
Mr. Gautam Venkataramani	Relatives of Key Managerial Personnel

**(b) List of parties not having transactions with IP Rings Ltd:**

Name of the Related Party	Relationship
Amco Batteries Limited	Fellow Subsidiary
Simpson & General Finance Company Limited	Fellow Subsidiary
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret Ltd	Fellow Subsidiary
Southern Tree Farms Limited	Fellow Subsidiary
TAFE Properties Limited	Fellow Subsidiary
Tafe Access Limited	Fellow Subsidiary
T.Stanes & Company Limited	Fellow Subsidiary
Stanes Motors (South India) Limited	Fellow Subsidiary
Wheel & Precision Forgings India Limited	Fellow Subsidiary
Associated Publishers (Madras) Pvt Limited	Fellow Subsidiary
Stanes Amalgamated Estates Limited	Fellow Subsidiary
Shardlow India Limited	Fellow Subsidiary
Wallace Cartwright & Company Limited, London	Fellow Subsidiary
W.J.Groom & Company Limited, London	Fellow Subsidiary
TAFE Reach Limited	Fellow Subsidiary
TAFE Motors & Tractors Limited	Fellow Subsidiary
Alpump Limited	Fellow Subsidiary
Tafe Tractors Changshu Company Limited, China	Fellow Subsidiary
Higginbothams Pvt Limited	Fellow Subsidiary
Amalgamations Valeo Cluch Private Limited	Associate of Holding Company
BBL Daido Private Limited	Associate of Holding Company

**Note:** As per sec 149(6) of Companies Act, 2013 independent directors are not considered as KMP. Also considering the roles & functions of independent director stated under schedule IV of Companies Act 2013 they have not been disclosed as KMP for the purpose of disclosure requirement as per Ind AS 24 Related Party.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

<b>(c) Details of Transactions with Related Parties:</b>						
<b>Name of the party</b>	<b>Year</b>	<b>Sale of goods</b>	<b>Rendering of services – Income</b>	<b>Purchase of goods</b>	<b>Purchase of Capital items</b>	<b>Receiving of services – Expense</b>
IPR EminoX Technologies Private Limited	2021-22	-	13.74	-	-	-
	2020-21	-	-	-	-	-
Bimetal Bearings Limited	2021-22	7.66	-	-	-	-
	2020-21	3.65	-	-	-	-
India Pistons Limited	2021-22	1,567.59	125.95	546.87	-	52.53
	2020-21	1,347.51	76.21	600.16	223.02	115.68
George Oakes Limited	2021-22	-	7.20	-	-	18.00
	2020-21	-	8.02	-	-	20.05
Simpson & Co. Ltd	2021-22	186.11	-	-	-	3.28
	2020-21	159.92	7.00	-	-	2.37
Tractors & Farm Equipment Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Sri Ram Vilas Services Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	55.43
Addison & Co. Limited	2021-22	-	-	3.91	-	-
	2020-21	-	-	1.55	-	-
Amalgamation Pvt Limited	2021-22	-	-	-	-	4.73
	2020-21	-	-	-	-	5.96
Amalgamation Repco Limited	2021-22	-	-	-	-	3.00
	2020-21	-	-	-	-	3.50
Associated Printers (M) Pvt Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	0.78
Speed a way Pvt Limited	2021-22	-	-	-	-	-
	2020-21	-	-	0.99	-	-
The Madras Company Advertising Co Limited	2021-22	-	-	-	-	0.17
	2020-21	-	-	-	-	3.08
LM Van Moppes Diamond Tools India Limited	2021-22	-	-	3.84	-	-
	2020-21	-	-	2.68	-	-
The United Nilgiri Tea Estates Company Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
IP Rings Ltd Senior Executives Superannuation Fund	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
IP Rings Ltd Employees Gratuity Fund	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Mr. N. Venkataramani	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Mrs. Sita Venkataramani	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Mr. Gautam Venkataramani	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Mr. A. Venkataramani #	2021-22	-	-	-	-	150.68
	2020-21	-	-	-	-	141.16
Mr. R. Venkataraman#	2021-22	-	-	-	-	41.72
	2020-21	-	-	-	-	37.05
Mr. Anantha Subramanian#	2021-22	-	-	-	-	12.09
	2020-21	-	-	-	-	10.73
Mr. Muthalagu Govindarajan	2021-22	-	-	-	-	34.62
	2020-21	-	-	-	-	-

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**(c) Details of Transactions with Related Parties:**

Name of the party	Year	Management contracts including for deputation of employees – Expense	Dividend Paid	Interest received	Contribution to fund	Amounts Outstanding Dr / (Cr)
IPR Eminox Technologies Private Limited	2021-22	-	-	-	-	19.35
	2020-21	-	-	-	-	-
Bimetal Bearings Limited	2021-22	-	-	-	-	3.63
	2020-21	-	-	-	-	2.53
India Pistons Limited	2021-22	-	17.14	54.30	-	1,356.03
	2020-21	-	-	42.98	-	805.10
	2020-21	-	-	-	-	-
George Oakes Limited	2021-22	-	-	-	-	2.15
	2020-21	-	-	-	-	0.06
Simpson & Co. Ltd	2021-22	-	50.86	-	-	13.59
	2020-21	-	-	-	-	25.82
Tractors & Farm Equipment Limited	2021-22	-	19.44	-	-	-
	2020-21	-	-	-	-	-
Sri Ram Vilas Services Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	(2.57)
Addison & Co. Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Amalgamation Pvt Limited	2021-22	-	9.33	-	-	(1.30)
	2020-21	-	-	-	-	(0.71)
Amalgamation Repco Limited	2021-22	-	-	-	-	(0.90)
	2020-21	-	-	-	-	2.10
Associated Printers (M) Pvt Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Speed a way Pvt Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
The Madras Company Advertising Co Limited	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	(0.41)
LM Van Moppes Diamond Tools India Limited	2021-22	-	-	-	-	(0.42)
	2020-21	-	-	-	-	-
The United Nilgiri Tea Estates Company Limited	2021-22	-	0.05	-	-	-
	2020-21	-	-	-	-	-
IP Rings Ltd Senior Executives Superannuation Fund	2021-22	-	-	-	20.48	-
	2020-21	-	-	-	18.94	-
IP Rings Ltd Employees Gratuity Fund	2021-22	-	-	-	20.62	20.62
	2020-21	-	-	-	57.85	(57.85)
Mr. N. Venkataramani	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Mrs. Sita Venkataramani	2021-22	-	1.34	-	-	(0.35)
	2020-21	-	-	-	-	-
Mr. Gautam Venkataramani	2021-22	-	0.49	-	-	-
	2020-21	-	-	-	-	-
Mr. A. Venkataramani #	2021-22	-	0.45	-	-	(0.10)
	2020-21	-	-	-	-	-
Mr. R. Venkataraman#	2021-22	-	-	-	-	-
	2020-21	-	-	-	-	-
Mr. Anantha Subramanian#	2021-22	-	-	-	-	(0.08)
	2020-21	-	-	-	-	-
Mr. Muthalagu Govindarajan	2021-22	-	0.01	-	-	-
	2020-21	-	-	-	-	-

# 'The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

49. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
50. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
51. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
52. The Company has not accepted any deposit or amounts which are deemed to be deposits.
53. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
54. The company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,
55. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year
56. The company has complied with the number of layers prescribed under the Companies Act,2013 read with Companies (Restriction on number of Layers) Rules,2017.
57. Figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable with current year figures.

**For M S Krishnaswami & Rajan**  
Chartered Accountants  
Firm Registration No: 01554S

**M S Murali**  
Partner  
Membership No. 26453  
UDIN: 22026453AKUFZO8548

Chennai  
27-May-2022

**A VENKATARAMANI**  
Managing Director  
DIN: 00277816

**M. GOVINDARAJAN**  
Director  
DIN: 09264840

**V ANANTHA SUBRAMANIAN**  
Company Secretary

**R. VENKATARAMAN**  
Chief Financial Officer

**VIKRAM VIJAYARAGHAVAN**  
Director  
DIN: 01944894

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 58A CORPORATE INFORMATION:

IP Rings Limited ('the Company') or ('IPR') is engaged in the manufacture of engine and transmission components. The Company has manufacturing plant at Maraimalai Nagar, Chennai. The Company is a public limited company and is listed on Bombay Stock Exchange. The functional currency of the Company is Indian Rupee. The financial statements, in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015., for the year ended 31st March 2022 were adopted by the Company as on 27th May 2022.

### 58B STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF PREPARATION:

The financial statements have been prepared in accordance with Section 133 of Companies Act 2013, i.e., Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules 2015. The Ind AS financial statements are prepared on historical cost convention, except in case of certain financial instruments which are recognized at fair value at the end of the reporting period as rendered in the Accounting Policy No. 3 and on an accrual basis as a going concern.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Part I of 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 realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### Recent accounting pronouncements with respect to Companies Act, 2013

Ministry of Corporate Affairs ("MCA") notified new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

**Ind AS 16 – Property Plant and equipment** - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

#### 2. USE OF ESTIMATES:

The preparation of the Ind AS financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these Ind AS financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the Ind AS financial statements. The actual amounts may differ from the estimates used in the preparation of the Ind AS financial statements and the difference between actual results and the estimates are recognized in the period in which the results are known/materialize.



### 3. FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### a. Non-derivative financial instruments

##### (i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest where the fair value differs from the Transaction Price. Where the fair value does not differ, materially, from Transaction Price, the financial liabilities are stated at transaction price only.

#### b. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note No 39 Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item. The counterparty for these contracts is generally a bank.

#### Cash flow hedge

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on future foreign currency commitments.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

#### Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

#### **4. PROPERTY, PLANT AND EQUIPMENT:**

- Property, Plant and Equipment are stated at acquisition cost includes related duties, freight etc., and interest on borrowed funds if any directly attributable to acquisition/construction of qualifying fixed assets and is net of duty/ tax credit availed
- Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. In all such cases, the useful life of assets subsequently added to the parent asset are brought at par and depreciated in line with parent asset.
- Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment which are carried at cost are recognised in the Statement of Profit and Loss.
- Depreciation is provided straight line method, based on useful lives of assets in accordance with Schedule II of the Companies Act, 2013. In respect of certain machines extended useful life of 30 years is adopted for claiming depreciation under Schedule II to Companies Act, 2013 based on technical assessment obtained by the Company.
- Application software, Die and Core and New Product Development are amortized over a period of 3 years. Technical Knowhow is amortized over a period of 5 years.
- Residual value of 5% is retained in books for all assets other than the assets whose useful life has elapsed as on 01.04.2014 or those assets whose book value has already been reduced below 5% of acquisition cost.

#### **5. INTANGIBLES:**

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### De-recognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss when the asset is derecognized.

### 6. IMPAIRMENT:

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

The company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be reckoned from initial recognition of the receivables.

If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 7. INVESTMENTS:

All Investments are carried at fair value. The changes in the fair value of Investments, which at the inception, have been designated to be held for a long-term capital appreciation, are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

#### Impairment of Investments

The Company recognizes an impairment loss in respect of its investments if there is lower business performance, economic slowdown and increased competition. The recoverable amount of the investments is being determined based on value in use. In assessing value in use, the estimated future cash flows were discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investee for which the estimates of future cash flows have not been adjusted.

### 8. INVENTORIES:

- Inventories are valued at cost (as detailed below) or net realizable value, whichever is low. Costs includes cost of purchase (excluding credit availed under GST scheme), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(i) Raw Materials and Stores	At weighted average cost.
(ii) Work-in-progress	At standard cost or net realizable value, whichever is lower
(iii) Finished Goods	At standard cost or net realizable value, whichever is lower
(iv) Goods in transit	At cost
(v) Loose Tools	At weighted average cost.

#### (b) Provision for Obsolescence

The Company has a policy of providing for obsolescence in inventory. The policy has specific timelines beyond which the inventory is analyzed for its usefulness and any obsolete inventory is provided for.

#### (c) Customs Duty

Value of stocks at bonded warehouse, includes applicable Customs duty.

## 9. FOREIGN CURRENCY TRANSLATION:

**Initial Recognition:** On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition:** As at the reporting date, 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. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

## 10. REVENUE RECOGNITION:

### Ind AS 115 Revenue 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 recognised 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 judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The company has adopted the modified retrospective method of applying Ind AS 115 Revenue from Contract with customers in its initial year of application.

Revenue is measured at the fair value of the consideration received or receivable.

### Sale of goods

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally when the product is shipped to the customer. The revenue from sale of Rings, Pins and Orbital cold formed transmission products is based on the terms of the tender.

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

### Other Revenues

Other operating revenues comprise of income from ancillary activities (eg: scrap sales) incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Service income is recognised as and when services are rendered as per the terms of the contract.

Revenue in respect of export benefits is recognised when the certainty of realization of the benefit is established.

Revenue in excess of invoicing (referred to also as unbilled revenue) are classified as Contract Assets while invoicing in excess of revenues (referred to also as unearned revenue) are classified as Contract liabilities.

## 11. OTHER INCOME:

**Interest:** Interest income is calculated on effective interest rate, but recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend:** Dividend income is recognised when the right to receive dividend is established.

**Insurance Claim:** Insurance Claims are recognised when the claims are assessed to be receivable.

**Rental Income:** Rental income from operating leases is accrued based on the terms of the relevant lease.

## 12. EMPLOYEE BENEFITS:

### (I) Post-Employment Benefits

#### (a) Defined Contribution Plans:

##### (i) Contribution to Provident Fund

The Company makes monthly Provident Fund contributions at specified percentage of specified salary in accordance with the provisions of Employees Provident Funds and Miscellaneous Provisions Act 1952 which is charged to the Statement of Profit and Loss.

##### (ii) Contribution to Superannuation Fund

The Company makes annual Superannuation Fund contributions to defined contribution plan, administered by Life Insurance Corporation of India, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of specified salary to fund the benefits. The contribution is charged to the Statement of Profit and Loss

#### (b) Defined Benefit Plans:

##### (i) Gratuity

In accordance with The Payment of Gratuity Act 1972, the Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a payment to vested employees at retirement, death while in employment or on termination of employment, an amount equivalent to 15 days' salary payable for each year of completed service, subject to maximum amount as may be prescribed. Vesting occurs upon completion of five years of service, except in case of death while in employment in which case the legal heirs would receive the gratuity.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized as expenditure represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The Company makes contribution to Life Insurance Corporation of India to administer the fund. The changes in the actuarial assumptions are accounted through Other Comprehensive Income.

##### (ii) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to the company policy (The employees are paid in excess of the accumulated leave for the year). The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

##### (iii) Short Term employee benefits

The undiscounted amount of short-term employee benefits, expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services.

## 13. CURRENT AND DEFERRED TAX:

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the temporary differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward losses or MAT Credit, deferred tax assets are recognised only if there is a reasonable certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

#### 14. PROVISIONS AND CONTINGENT LIABILITIES:

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Current Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

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

**Contingent Assets:** Contingent Assets are disclosed when there is a possible benefit expected from past events, the existence of which will be confirmed only the occurrence or non-occurrence of one or more uncertain future events not wholly within the Control of the Company.

**Product Warranty Expenses:** Product Warranty expenses are accounted based on the claims received and accepted during the year and estimates in accordance with the warranty policy of the Company.

#### 15. LEASES:

The Company, at the inception of a contract, assesses whether the contract is a lease or not a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 01, 2019.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in the future lease payments arising from a change in an index rate or is there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than Rs 5 lakhs in value). The Company recognizes the lease payments associated with these leases as an expense over the lease term.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**16. SEGMENT ACCOUNTING:**

The Company operates in single segment. Operating segment is reported in a manner consistent with the internal reporting provided to the chief decision maker. Refer Note 40 for segment information presented.

**17. EARNINGS PER SHARE:**

Basic earnings per share is 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. 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 is adjusted for the effects of all dilutive potential equity shares.

**18. CASH AND CASH EQUIVALENTS:**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**19. CONTRIBUTED EQUITY:**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**20. DIVIDEND:**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Board.

**21. BORROWING COST:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**22. GOVERNMENT GRANTS:**

Government grants (including export incentives) are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

**23. FINANCIAL INSTRUMENTS:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Investments in equity instruments of joint venture:

The Company measures its investments in equity instruments of joint ventures at cost in accordance with Ind AS 27

**IP RINGS LIMITED**  
**CIN: L28920TN1991PLC020232**  
**CONSOLIDATED FINANCIAL STATEMENTS**



## CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IPRINGS LIMITED

#### Report on the audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **IP RINGS LIMITED** (the "Parent", the "Group") and the Group's share of loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31 March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and 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, and based on the consideration of reports of the other auditor on separate financial statements of the joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date..

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Response to Key Audit Matter
<p><b>Revenue Recognition</b></p> <p>Reference may be made to Note 60(11) of significant accounting policies and Note 22 and 29 to the consolidated financial statements of the Company.</p> <p>Revenue recognition is inherently an area of audit risk, which we have focused on mainly covering the aspects of cut off.</p> <p>Considering the above, impact of Ind AS 115 and cut-off are considered by us as key audit matters.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:</p> <p>i. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue.</p> <p>ii. Selected a sample of continuing and new contracts, and tested the operating</p>

	<p>effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>iii. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes, customer acknowledgement/proof of acceptance and the terms of sales.</p> <p>iv. We have also validated subsequent credit notes and sales returns up to the date of this Report to ensure the appropriateness and accuracy of the revenue recognition.</p> <p>v. We tested journal entries on a sample basis to identify any unusual or irregular items.</p> <p>vi. We also considered the adequacy of the disclosures in Company's consolidated financial statements in relation to Ind AS 115 and were satisfied they meet the disclosure requirements.</p> <p><b><u>Conclusion</u></b></p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to timing of revenue recognition and disclosure requirement of Ind AS 115 in the consolidated financial statements.</p>
<p><b>Impairment in Trade Receivables</b></p> <p>Reference may be made to Note 5 to the consolidated financial statements of the Company.</p> <p>The Group is exposed to potential risk of financial loss when there is the risk of default on receivables from the customers for which the Management would make specific provision against individual balances with reference to the recoverable amount. Such provision/allowance for credit losses is based on historical experience adjusted to reflect current and estimated future economic conditions.</p> <p>For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We have performed the following procedures in relation to the recoverability of trade receivables and computing allowance for credit losses:</p> <ul style="list-style-type: none"> <li>• Tested the effectiveness of the control over the methodology for computing the allowance for credit losses, including consideration of the economic conditions and completeness and accuracy of information used in the estimation of probability of default. Tested the accuracy of aging of trade receivables at year end on a sample basis.</li> <li>• Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with</li> </ul>

<p>timing and amount of realization of these receivables, are required for the identification of impairment events and the determination of the impairment charge.</p> <p>In view of the above, we identified allowance for credit losses as a key audit matter since significant judgement is exercised in calculating the expected credit losses/impairment charge.</p>	<p>management.</p> <ul style="list-style-type: none"> <li>Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made;</li> <li>Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis.</li> </ul> <p><b><u>Conclusion</u></b></p> <p>Based on the above procedures we found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence and consequently are satisfied on the sufficiency of provisions/allowance for credit losses.</p>
<p><b>Allowance for inventory obsolescence</b></p> <p>Refer to note 60(9)(b) of the consolidated financial statements.</p> <p>The Parent Company holds significant inventories and records allowance for identified and estimated inventory obsolescence.</p> <p>As at 31st March 2022, the Company had inventories of Rs.5285.29 lakhs.</p> <p>The Company provides for obsolescence of Inventory considering the inventory on hand, existing/probable customer orders, the production plan, expected utilization in production and expected sales. Further the estimates are validated by technological changes/legislative changes in the auto business and trends of the obsolescence in the past. The obsolescence covers inventory under Raw material, work-in-progress, and finished goods. Given the significant judgment involved in management's assessment, the allowance for inventory obsolescence is identified as a key audit matter</p>	<p><b>Our audit procedures in respect of this matter included:</b></p> <p>Understood management policy and process for identification of providing of obsolete inventory, including performing testing of controls to assess the effectiveness of the same. Reviewed the management's judgement applied in calculating the value of inventory obsolescence, taking into consideration the expected changes in auto industry and management assessment of the present and future condition of the inventory. Assessed the adequacy of the relevant disclosure in the notes to the financial statements.</p> <p><b><u>Conclusion</u></b></p> <p>Based on the above procedures performed, we consider the provision for inventory obsolescence to be reasonable.</p>

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

The Parent's Board of Directors is responsible for the preparation of other information in their Report to members, etc. The other information comprises the information included in the Annual report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint venture is traced from their financial statements audited by the other auditors. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our

opinion on whether the Parent 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

#### **Other Matters**

The consolidated financial statements also include the Group's share of net loss of Rs.1.87 lakhs for the year ended 31 March, 2022, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the joint venture referred to in the Other Matters section above we report, to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder.
- e. On the basis of the written representations received from the directors of the Parent Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its joint venture Company incorporated in India, none of the directors of the Group companies, its joint venture company incorporated in India is disqualified as on 31 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Parent Company to its directors during the year is in compliance with the provisions of Section 197, read with Schedule V of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us:
  - (i.) The Group has disclosed the impact of pending litigations on its financial position in its consolidated Financial Statements. (Refer Note 30)
  - (ii.) The Group has long-term contracts including derivative contracts for which there were no material foreseeable losses as at March 31, 2022.
  - (iii.) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv.) (a) The Parent Management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other

persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b)The Parent Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 48 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(v.) The final dividend declared for the previous year and paid by the Parent Company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 10.7 to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend so proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its joint venture included in the consolidated financial statements of the Company, to which reporting under CARO is not applicable, we report that there are no qualifications or adverse remarks in the CARO report.

**For M.S. Krishnaswami & Rajan**  
**Chartered Accountants-**  
**Registration No. 01554S**

**M.S. Murali – Partner**  
**Membership No. 26453**  
**UDIN: 22026453AKUGAM7126**

May 27, 2022  
Chennai



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of IP RINGS LIMITED)

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

We have audited the Internal Financial Controls Over Financial Reporting of **IP RINGS LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date. This report does not include the report on the internal financial controls of the joint venture, since the said report on internal financial controls is not applicable to the joint venture.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the 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 Parent 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 (iii) 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, considering the remediation measures taken by the Parent Company, to the best of our information and according to the explanations given to us, the Company has maintained, 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 of March 31, 2022, based on the internal control over financial reporting criteria established by the Parent 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 M.S. Krishnaswami & Rajan**  
**Chartered Accountants-**  
**Registration No. 01554S**

**M.S. Murali – Partner**  
**Membership No. 26453**  
**UDIN: 22026453AKUGAM7126**

May 27, 2022  
Chennai

## CONSOLIDATED BALANCE SHEET

Particulars	Note No.	As at March 31, 2022 ₹ In Lakhs
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	1A	14,599.83
Capital work-in-progress	1A	454.47
Right-of-use assets	1B	495.02
Intangible assets	1C	317.01
Financial assets		
- Investments	2A	49.89
- Other financial assets	2B	197.56
Income tax assets (net)	2C	121.67
Other non-current assets	3	237.08
<b>Current assets</b>		
Inventories	4	5,285.29
Financial assets		
(i) Trade receivables	5	6,728.25
(ii) Cash and cash equivalents	6	339.84
(iii) Bank balances other than (ii) above	7	8.13
(iv) Other financial assets	8	143.80
Current Tax Assets	9	214.75
Other current assets	9A	876.34
<b>TOTAL ASSETS</b>		<b>30,068.93</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share capital	10	1,267.59
Other equity	11	9,915.93
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	12	5,046.83
(ii) Lease liabilities	13	452.79
(iii) Other financial liabilities	13	7.62
Provisions	14	122.67
Deferred tax liabilities (Net)	15	250.89
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	16	5,758.34
(ii) Lease liabilities	17	
(iii) Trade payables	18	
a) Total outstanding dues of Micro and Small Enterprises		296.42
b) Total outstanding dues other than Micro and Small Enterprises		6,020.93
(iv) Other financial liabilities	19	607.04
Other current liabilities	20	215.83
Provisions	21	24.39
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,068.93</b>

The accompanying notes form an integral part of the Consolidated financial statements  
This is the Balance sheet referred to in our Report of even date

For M S Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No: 01554S

A VENKATARAMANI  
Managing Director  
DIN: 00277816

R. VENKATARAMAN  
Chief Financial Officer

M S Murali  
Partner  
Membership No. 26453  
UDIN: 22026453AKUGAM7126

M. GOVINDARAJAN  
Director  
DIN: 09264840

VIKRAM VIJAYARAGHAVAN  
Director  
DIN: 01944894

Chennai  
27-May-2022

V ANANTHA SUBRAMANIAN  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the year Ended March 31, 2022 ₹ In Lakhs
<b>Income</b>		
Revenue From Operations	22	27,271.49
Other Income	23	229.35
<b>Total Income</b>		<u>27,500.84</u>
<b>Expenses</b>		
Cost of Materials Consumed	24	9,262.68
Changes in Inventories of Finished goods and Work-in-Progress	25	(1,075.23)
Employee Benefits Expense	26	2,876.43
Finance Costs	27	1,002.29
Depreciation and Amortization Expense	1.A,1.B,1.C	1,434.18
Other Expenses	28	12,895.46
<b>Total Expenses</b>		<u>26,395.81</u>
<b>Profit/ (loss) before Share of Loss from Joint Venture, exceptional items and tax</b>		1,105.03
Share of Loss from Joint Venture		(1.87)
<b>Profit/ (loss) before exceptional items and tax</b>		<u>1,103.16</u>
Exceptional items		-
<b>Profit/ (loss) before tax</b>		<u>1,103.16</u>
<b>Tax Expense:</b>		
Current tax - Current Year		186.73
- Previous Year		15.20
MAT Credit Entitlement		(189.66)
Deferred tax		271.28
<b>Total Tax expense</b>		<u>283.55</u>
<b>Profit/ (loss) for the year</b>	(A)	<u>819.61</u>
<b>Other Comprehensive Income (OCI)</b>		
i. Items that will not be reclassified to Profit or Loss		
– Remeasurement of Defined Benefit Plans		20.32
– Fair valuation of investments valued through OCI- Gain/(Loss)		0.08
ii. Income tax relating to items that will not be reclassified to Profit or Loss		(5.65)
i. Items that will be reclassified to profit or loss		
–Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-
<b>Total Other Comprehensive Income</b>	(B)	<u>14.75</u>
<b>Total Comprehensive Income</b>	(A+B)	<u>834.36</u>
Profit / (loss) attributable to equity share holders		819.61
<b>Earnings per Equity Share, Face Value of the Share Rs.10/-</b>		
- Basic & Diluted	43	6.47

The accompanying notes form an integral part of the Consolidated financial statements  
This is the Statement of Profit and loss referred to in our Report of even date

For M S Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No: 01554S

A VENKATARAMANI  
Managing Director  
DIN: 00277816

R. VENKATARAMAN  
Chief Financial Officer

M S Murali  
Partner  
Membership No. 26453  
UDIN: 22026453AKUGAM7126  
Chennai  
27-May-2022

M. GOVINDARAJAN  
Director  
DIN: 09264840

VIKRAM VIJAYARAGHAVAN  
Director  
DIN: 01944894

V ANANTHA SUBRAMANIAN  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT

Particulars	For the year Ended March 31, 2022 ₹ In Lakhs
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit/ (Loss) before tax	1,103.16
Adjustments for:	
Provision for Doubtful debts made – Net	(14.95)
Share of loss Joint Ventures	1.87
Bad debts written off	4.12
Provision for Inventory	8.28
Unrealized exchange fluctuation	81.92
Depreciation	1,434.18
Interest Expense	1,002.29
Interest Income	(60.05)
Loss/(Profit) on sale of fixed assets	(0.25)
<b>Operating profit/(Loss) before working capital changes</b>	<b>3,560.57</b>
Adjustments for changes in:	
(Increase)/ Decrease in Trade receivables	(1,121.23)
(Increase)/ Decrease in Inventories	(572.90)
(Increase) /Decrease in Other Financial Assets	(15.35)
(Increase)/Decrease in Other Current Assets	(278.68)
Increase / (Decrease) in Non-Current provisions	21.79
Increase / (Decrease) in Trade Payables	990.77
Increase / (Decrease) in Other Financial Liabilities	(206.90)
Increase / (Decrease) in Other Current Liabilities	66.92
Increase / (Decrease) in Current Provisions	(14.86)
<b>Cash flow from operations</b>	<b>2,430.13</b>
Income Tax paid	(153.20)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,276.93</b>
	<b>[A]</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Payments for acquisition of assets – Net	(2,638.82)
Receipts from disposal of fixed Assets	0.50
(Increase) / Decrease in Other Non-Current Assets – Capital advances	202.81
Increase / (Decrease) in Capital Creditors	(227.07)
Interest received	60.05
Investment in joint venture	(50.50)
<b>NET CASH FLOW (USED IN) INVESTING ACTIVITIES</b>	<b>(2,653.03)</b>
	<b>[B]</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from Long term borrowings	3,315.40
Repayment of long-term borrowings	(1,442.91)
Proceeds from short term borrowings	2,088.98
Repayment of short-term borrowings	(2,475.48)
Interest paid	(955.98)
Investment in fixed deposit	(155.00)
Payment of dividend*	(190.14)
Payment of lease liability	(127.14)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>57.73</b>
	<b>[C]</b>

## CONSOLIDATED CASH FLOW STATEMENT

Particulars		For the year Ended March 31, 2022 ₹ In Lakhs
<b>NET CASH INFLOW</b>	<b>[A+B+C]</b>	<b>(318.37)</b>
Opening Cash and Cash Equivalents	[D]	658.21
Closing Cash and Cash Equivalents	[E]	339.84
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>[E-D]</b>	<b>(318.37)</b>

\*Net of earmarked balances

Previous figures have been regrouped/reclassified wherever necessary

The accompanying notes form an integral part of the Consolidated financial statements

This is the Cash Flow Statement referred to in our Report of even date

For M S Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No: 01554S

A VENKATARAMANI  
Managing Director  
DIN: 00277816

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Chennai  
27-May-2022

V ANANTHA SUBRAMANIAN  
Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2022

### A. Equity Share Capital

(₹ In Lakhs)

Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 01, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,267.59	-	1,267.59	-	1,267.59

### B. Other Equity

PARTICULARS	Reserves & Surplus			Items of other comprehensive Income		Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Remeasurement of defined benefit plans	Fair Value Adjustment for investment	
<b>Balance as at April 01, 2021</b>	<b>3,015.27</b>	<b>5,302.25</b>	<b>1,093.25</b>	<b>(138.79)</b>	<b>(0.27)</b>	<b>9,271.71</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2021	3,015.27	5,302.25	1,093.25	(138.79)	(0.27)	9,271.71
Total Comprehensive Income for the current year	-	-	819.61	14.67	0.08	834.36
Dividends			(190.14)			(190.14)
Transfer to retained earnings	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>3,015.27</b>	<b>5,302.25</b>	<b>1,722.72</b>	<b>(124.12)</b>	<b>(0.19)</b>	<b>9,915.93</b>

a) In accordance with provisions of Para 122 of Ind AS 19, the company has transferred all re-measurement costs recognised in the past periods upto April 1, 2015 within the accumulated profit or loss (a component of equity).

b) The above amount (other than the balance in Securities Premium Reserve) are generally available for distribution of dividend subject to the provisions of the Companies Act, 2013.

c) Share application money pending allotment, Equity component of Compound financial instruments, Capital Reserves, Effective portion of Cash Flow hedges, Revaluation surplus etc. Rs.Nil

This is the Statement of Changes in Equity referred to in our Report of even date

For M S Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No: 01554S

A VENKATARAMANI  
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Chennai  
27-May-2022

V ANANTHA SUBRAMANIAN  
Company Secretary

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 1.A PROPERTY, PLANT AND EQUIPMENT (PPE)

(2021- 22 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				DEPRECIATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2021	Additions / Adjustments	(Disposals)	31.03.2022	Upto 31.03.2021	Charge during the year	(Disposals)	Upto 31.03.2022	As at 31.03.2022
Land - Freehold	33.90	-	-	33.90	-	-	-	-	33.90
Buildings	2,589.14	53.82	-	2,642.96	406.68	98.42	-	505.10	2,137.86
Plant & Machinery	14,641.25	1,800.94	-	16,442.19	4,081.12	994.30	-	5,075.42	11,366.77
Electrical Installations	903.19	186.60	-	1,089.79	314.84	82.52	-	397.36	692.43
Furniture & Fixtures	107.42	9.29	-	116.71	46.39	10.46	-	56.85	59.86
Vehicles	242.25	46.44	(0.45)	288.24	99.52	30.83	(0.30)	130.05	158.19
Office Equipment	308.53	76.00	(1.39)	383.14	195.15	38.46	(1.29)	232.32	150.82
<b>TOTAL</b>	<b>18,825.68</b>	<b>2,173.09</b>	<b>(1.84)</b>	<b>20,996.93</b>	<b>5,143.70</b>	<b>1,254.99</b>	<b>(1.59)</b>	<b>6,397.10</b>	<b>14,599.83</b>

DESCRIPTION	01.04.2021	-	Additions	-	-	-	Capitalized	-	As at 31.03.2022
Capital Work - in - Progress	192.48	-	2,435.08	-	-	-	(2,173.09)	-	454.47

#### Capital-Work-in Progress aging schedule

DESCRIPTION	Less than 1 Year	1 – 2 Years	2 – 3 Years	More than 3 years	Total
Projects in Progress	454.47	-	-	-	454.47
Projects temporarily Suspended	-	-	-	-	-

1. The Company makes periodical assessment of the PPE considering product and technological obsolescence, process change, replacement and Beyond Economic Repair (BER) and other factors and accordingly, brings down the carrying value to its current fair value less cost of disposal to recognize the impairment, if any, through Statement of profit and loss . Impairment loss recognised during the year Rs.Nil
2. For amount of contractual commitments for the acquisition of PPE (Refer Note 31)
3. For details of assets given as security against borrowings, Refer Note 12(a)
4. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
5. Capital Work in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan - Nil
6. CWIP is to be completed in less than 1 year.

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.B NON-CURRENT ASSETS - RIGHT OF USE OF ASSETS

(2021-22 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				AMORTISATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2021	Additions	(Disposals)/ Adjustments	31.03.2022	Upto 31.03.2021	Charge during the year	(Disposals)/ Adjustments	Upto 31.03.2022	As at 31.03.2022
Server and Storage	44.93	-	-	44.93	29.54	14.12	-	43.66	1.27
Leasehold Land	598.13	7.76	-	605.89	12.46	99.68	-	112.14	493.75
<b>TOTAL</b>	<b>643.06</b>	<b>7.76</b>	<b>-</b>	<b>650.82</b>	<b>42.00</b>	<b>113.80</b>	<b>-</b>	<b>155.80</b>	<b>495.02</b>

**Note:**

- Additions during the year is pursuant to amendment in lease terms
- Escalation clause – the percentage of escalation is upto a maximum of 10%
- Discount rate used for the purpose of computing Right to Use asset ranges from 7.95% to 12.75% p.a.
- Rental amount (undiscounted) per annum ranges from Rs. 17.68 Lakhs to Rs. 109.46 lakhs which also carries a clause for extension of agreement based on mutual understanding between lessor and lessee.
- The lease period ranges from 36 months to 72 months over which the Right-to-use asset is depreciated on a straight-line basis.
- Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
- Lease agreements are duly executed in favor of the Company



**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**1.C INTANGIBLE ASSETS**

(2021-22 ₹ In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT				AMORTISATION / IMPAIRMENT				NET CARRYING AMOUNT
	01.04.2021	Additions	(Disposals)	31.03.2022	Upto 31.03.2021	Charge during the year	(Disposals)	Upto 31.03.2022	As at 31.03.2022
Technical Knowhow Fee	111.54	-	-	111.54	111.54	-	-	111.54	-
Computer software – Acquired	224.25	-	-	224.25	45.60	49.48	-	95.08	129.17
Product Development – Acquired	0.01	-	-	0.01	0.01	-	-	0.01	-
Product Development – Internally Generated	105.86	203.74	-	309.60	105.85	15.91	-	121.76	187.84
<b>TOTAL</b>	<b>441.66</b>	<b>203.74</b>	<b>-</b>	<b>645.40</b>	<b>263.00</b>	<b>65.39</b>	<b>-</b>	<b>328.39</b>	<b>317.01</b>

DESCRIPTION	01.04.2021	ADDITIONS	CAPITALIZATION	AS AT 31.03.2022
Capital Work in Progress	-	203.74	203.74	-

1. The Company makes periodical assessment of the PPE considering product and technological obsolescence, process change, replacement and Beyond Economic Repair (BER) and other factors and accordingly, brings down the carrying value to its current fair value less cost of disposal to recognize the impairment, if any, through Statement of profit and loss Impairment loss recognised during the year Rs.Nil.
2. For amount of contractual commitments for the acquisition of PPE (Refer Note 31)
3. Additions to Product Development - Internally Generated represents net material cost (Gross cost - Rs.434.66 lakhs less Proceeds Rs.230.92 lakhs) incurred on new products developed during the year.

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

As at  
March 31, 2022  
₹ In Lakhs

**2A. NON-CURRENT FINANCIAL ASSETS – INVESTMENTS**

**A. Investments in Equity Instruments (unquoted)**

**1) Joint Venture (accounted under equity method)**

505000 (2021: Nil) equity shares of Rs.10 (2021: Nil) each fully paid in IPR Eminox Technologies Private Limited	
Cost of Acquisition	50.50
Less: Group Share of Loss	(1.87)
Carrying amount of Investment	48.63

**2) Others (at fair value through OCI)**

5600 (2021: 5600) equity shares of Rs 10 (2021: Rs 10) each fully paid in K. Ramakrishnan Clean Energy Pvt Ltd	0.56
--	------

**B. Investments in Equity Instruments (quoted) - (at fair value through OCI)**

1815 (2021: 1815) equity shares of Rs.2 (2021: Rs 2) each fully paid in Union Bank of India (Quoted) - Market Value being Rs.38.70 per share (2021: Rs.34.05 per share)	0.70
---	------

Refer Note 41

**2B. NON-CURRENT OTHER FINANCIAL ASSETS**

Security Deposits - Lease Rent Deposits	47.56
Bank deposit with original maturity of greater than 12 months	150.00
	197.56

**2C. NON-CURRENT INCOME TAX ASSETS (NET)**

Advance Income Tax (net of provision)	121.67
	121.67

**3. NON-CURRENT ASSETS – OTHERS**

Capital Advances	237.08
	237.08

**4. INVENTORIES\***

(a) Raw materials	1,499.57
(b) Work-in-progress	1,136.79
(c) Finished goods	1,878.60
(d) Stores	770.33
	5,285.29
Goods in Transit Comprises of	
Raw materials	21.93
Stores	-
Finished Goods	15.71

\* Net off provision made for slow and non-moving stock reflected in Note 24/25

**Movement in provision is as follows:**

Opening	185.49
Add: Additions	8.28
Closing	193.77

Cost of material consumed (including cost of purchased goods) during the year is Rs 8,187.45 lakhs (2020-21: Rs 5,985.34 lakhs) reflected in Notes 24 and 25. Refer Note 12(a) for details of inventories pledged as security for liabilities.

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at  
March 31, 2022  
₹ In Lakhs

### 5. TRADE RECEIVABLES

(a) Unsecured considered good	6,728.25
(b) Unsecured considered doubtful	10.43
(c) Less: Allowance for Credit Loss	(10.43)
	6,728.25

Note:

Movement in loss allowance is as follows:

Opening	25.38
Add: Additions	-
Less: Reversal	(14.95)
Closing	10.43

Refer Note 46(c) for receivables from related parties

5.1 These are carried at amortised cost.

5.2 Trade Receivables which have significant increase in credit risk/ credit impaired

### Trade Receivable - Ageing

₹ In Lakhs

Particulars		Outstanding As at March 31, 2022 for following periods from due date of Payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good - Related Parties	1,239.13	113.83	1.71	-	20.73	1,375.40
(ii)	Undisputed Trade Receivables –considered good - Others	5,314.50	48.78				5,363.28
(iii)	Allowance for Credit Loss						(10.43)

### 6. CASH AND CASH EQUIVALENTS

(a) Cash on hand	0.24
(b) Balances with banks in Current accounts	339.60
	339.84

### 7. OTHER BANK BALANCES

(a) Earmarked balances for dividend	3.13
(b) Deposits with original maturity of more than 3 months but less than 12 months	5.00
	8.13

### 8. CURRENT FINANCIAL ASSETS – OTHERS

Unsecured Considered good, unless otherwise stated

(a) Security Deposits	
Lease Rent Deposits	17.74
Other Deposits	102.45
	120.19
(b) Employee Advances	-
(c) Export incentive	13.46
(d) Other receivables	3.92
(e) Other loans and advances	6.23
(f) Other loans and advances - Considered Doubtful	16.81
Less: Provision for Doubtful Advances	(16.81)
	6.23
<b>TOTAL</b>	<b>143.80</b>

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2022 ₹ In Lakhs
<b>9. CURRENT INCOME TAX ASSETS (NET)</b>	
Current Tax Assets - Refund due	214.75
	214.75
<b>9A. OTHER CURRENT ASSETS</b>	
(a) Prepaid expenses	117.06
(b) Prepaid Gratuity	20.62
(c) Balances with government authorities	119.75
(d) Export incentive - MEIS/RoDTEP Licence	61.46
(e) Supplier Advances	51.01
(f) Others*	506.44
	876.34

\* Includes GST Credit to be availed Rs.464.16 Lakhs

### 10. SHARE CAPITAL

#### Authorized

2,00,00,000 (2021: 2,00,00,000) Equity Shares of Rs. 10 each

2,000.00

2,000.00

#### Issued, Subscribed and fully paid up

1,26,75,865 (2021: 1,26,75,865) Equity shares of Rs. 10 each fully paid up

1,267.59

1,267.59

#### 1. Reconciliation of number of Equity shares subscribed

Balance as at the beginning of the year - No of shares

1,26,75,865

Add: Issued/bought back during the year

-

**Balance as at the end of the year - No of shares**

1,26,75,865

#### 2. Shares issued in preceding 5 years

On 12.01.17, the Company invited its shareholders to subscribe to a rights issue of 56,33,718 equity shares at an issue price of Rs. 88.75 per share, with such shares to be issued to rank pari passu for dividends after 16.02.17. The issue was fully subscribed. Aggregate number and class of equity shares allotted for consideration other than cash, bonus etc... in the five years immediately preceding the Balance Sheet date as on March 31, 2022 is NIL

#### 3. Details of Equity shares held by its holding company including shares held by subsidiaries or associates of the holding company in aggregate

Shareholder- Relationship	As at March 31, 2022	
	No. of Shares	%
Simpson & Co., Ltd.- Holding Company	37,67,000	29.72
Tractor & Farm Equipment Limited- Fellow Subsidiary	14,40,192	11.36
India Pistons Ltd.- Fellow subsidiary	12,69,885	10.02
Amalgamations Pvt. Ltd.- Ultimate Holding Company	6,91,380	5.45
The United Nilgiri Tea Estates Co. Ltd.	3,600	0.03

#### 4. Shareholders holding more than 5% of the total share capital

Name of the Shareholder	As at March 31, 2022	
	No. of Shares	%
Simpson & Co., Ltd.	37,67,000	29.72
Tractor & Farm Equipment Limited	14,40,192	11.36
India Pistons Ltd.	12,69,885	10.02
Enam Shares & Securities Pvt Ltd	10,66,552	8.41
Nippon Piston Ring Co., Ltd.	7,04,200	5.56
Amalgamations Pvt. Ltd.	6,91,380	5.45

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 5. Shareholding of Promoters

Name of the Promoter	As at March 31, 2022	
	No. of Shares	%
Simpson & Co., Ltd.	37,67,000	29.72
Tractor & Farm Equipment Limited	14,40,192	11.36
India Pistons Ltd.	12,69,885	10.02
Amalgamations Pvt. Ltd.	6,91,380	5.45
The United Nilgiri Tea Estates Co. Ltd.	3,600	0.03

### 6. Rights, preferences and restrictions in respect of equity shares issued by the Company

The equity shareholders are entitled to receive dividend as and when declared, a right to vote in proportion of holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue and the provisions of the Companies Act, 2013.

### 7. Dividend

The Board of Directors in their meeting on May 27, 2022 recommended a final dividend of Rs.2/- per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company.

		As at March 31, 2022 ₹ In Lakhs
11.	<b>Other Equity*</b>	
	General Reserve <span style="float: right;">A</span>	3,015.27
	Securities Premium Reserve <span style="float: right;">B</span>	5,302.25
	Other comprehensive Income	(124.31)
	Retained Earnings <span style="float: right;">C</span>	1,722.72
	<b>TOTAL</b>	<b>9,915.93</b>

\* Refer Statement of Changes in equity for additions / deletions in each reserve.

A. General reserve is created from time to time by transferring profits from retained earnings and can be utilized for the purposes such as payment of dividends.

B. Securities Premium Reserve represents premium received on equity shares issued which can be utilized only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

C. Retained Earnings is generally available for distribution of dividend subject to the provisions of the Companies Act, 2013.

### 12. NON- CURRENT FINANCIAL LIABILITIES – BORROWINGS

#### Secured

Term Loans	
From Banks	5,046.83
From Financial Institutions	-
	<b>5,046.83</b>

**12 (a) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:**

Particulars	Terms of repayment and security
<b>Term Loans</b>	
From Banks	The term loans are availed for purchase of assets relating to Capital Projects and are secured by hypothecation of specific assets purchased out of the said loan. The weighted average rate of interest of these loans is around 7.71%. Per annum. The loans availed for purchase of Vehicles are secured by hypothecation of vehicles purchased out of the said loan. The weighted average rate of interest of these loans is around 8.50 %. Per annum.
From Financial Institutions	Loan taken from other parties for term loan are secured by hypothecation of specific asset. The weighted average rate of interest of these loans is around 10.75%. Per annum.

**Details of security for the Secured short-term borrowings:**
**Loans repayable on demand from Banks:**

Particulars	Terms of repayment and security
Cash Credit	First pari-paasu charge on working capital assets viz. inventory, book debts and other current assets with other lenders under multiple banking arrangements. The weighted average rate of interest of these loans is around 7.65%. Per annum.
Working Capital Demand loan	Hypothecation of stock and book debts on pari-paasu basis. The weighted average rate of interest of these loans is around 6.30%. Per annum.

**Terms of Repayment**
**Loan Description**

- a. Term Loans – Banks
- b. Term Loans- other parties
- c. Unsecured Term Loan from Bank

**Repayment Terms**

- Both monthly and Quarterly installments
- Monthly installment
- Monthly installment

12(b). The quarterly returns/statements of current assets (as revised) filed by the Company with banks/financial institutions are in agreement with the books of accounts.

12(c). The Company has applied the monies raised by way of term loans for the purposes for which they were obtained.

12(d). The Company has not utilized the funds raised on short term basis for long term purposes.

12(e). The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

**13 NON-CURRENT OTHER FINANCIAL LIABILITIES**

Lease liabilities (Refer note 45)	452.79
Derivative Liabilities (Refer note 38)	7.62
	460.41

**14. NON-CURRENT PROVISIONS**

<b>Provision for Employee benefits</b>	
Compensated Absences	122.67
	122.67

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at  
March 31, 2022  
₹ In Lakhs

### 15. DEFERRED TAX (ASSET) / LIABILITY

#### Deferred Tax Asset:

Unabsorbed depreciation	(334.84)
Expenses allowable on payment	(56.33)
Provision for Inventory and debtors	(56.81)
MAT Credit	(776.02)
	(1,224.00)

#### Deferred Tax Liability:

Depreciation and amortization on PPE & Intangibles	1,474.89
<b>Net Deferred Tax Liability / (Asset)</b>	<b>250.89</b>

\* The company has recognised deferred tax asset for Unabsorbed depreciation considering the future projected profitability.

### 16. CURRENT BORROWINGS

#### Secured

Loans repayable on demand *	
- From Banks	2,611.61
<b>Current Maturities of Long-term borrowings*</b>	
From Banks	2,131.00
From Other Parties	15.73

#### Unsecured

Loans repayable on demand *	
From Banks	1,000.00
	<b>5,758.34</b>

\* Refer Note 12(a) for security details

### 17. LEASE LIABILITIES

Lease liabilities (Refer note 45)	81.66
	<b>81.66</b>

### 18. TRADE PAYABLES

Trade Payables to Micro, Small & Medium Enterprises	296.42
Acceptances - Letter of Credit	230.13
Trade Payables - others	5,118.00
Trade Payables- Due to related parties*	2.21
Vendor Bills Payable	670.59
	<b>6,317.35</b>

\* Refer Note 46(c)

#### Trade Payables – Ageing.

Rs. In Lakhs

Particulars	Outstanding As at March 31, 2022 for following periods from due date of Payment				
	Less than 1 Year	1 – 2 years	2 – 3 Years	More than 3 years	Total
(i) MSME	296.42				296.42
(ii) Others	5,906.67	82.71	24.77	6.78	6,020.93
<b>Total</b>	<b>6,203.09</b>	<b>82.71</b>	<b>24.77</b>	<b>6.78</b>	<b>6,317.35</b>

### 19. OTHER FINANCIAL LIABILITIES

Interest accrued but not due on borrowings	25.05
Capital Creditors	205.89
Unclaimed dividend	3.10
Dues towards Funded Gratuity - LIC	-
Employee related payables	251.72
Derivative Liabilities (Refer note 38)	41.57
Other payables	79.71
	<b>607.04</b>

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year  
ended 31, 2022  
₹ In Lakhs

<b>20. OTHER CURRENT LIABILITIES</b>	
Statutory dues	207.63
Contract liabilities - Customer Advances	8.20
	<u>215.83</u>

<b>21. CURRENT PROVISIONS</b>	
<b>Provision for Employee benefits</b>	
Compensated Absences	24.39
	<u>24.39</u>

**21.1 Movement in Provision for Compensated Absences in Note 14 and Note 21 is as follows**

Particulars	Opening	Additions (net of utilization)	Closing
March 2022	140.13	6.93	147.06
March 2021	145.25	(5.12)	140.13

<b>22. REVENUE FROM OPERATIONS</b>	
(a) <b>Sale of Products</b>	
Rings Sales	6,868.54
OCF Sales	17,116.70
Pin Sales	1,774.29
Tooling Sales	586.98
(b) <b>Sale of Services</b>	271.34
(c) <b>Other operating revenues</b>	
Export Incentives	396.51
Scrap Sales	257.13
	<u>27,271.49</u>

<b>23. OTHER INCOME</b>	
(a) Interest income	60.05
(b) Liabilities no longer required written back	143.72
(c) Exchange Gain	19.80
(d) Other non-operating income	5.53
(e) Profit on Sale of Assets	0.25
	<u>229.35</u>

<b>24. COST OF MATERIALS CONSUMED*</b>	
(a) Opening Stock	1,877.07
(b) Add: Purchases	8,885.18
(c) Less: Closing Stock	(1,499.57)
	<u>9,262.68</u>

\* Net of Material cost (net) on New Product Development capitalised.  
Refer Note 1.C(3)

<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK – IN –PROGRESS</b>	
(a) (Increase) / Decrease in Work-in-Progress	(225.28)
(b) (Increase) / Decrease in Finished Goods	(849.95)
	<u>(1,075.23)</u>

<b>26. EMPLOYEE BENEFITS EXPENSE</b>	
(a) Salaries and wages	2,343.99
(b) Contribution to provident and other funds	155.51
(c) Staff welfare expenses	376.93
(d) Less: Expenses capitalized	-
	<u>2,876.43</u>



**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	For the year Ended March 31, 2022 ₹ In Lakhs
<b>27. FINANCE COSTS</b>	
(a) Interest expenses	896.61
(b) Interest on leases	46.31
(c) Exchange loss regarded as adjustment to interest costs	15.35
(d) Other borrowing costs	44.02
	<u>1,002.29</u>
<b>28. OTHER EXPENSES</b>	
Sub - Contracting Expenses	4,899.28
Power and Fuel	1,148.24
Stores Consumed	3,958.84
Exchange (Gain)/Loss	-
Mark to Market Loss on - derivatives (Refer note 38)	14.35
Rent	77.07
Rates and Taxes	37.97
Insurance	109.29
Travelling and Conveyance	346.39
Packing and Forwarding	246.97
Advertisement	2.73
Royalty	177.31
Consultation Fee	188.09
Directors' Sitting Fees	5.96
Freight	741.08
Payment to Auditors	19.41
Repairs and Maintenance	
- Buildings	16.52
- Machinery and Electrical Installations	479.79
- Vehicles	42.28
- Computer System	71.78
Bad Debts written off	4.12
Provision for doubtful receivables made/ (written back) - Net	(14.95)
CSR Expenses	22.50
Research and Development expense	4.30
Commission to Non-Whole Time Directors	10.00
Miscellaneous Expenses	286.14
	<u>12,895.46</u>
	<b>March 31, 2022</b>
	<b>₹ In Lakhs</b>
<b>29. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	
<b>29.1</b> Disaggregated revenue information	
<b>Type of goods and service</b>	
(a) Sale of products	
Rings Sales	6,868.54
OCF Sales	17,116.70
Piston Pin Sales	1,774.29
Tooling Sales	586.98
(b) Revenue from services	
- Jobwork	271.34
(c) Other operating revenues	
- Scrap sales	257.13
<b>Total revenue from contract with customers</b>	<u>26,874.98</u>
India	16,147.71
Outside India	10,727.27
<b>Total revenue from contract with customers</b>	<u>26,874.98</u>

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2022  
₹ In Lakhs

Timing of revenue recognition	March 31, 2022	
	At a point in time	Over a period of time
Sale of products	26,603.64	-
Revenue from Services - Job Work	271.34	-
<b>Total revenue from contract with customers</b>	<b>26,874.98</b>	<b>-</b>

Particulars	For the year Ended March 31, 2022 ₹ In Lakhs
<b>29.2 Contract balances</b>	
Trade receivables	6,728.25
Contract liabilities	8.20
Trade receivables are non-interest bearing and are generally as per terms of contract. Contract liabilities are Amounts received from customers in respect of obligation to be performed by the Company.	
<b>29.3 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price</b>	
Revenue as per contracted price	26,874.98
<b>Adjustments</b>	
Rebates and discounts	-
<b>Revenue from contract with customers</b>	<u>26,874.98</u>
Export Incentives	396.51
<b>Total Revenue from Operations as per Note 22</b>	<u>27,271.49</u>
<b>30. CONTINGENT LIABILITY</b>	
<b>Claims against the Company not acknowledged as debts</b>	
(a) Bills Discounted	460.41
(b) Outstanding Letters of Credit	200.06
(c) Bank Guarantees	15.85
(d) Income Tax matters under appeal*	21.10
(e) The impact of the retrospective operation of the amendment to the Payment of Bonus Act, 1965 for the financial year 2014-15 has not been considered in accounts in view of stay granted by Madras and High Courts in India*	-
*Future cash outflows in respect of the above are determinable only on receipt of judgement/decisions pending with various forums/authorities.	
<b>31. COMMITMENTS</b>	
Capital commitments (net of advances) not provided for	124.09
The outflow in respect of the above is not practicable to ascertain in the View of uncertainty involved.	
<b>32. VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>	
Raw materials	<u>1,774.24</u>
	<u>1,774.24</u>
Stores consumed	147.70
Spare parts	69.07
<b>Total Components and spare parts</b>	<u>216.77</u>
Capital goods	572.90

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year  
Ended  
March 31, 2022  
₹ In Lakhs

**33. EXPENDITURE IN FOREIGN CURRENCY (ON PAYMENT BASIS)**

Royalty	192.39
Travel	1.71
Professional Fee / Technical Services	90.66
Capital Expenditure / Advance	478.54
Others	295.35
	<u>1,058.65</u>

**34. DETAILS OF CONSUMPTION IN NOTE 24,25 AND 28 OF IMPORTED AND INDIGENOUS ITEMS**

<b>Imported - 25.24%</b>	
Raw materials	2,589.05
Spares & Loose tools	274.85
	<u>2,863.90</u>
<b>Indigenous - 74.76%</b>	
Raw materials	5,596.96
Spares & Loose tools	3,685.43
	<u>9,282.39</u>

**35. EARNINGS IN FOREIGN EXCHANGE**

Export of goods calculated on FOB basis	10,582.67
	<u>10,582.67</u>

**36. INCOME TAXES RELATING TO CONTINUING OPERATIONS**

March 31, 2022  
₹ In Lakhs

**Income tax recognised in profit or loss**

Current Tax	201.93
MAT Credit entitlement	(189.66)
Deferred tax	271.28
Total income tax expense recognised in the current year	<u>283.55</u>

The income tax expense for the year can be reconciled to the accounting profit as follows:

<b>Profit/(loss) before tax from continuing operations</b>	<b>1,103.16</b>
Income tax expense calculated at %	27.82
Income tax expense	306.90
Effect of expenses that are deductible in determining taxable profit of the current year	(7.80)
Effect of unabsorbed depreciation/loss of previous years utilized in current year	148.94
Others	(179.69)
Adjustments recognised in the current year in relation to the current tax of prior years	15.20
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<b><u>283.55</u></b>

The tax rate used for the reconciliations above is the corporate tax rate of 27.82 % (for the year 2021-22) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

**Income tax recognised in other comprehensive income**

<b>Current tax</b>	
Remeasurement of defined benefit obligation	-
<b>Deferred tax</b>	
Remeasurement of defined benefit obligation	5.65
<b>Total income tax recognised in other comprehensive income</b>	<u>5.65</u>

**Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

Deferred tax assets (including MAT credit)	(1,224.00)
Deferred tax liabilities	1,474.89
	250.89

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, depreciation carry-forwards and unused tax credits could be utilized.

**37. EMPLOYEE BENEFITS**

**Defined Contribution Plan**

Contribution to Defined Contribution Plan, are charged off for the year as under

Employer's Contribution to Provident Fund	106.07
Employer's Contribution to Superannuation Fund	20.48

**Defined Benefit Plan**

**Gratuity:**

The Company operates gratuity plan through approved gratuity fund with Life Insurance Corporation of India. Every employee is entitled to the benefit in accordance with The Payment of Gratuity Act, 1972, as applicable from time to time, except in the case of Managing Director where there is no maximum limit. The present value of obligation is determined based on actuarial valuation.

**Leave Salary Encashment:**

Eligible employees can carry forward and encash leave on superannuation or death or permanent disablement subject to a maximum accumulation of 60 days except in the case of Managing Director where there is no limit to maximum accumulation. The present value of obligation is determined based on actuarial valuation.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

These plans typically expose the Company to actuarial risks such as:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**37. EMPLOYEE BENEFITS – [Contd]**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity and Compensated absences	
Discount rate(s)	7.00%
Expected rate(s) of salary increase	7.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

Gratuity	
Current service cost	30.78
Past service cost	-
Net interest expense	34.83
Return on plan assets (excluding amounts included in net interest expense)	(36.65)
<b>A Components of defined benefit costs recognised in profit or loss</b>	<b>28.96</b>
The above expenses for the year are included under 'Contribution to provident, gratuity and other funds' in the 'employee benefits expense' in statement of profit or loss.	
Remeasurement on the net defined benefit liability comprising:	
Actuarial(gains) /losses arising from obligations	(20.32)
<b>B Components of defined benefit costs recognised in other comprehensive income</b>	<b>(20.32)</b>
<b>A+B Total</b>	<b>8.64</b>

The Remeasurement of the net defined benefit liability is included in other comprehensive income.

**Compensated Absences**

Current service cost	-
Net interest expense	6.85
Actuarial (gains)/losses arising from changes in financial assumptions	1.35
Actuarial (gains)/losses arising from experience adjustments	10.09
	<u>18.29</u>
Recognised in Statement of Profit & Loss	18.29
Recognised in Other Comprehensive Income	-

The above expenses for the year are included under 'Salaries, wages and bonus' in the 'employee benefits expense' in statement of profit or loss.

The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

**Gratuity**

Present value of defined benefit obligation	515.05
Fair value of plan assets	535.67
Net liability arising from defined benefit obligation (funded)	<u>(20.62)</u>

Gratuity is reflected in Gratuity Fund under current financial liabilities. [Refer notes 9A].

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022  
₹ In Lakhs

### 37. EMPLOYEE BENEFITS – [Contd]

#### Compensated Absences

Present value of defined benefit obligation	147.06
Net liability arising from defined benefit obligation (funded)	<u>147.06</u>
The above provisions are reflected under 'Provision for employee benefits' in "other non-current provisions" and in "short-term provisions". [Refer notes 14 and 21]	

#### Movements in the present value of the defined benefit obligation in the current year were as follows:

##### Gratuity

Opening defined benefit obligation	497.56
Current service cost	30.78
Interest cost	34.83
Actuarial(gains)/losses arising from obligations	(20.32)
Benefits paid	<u>(27.80)</u>
<b>Closing defined benefit obligation</b>	<b><u>515.05</u></b>

#### Compensated Absences

Opening defined benefit obligation	140.13
Current service cost	-
Interest cost	6.85
Actuarial (gains)/losses arising from changes in financial assumptions	1.35
Actuarial (gains)/losses arising from experience adjustments	10.09
Actuarial (gains)/losses arising from changes in geographical assumptions	9.62
Benefits paid	<u>(20.98)</u>
<b>Closing defined benefit obligation</b>	<b><u>147.06</u></b>

#### Movements in the fair value of the plan assets in the current year were as follows:

##### Gratuity

Opening fair value of plan assets	439.71
Return on plan assets (excluding amounts included in net interest expense)	36.65
Contributions	87.11
Benefits paid	<u>(27.80)</u>
<b>Closing fair value of plan assets</b>	<b><u>535.67</u></b>

The Company funds the cost of the gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India, which manages the plan assets. The actual return on plan assets was Rs.36.65 lakhs.

### 38. FINANCIAL INSTRUMENTS

#### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non-convertible debt securities, and other long-term/short-term borrowings.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 12 and 16, and offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022  
₹ In Lakhs

### 38. FINANCIAL INSTRUMENTS – [Contd]

#### Gearing Ratio:

Debt (Long-term and short-term borrowings including current maturities)	10,854.36
Add: Book overdraft	-
Less: Cash and bank balances	(339.84)
Net debt	10,514.52
Total equity	11,183.52
Net debt to total equity ratio	0.94

Categories of Financial Instruments:

#### A Financial assets

##### (a) Measured at amortized cost:

Cash and bank balances	497.97
Trade Receivables	6,728.25
Investments	50.50
Loans	191.36

##### (b) Mandatorily measured at fair value through other comprehensive income (FVOCI):

Investments	(0.61)
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#### B Financial liabilities

##### (a) Measured at amortized cost:

Borrowings	8,658.44
Trade Payables	6,317.35
Current maturity of Long-Term Borrowings	2,146.73
Lease Liabilities	534.45
Others	565.47

##### (b) Measured at fair value through Statement of Profit and Loss:

Derivatives	49.19
-------------	-------

#### Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

#### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

#### Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2022:

(₹ In Lakhs)

Currency	Liabilities	Assets	Net overall exposure on the currency - net assets - (net liabilities)
	Gross exposure*	Gross exposure	
USD	1,731.43	2,234.82	503.39
EUR	1.77	112.61	110.84
JPY	85.10	-	(85.10)

\*Excludes exposure on Unutilised Letter of Credit aggregating Rs.82.81 lakhs

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 38. FINANCIAL INSTRUMENTS – [Contd]

#### Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The following table details the Company's sensitivity movement in the foreign currencies. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%. 2% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

Currency	Profit or Loss (₹ in lakhs)
	March 31, 2022
USD Impact	10.07
EUR Impact	2.22
JPY Impact	(1.70)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The following table details the derivative contracts outstanding at the end of the reporting period:

As on March 31, 2022:

Nature	Notional Value in FCY (Lakhs)	MTM in INR in Lakhs	Maturity date
Currency swap - INR to USD	USD 4.63	38.06	01-Jun-23
Currency swap - INR to USD	USD 0.93	7.64	01-Jun-22
Interest rate swap - Floating to Fixed	USD 1.88	1.17	02-Aug-23
Interest rate swap - Floating to Fixed	USD 3.75	2.32	02-Aug-23

#### Note:

Included in the balance sheet under 'Current - other financial liabilities and non-Current - Financial Liabilities'. [Refer Notes 13 and 19]

#### Interest rate risk management

The company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The exposure of company's borrowings to interest rate changes at the end of the reporting period are as follows.

Particulars	(₹ In Lakhs)
	March 31, 2022
Variable rate Borrowings	3,611.61
Fixed rate Borrowings *	7,193.56

\* Includes variable rate borrowings subsequently converted to fixed rate borrowings through swap contracts.



## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 38. FINANCIAL INSTRUMENTS – [Contd]

#### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2022 would decrease/increase by Rs.9.03 lakhs. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

#### Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. Fair and nominal value of shares are same since entire nominal value will be payable on sale back of shares as per the agreement and the shares are not held for trading purpose.

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure

The company sells predominantly to local and export customers which are on credit basis. The average credit period is 30 days to 60 days.

The Company did not have credit risk exposure in the past 3 years and there were no bad debt during the mentioned period but the Company makes an allowance for doubtful debts on a case to case basis.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company is also working with banks for obtaining separate facility for financing of Dies. Promoters will support by way of fund infusion on need basis.

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ In Lakhs)
	March 31, 2022
Expiring within one year (bank overdraft and other facilities) - Secured	3,558.27
Term Loan - Secured	-

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 38. FINANCIAL INSTRUMENTS – [Contd]

#### Liquidity tables:

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	(₹ In Lakhs)			
31-03-2022	Due in 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Carrying amount
Trade payables	6,317.35	-	-	6,317.35
Current maturity of long-term borrowings	2,146.73	-	-	2,146.73
Lease liabilities (Refer note 45)	121.65	516.08	-	637.73
Other financial liabilities	581.99	7.62	-	589.61
Borrowings (including interest accrued thereon upto the reporting date)	3,636.66	5,046.83	-	8,683.49
	12,804.38	5,570.53	-	18,374.91

#### Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

### 39. SEGMENT INFORMATION

The Managing Director of the Company has been identified as being the chief operating decision maker. Based on the internal reporting to the Chief operating decision maker, the Company has identified that the Company has only one segment which is manufacture and sale of Auto Component – Piston Rings, Differential Gears, Pole Wheel and other Transmission Components and accordingly there are no other reportable segments. The Company is domiciled in India. Information about entity wide disclosures as mandated under Ind AS 108 are as below:

#### Geographical segment information:

		(₹ In Lakhs)					
Description	Year	India	USA	Thailand	Rest of the world	Unallocated	Total
Revenue	2021-22	16,147.71	2,348.01	8,124.56	254.70	396.51	27,271.49
Assets	2021-22	4,413.00	432.35	1,728.55	154.35	-	6,728.25

Out of the above said revenue one customer represents more than 10% of the gross revenue and in total contribute 38.35% of the gross revenue.

### 40. NET DEBT RECONCILIATION

	As at March 31, 2022 ₹ In Lakhs
1. Cash and cash equivalents	347.97
2. Fixed Deposit	155.00
3. Lease Liability	(534.45)
4. Current borrowings	(5,758.34)
5. Non-current borrowings	(5,046.83)
<b>NET DEBT</b>	<b>(10,836.65)</b>

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 40. NET DEBT RECONCILIATION – [Contd]

Particulars	Other assets		Liabilities from financing activities			Total
	cash and bank overdraft	Liquid investments	lease Liability	Non-current borrowings	Current borrowings	
<b>Net debt as at March 31, 2021</b>	<b>659.28</b>	-	<b>(607.44)</b>	<b>(3,873.87)</b>	<b>(5,416.41)</b>	<b>(9,238.44)</b>
Cash flows	(311.31)	155.00	-	(1,172.96)	(341.93)	<b>(1,671.20)</b>
Movement in Lease Liability			72.99			<b>72.99</b>
Foreign exchange adjustments	-	-	-	-	-	
Interest expense				691.68	310.61	<b>1,002.29</b>
Interest paid				(691.68)	(310.61)	<b>(1,002.29)</b>
Other non-cash movements						
- Acquisitions / disposals						
- Fair value adjustments						
<b>Net debt as at March 31, 2022</b>	<b>347.97</b>	<b>155.00</b>	<b>(534.45)</b>	<b>(5,046.83)</b>	<b>(5,758.34)</b>	<b>(10,836.65)</b>
<b>Note:</b>						
Assets represented by positive numbers & Liabilities represented by negative numbers						

As at  
March 31, 2022  
₹ In Lakhs

### 41. INVESTMENT

(a) Quoted investment	
Cost	0.88
Market value	0.70
(b) Unquoted investment	
Cost	51.06
(c) Impairment in value of investment	-

### 42. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year is Rs.10.55 lakhs.

b) Amount spent during the year on:

(2021-22 ₹ In Lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
1. Construction/acquisition of any asset	-	-	-
2. On Purposes other (1) above	22.50		22.50

c) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year Nil

d) The total of previous years' shortfall amounts Nil

e) The nature of CSR activities undertaken by the Company:

- Donation of Ambulance to Hospital (Social Empowerment) Rs.20.00 lakhs
- Contribution to Roja Muthiah Research Library Trust (Promoting education and also conservation of art and culture) Rs.2.50 lakhs

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year  
Ended  
March 31, 2022  
₹ In Lakhs

**43. BASIC AND DILUTED EARNINGS PER SHARE**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.

Profit/ (loss) for the year attributable to owners of the Company	819.61
Adjustments	-
Earnings used in the calculation of basic earnings per share	819.61
Profit/(loss) for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-
Earnings used in the calculation of basic earnings per share from continuing operations	819.61
	<b>NOS</b>
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,26,75,865
Basic and Diluted Earnings per share	6.47

**44. ESTIMATION UNCERTAINTY RELATING TO COVID 19 PANDEMIC**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases etc The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

**45. DISCLOSURES ON LEASES**

**Company as Lessee**

The Company has adopted Ind AS 116 Leases (Refer Note .60 (16)) with effect from April 1, 2019. All other lease arrangements on that date were short term leases and the lease rentals recognized as an expense in the Statement of Profit and Loss. The following are the disclosures in terms of Ind AS 116:

**45.1 Payments recognized as expense for non-cancellable lease**

For the year  
Ended  
March 31, 2022  
₹ In Lakhs

**Maturity Analysis of future lease payments**

(a) Not later than 1 year	81.66
(b) Later than 1 year and not later than 5 years	452.79
(c) Later than 5 years	-

**45.2 Details of rental payment for contracts for which exemption is availed under IND AS 116 on account of the following**

1. Lease asset for low value asset (less than Rs 5 lakhs)	-
2. Short term leases	77.07

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year  
Ended  
March 31, 2022  
₹ In Lakhs

**45. DISCLOSURES ON LEASES – [Contd]**

**45.3 OTHER DISCLOSURES**

	<b>Note No</b>	
(a) Carrying value of right of use of (ROU) asset	<b>1B</b>	<b>495.02</b>
(b) Depreciation charge for ROU asset	<b>1B</b>	<b>113.80</b>
(c) Interest expense on lease liability	<b>27</b>	<b>46.31</b>
(d) Total cash flow during the year for leases grouped in ROU		<b>127.14</b>
(e) Additions to ROU	<b>1B</b>	<b>7.76</b>
(f) Lease commitments for short term leases		<b>77.07</b>
(g) Lease liability outstanding	<b>13 &amp; 17</b>	<b>534.45</b>

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than that the company cannot provide the leased asset as security for its borrowings etc, nor can it be subleased without the permission of the lessor.

The lease payment are discounted using the company's incremental borrowing rate (12.75% and 7.95%) being the rate that the company would have to pay to borrow funds necessary to obtain an asset of similar value to ROU asset in a similar economic environment with similar terms, security and conditions.

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 46. RELATED PARTY DISCLOSURE

#### (a) List of parties having transactions with IP Rings Ltd:

Name of the Related Party	Relationship
Simpson & Company Ltd.	Holding Company
Amalgamations Private Ltd.	Holding Company of Simpson & Company Ltd
IPR EminoX Technologies Private Limited	Joint Venture
Addison & Company Limited	Fellow Subsidiary
George Oakes Limited	Fellow Subsidiary
India Pistons Limited	Fellow Subsidiary
Sri Rama Vilas Service Limited	Fellow Subsidiary
Tractors & Farm Equipment Limited	Fellow Subsidiary
Associated Printers (Madras) Pvt Limited	Fellow Subsidiary
The Madras Advertising Company Pvt Limited	Fellow Subsidiary
Speed-A-Way Pvt Limited	Fellow Subsidiary
Bimetal Bearings Limited	Fellow Subsidiary
Amalgamations Repco Limited	Fellow Subsidiary
L.M. Van Moppes Diamond Tools India Pvt Limited	Fellow Subsidiary
United Nilgiri Tea Estates Company Limited	Associate of Holding Company
IP Rings Ltd Senior Executives Superannuation Fund	Controlled Trusts
IP Rings Ltd Employees Gratuity Fund	Controlled Trusts
Mr. A. Venkataramani - Managing Director	Key Managerial Personnel
Mr. R. Venkataraman - Chief Financial Officer	Key Managerial Personnel
Mr. Anantha Subramanian - Company Secretary (From Nov 30,2019)	Key Managerial Personnel
Mr. Muthalagu Govindarajan - Executive Director (From Aug 2, 2021)	Key Managerial Personnel
Mr. N. Venkataramani - (up to August 1, 2020)	Relatives of Key Managerial Personnel
Mrs. Sita Venkataramani	Relatives of Key Managerial Personnel
Mr. Gautam Venkataramani	Relatives of Key Managerial Personnel

#### (b) List of parties not having transactions with IP Rings Ltd:

Amco Batteries Limited	Fellow Subsidiary
Simpson & General Finance Company Limited	Fellow Subsidiary
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret Ltd	Fellow Subsidiary
Southern Tree Farms Limited	Fellow Subsidiary
TAFE Properties Limited	Fellow Subsidiary
Tafe Access Limited	Fellow Subsidiary
T.Stanes & Company Limited	Fellow Subsidiary
Stanes Motors (South India) Limited	Fellow Subsidiary
Wheel & Precision Forgings India Limited	Fellow Subsidiary
Associated Publishers (Madras) Pvt Limited	Fellow Subsidiary
Stanes Amalgamated Estates Limited	Fellow Subsidiary
Shardlow India Limited	Fellow Subsidiary
Wallace Cartwright & Company Limited, London	Fellow Subsidiary
W.J.Groom & Company Limited, London	Fellow Subsidiary
TAFE Reach Limited	Fellow Subsidiary
TAFE Motors & Tractors Limited	Fellow Subsidiary
Alpump Limited	Fellow Subsidiary
Tafe Tractors Changshu Company Limited, China	Fellow Subsidiary
Higginbothams Pvt Limited	Fellow Subsidiary
Amalgamations Valeo Cluch Private Limited	Associate of Holding Company
BBL Daido Private Limited	Associate of Holding Company

**Note:** As per sec 149(6) of Companies Act, 2013 independent directors are not considered as KMP. Also considering the roles & functions of independent director stated under schedule IV of Companies Act 2013 they have not been disclosed as KMP for the purpose of disclosure requirement as per Ind AS 24 Related Party.

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

<b>(c) Details of Transactions with Related Parties:</b>						
<b>Name of the party</b>	<b>Year</b>	<b>Sale of goods</b>	<b>Rendering of services – Income</b>	<b>Purchase of goods</b>	<b>Purchase of Capital items</b>	<b>Receiving of services – Expense</b>
IPR Eminox Technologies Private Limited	2021-22	-	13.74	-	-	-
Bimetal Bearings Limited	2021-22	7.66	-	-	-	-
India Pistons Limited	2021-22	1,567.59	125.95	546.87	-	52.53
IPL Engine components Private Limited	2021-22	-	-	-	-	-
George Oakes Limited	2021-22	-	7.20	-	-	18.00
Simpson & Co. Ltd	2021-22	186.11	-	-	-	3.28
Tractors & Farm Equipment Limited	2021-22	-	-	-	-	-
Sri Ram Vilas Services Limited	2021-22	-	-	-	-	-
Addison & Co. Limited	2021-22	-	-	3.91	-	-
Amalgamation Pvt Limited	2021-22	-	-	-	-	4.73
Amalgamation Repco Limited	2021-22	-	-	-	-	3.00
Associated Printers (M) Pvt Limited	2021-22	-	-	-	-	-
Speed a way Pvt Limited	2021-22	-	-	-	-	-
The Madras Company Advertising Co Limited	2021-22	-	-	-	-	0.17
LM Van Moppes Diamond Tools India Limited	2021-22	-	-	3.84	-	-
The United Nilgiri Tea Estates Company Limited	2021-22	-	-	-	-	-
IP Rings Ltd Senior Executives Superannuation Fund	2021-22	-	-	-	-	-
IP Rings Ltd Employees Gratuity Fund	2021-22	-	-	-	-	-
Mr. N. Venkataramani	2021-22	-	-	-	-	-
Mrs. Sita Venkataramani	2021-22	-	-	-	-	-
Mr. Gautam Venkataramani	2021-22	-	-	-	-	-
Mr. A. Venkataramani #	2021-22	-	-	-	-	150.68
Mr. R. Venkataraman#	2021-22	-	-	-	-	41.72
Mr. Anantha Subramanian#	2021-22	-	-	-	-	12.09
Mr. Muthalagu Govindarajan	2021-22	-	-	-	-	34.62

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

<b>(d) Details of Transactions with Related Parties:</b>						
<b>Name of the party</b>	<b>Year</b>	<b>Management contracts including for deputation of employees – Expense</b>	<b>Dividend Paid</b>	<b>Interest received</b>	<b>Contribution to fund</b>	<b>Amounts Outstanding Dr / (Cr)</b>
IPR EminoX Technologies Private Limited	2021-22	-	-	-	-	19.35
Bimetal Bearings Limited	2021-22	-	-	-	-	3.63
India Pistons Limited	2021-22	-	17.14	54.30	-	1,356.03
IPL Engine components Private Limited	2021-22	-	-	-	-	-
George Oakes Limited	2021-22	-	-	-	-	2.15
Simpson & Co. Ltd	2021-22	-	50.86	-	-	13.59
Tractors & Farm Equipment Limited	2021-22	-	19.44	-	-	-
Sri Ram Vilas Services Limited	2021-22	-	-	-	-	-
Addison & Co. Limited	2021-22	-	-	-	-	-
Amalgamation Pvt Limited	2021-22	-	9.33	-	-	(1.30)
Amalgamation Repco Limited	2021-22	-	-	-	-	(0.90)
Associated Printers (M) Pvt Limited	2021-22	-	-	-	-	-
Speed a way Pvt Limited	2021-22	-	-	-	-	-
The Madras Company Advertising Co Limited	2021-22	-	-	-	-	-
LM Van Moppes Diamond Tools India Limited	2021-22	-	-	-	-	(0.42)
The United Nilgiri Tea Estates Company Limited	2021-22	-	0.05	-	-	-
IP Rings Ltd Senior Executives Superannuation Fund	2021-22	-	-	-	20.48	-
IP Rings Ltd Employees Gratuity Fund	2021-22	-	-	-	20.62	20.62
Mr. N. Venkataramani	2021-22	-	-	-	-	-
Mrs. Sita Venkataramani	2021-22	-	1.34	-	-	(0.35)
Mr. Gautam Venkataramani	2021-22	-	0.49	-	-	-
Mr. A. Venkataramani #	2021-22	-	0.45	-	-	(0.10)
Mr. R. Venkataraman#	2021-22	-	-	-	-	-
Mr. Anantha Subramanian#	2021-22	-	-	-	-	(0.08)
Mr. Muthalagu Govindarajan	2021-22	-	0.01	-	-	-

# 'The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.



## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

47. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
48. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
49. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
50. The Company has not accepted any deposit or amounts which are deemed to be deposits.
51. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
52. The company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,
53. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year
54. The company has complied with the number of layers prescribed under the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

### 55. INTEREST IN OTHER ENTITIES

Name of the Company	IPR EminoX Technologies Private Limited
Place of incorporation and principal place of business	Chennai, India
Proportion of the ownership interest	50%
Relationship	Joint Venture
Quoted fair value (Year ended March 31, 2022)	*
Carrying amount (Year ended March 31, 2022) Rs. In lakhs	48.63

#### Principal activity

The Company is primarily engaged in the business of design and development of vehicle emissions systems, for on-road and off-road applications.

**\*Unlisted entity – no quoted price available**

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 56A. SUMMARIZED FINANCIAL INFORMATION FOR JOINT VENTURE

The tables below provide summarised financial information for the joint venture as at the end of the reporting period. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not IP Rings Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including modifications for differences in accounting policies.

Particulars	For the year Ended March 31, 2022 ₹ In Lakhs
<b>Current Assets</b>	
Cash and Cash Equivalents	101.00
Other Assets	26.98
<b>Total Current Assets</b>	<b>127.98</b>
<b>Total Non-Current Assets</b>	<b>10.44</b>
<b>Current Liabilities</b>	
Financial Liabilities	8.23
Other Liabilities	32.94
<b>Total Current Liabilities</b>	<b>41.17</b>
<b>Net Assets</b>	<b>97.25</b>

### 56B. RECONCILIATION TO CARRYING AMOUNTS

Particulars	
<b>Opening net assets</b>	-
Investment made	50.50
Less: Loss for the year	(1.87)
<b>Closing net assets</b>	<b>48.63</b>
Group's share in %	50%
Group's share in INR	48.63
Goodwill	-
<b>Carrying Amount</b>	<b>48.63</b>

### 56C. SUMMARISED STATEMENT OF PROFIT AND LOSS

Particulars	
Revenue from operations	6.06
Other Income	15.04
Employee benefits expense	(5.82)
Depreciation and amortization expense	(0.08)
Other Expenses	(20.06)
Income tax Expense	1.12
Loss for the year	(3.74)
Other comprehensive loss for the year	-
<b>Total comprehensive loss for the year</b>	<b>(3.74)</b>

### 57. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the Entity	Net assets (Total Assets - Total Liabilities)		Share in Profit or (loss)		Share in other comprehensive income		Share in Total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
<b>Parent</b>								
IP Rings Limited	99.57%	11,134.89	100.23%	821.48	100.00%	14.75	100.22%	836.23
<b>Joint Venture (Investment a per equity method)</b>								
IPR EminoX Technologies Private Limited	0.43%	48.63	-0.23%	(1.87)	0.00%	-	-0.22%	(1.87)
<b>Total</b>	<b>100.00%</b>	<b>11,183.52</b>	<b>100.00%</b>	<b>819.61</b>	<b>100.00%</b>	<b>14.75</b>	<b>100.00%</b>	<b>834.36</b>

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**58. FORM AOC-1 - STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF ASSOCIATE/ JOINT VENTURE**

**Part B - Associates and Joint venture**

Statement pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

Name of the Associate or Joint venture	IPR EminoX Technologies Private Limited
Latest audited Balance sheet date	March 31, 2022
Date on which the Joint venture was associated or acquired	December 24, 2021
Shares of Joint venture held by the Company on the year end:	
No. of shares	505000
Amount of investment in Joint venture (Rs. In lakhs)	50.50
Extent of Holding (in percentage)	50%
Description of how there is significant influence	Joint control as per Joint venture agreement
Reason why the associate/ joint venture is not Consolidated	NA. Accounted for using the equity method as per the requirements of the applicable Ind AS
Networth attributable to shareholding as per latest audited Balance Sheet (Rs. In lakhs)	48.63
Profit or (loss) for the year	
(i) Considered in Consolidation (Rs. In lakhs)	(1.87)
(ii) Not Considered in Consolidation (Rs. In lakhs)	(1.87)

**59.** This being the first year of consolidation, comparative figures of previous year has not been included.

**For M S Krishnaswami & Rajan**  
Chartered Accountants  
Firm Registration No: 01554S

**A VENKATARAMANI**  
Managing Director  
DIN: 00277816

**R. VENKATARAMAN**  
Chief Financial Officer

**M S Murali**  
Partner  
Membership No. 26453  
UDIN: 22026453AKUGAM7126

**M. GOVINDARAJAN**  
Director  
DIN: 09264840

**VIKRAM VIJAYARAGHAVAN**  
Director  
DIN: 01944894

**Chennai**  
27-May-2022

**V ANANTHA SUBRAMANIAN**  
Company Secretary

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 60A CORPORATE INFORMATION:

IP Rings Limited ('the Parent Company') or ('IPR') is engaged in the manufacture of engine and transmission components. The Company has manufacturing plant at Maraimalai Nagar, Chennai. The Company is a public limited company and is listed on Bombay Stock Exchange. The functional currency of the Company is Indian Rupee. The Parent Company has one joint venture. The Parent Company together with its joint venture is hereinafter referred to as the "Group". The consolidated financial statements, in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015., for the year ended 31<sup>st</sup> March 2022 were adopted by the Group as on 27<sup>th</sup> May 2022.

### 60B STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF PREPARATION:

The consolidated financial statements have been prepared in accordance with Section 133 of Companies Act 2013, i.e., Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules 2015. The Ind AS consolidated financial statements are prepared on historical cost convention, except in case of certain financial instruments which are recognized at fair value at the end of the reporting period as rendered in the Accounting Policy No 4 and on an accrual basis as a going concern.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Part I of 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 realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### Recent accounting pronouncements with respect to Companies Act, 2013

Ministry of Corporate Affairs ("MCA") notified new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

**Ind AS 16 – Property Plant and equipment** – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

#### 2. INVESTMENT IN JOINT VENTURE:

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of joint venture

On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When there is any objective evidence of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the investment becomes a subsidiary, the Group accounts for its investment in accordance with Ind AS 103 'Business Combination'. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures it at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest is included in the determination of the gain or loss on disposal of the joint venture.

### **3. USE OF ESTIMATES:**

The preparation of the Ind AS consolidated financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these Ind AS consolidated financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the Ind AS consolidated financial statements. The actual amounts may differ from the estimates used in the preparation of the Ind AS consolidated financial statements and the difference between actual results and the estimates are recognised in the period in which the results are known/materialize.

### **4. FAIR VALUE MEASUREMENT:**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### **a. Non-derivative financial instruments**

##### **(i) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest where the fair value differs from the Transaction Price. Where the fair value does not differ, materially, from Transaction Price, the financial liabilities are stated at transaction price only.

b. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note No 38 Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item. The counterparty for these contracts is generally a bank.

Cash flow hedge

The Group designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on future foreign currency commitments.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

## 5. PROPERTY, PLANT AND EQUIPMENT:

- Property, Plant and Equipment are stated at acquisition cost includes related duties, freight etc., and interest on borrowed funds if any directly attributable to acquisition/construction of qualifying fixed assets and is net of duty/ tax credit availed
- Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. In all such cases, the useful life of assets subsequently added to the parent asset are brought at par and depreciated in line with parent asset.
- Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment which are carried at cost are recognised in the Statement of Profit and Loss.
- Depreciation is provided straight line method, based on useful lives of assets in accordance with Schedule II of the Companies Act, 2013. In respect of certain machines extended useful life of 30 years is adopted for claiming depreciation under Schedule II to Companies Act, 2013 based on technical assessment obtained by the Group.
- Application software, Die and Core and New Product Development are amortized over a period of 3 years. Technical Knowhow is amortized over a period of 5 years.
- Residual value of 5% is retained in books for all assets other than the assets whose useful life has elapsed as on 01.04.2014 or those assets whose book value has already been reduced below 5% of acquisition cost.

## 6. INTANGIBLES:

The Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### De-recognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss when the asset is derecognized.

## 7. IMPAIRMENT:

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

The company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be reckoned from initial recognition of the receivables.

If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



## 8. INVESTMENTS:

All Investments are carried at fair value. The changes in the fair value of Investments, which at the inception, have been designated to be held for a long-term capital appreciation, are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

### Impairment of Investments

The Group recognizes an impairment loss in respect of its investments if there is lower business performance, economic slowdown and increased competition. The recoverable amount of the investments is being determined based on value in use. In assessing value in use, the estimated future cash flows were discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investee for which the estimates of future cash flows have not been adjusted.

## 9. INVENTORIES:

- Inventories are valued at cost (as detailed below) or net realizable value, whichever is low. Costs includes cost of purchase (excluding credit availed under GST scheme), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(i) Raw Materials and Stores	At weighted average cost.
(ii) Work-in-progress	At standard cost or net realizable value, whichever is lower
(iii) Finished Goods	At standard cost or net realizable value, whichever is lower
(iv) Goods in transit	At cost
(v) Loose Tools	At weighted average cost.

### (b) Provision for Obsolescence

The Company has a policy of providing for obsolescence in inventory. The policy has specific timelines beyond which the inventory is analyzed for its usefulness and any obsolete inventory is provided for.

### (c) Customs Duty

Value of stocks at bonded warehouse, includes applicable Customs duty.

## 10. FOREIGN CURRENCY TRANSLATION:

Initial Recognition: On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition: As at the reporting date, 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. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

## 11. REVENUE RECOGNITION:

### Ind AS 115 Revenue 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 recognised 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 judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The company has adopted the modified retrospective method of applying Ind AS 115 Revenue from Contract with customers in its initial year of application.

Revenue is measured at the fair value of the consideration received or receivable.



### **Sale of goods**

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally when the product is shipped to the customer. The revenue from sale of Rings, Pins and Orbital cold formed transmission products is based on the terms of the tender.

The Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

### **Other Revenues**

Other operating revenues comprise of income from ancillary activities (eg: scrap sales) incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Service income is recognised as and when services are rendered as per the terms of the contract.

Revenue in respect of export benefits is recognised when the certainty of realization of the benefit is established.

Revenue in excess of invoicing (referred to also as unbilled revenue) are classified as Contract Assets while invoicing in excess of revenues (referred to also as unearned revenue) are classified as Contract liabilities.

## **12. OTHER INCOME:**

Interest: Interest income is calculated on effective interest rate, but recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

Insurance Claim: Insurance Claims are recognised when the claims are assessed to be receivable.

Rental Income: Rental income from operating leases is accrued based on the terms of the relevant lease.

## **13. EMPLOYEE BENEFITS:**

### **(I) Post-Employment Benefits**

#### **(a) Defined Contribution Plans:**

##### **(i) Contribution to Provident Fund**

The Group makes monthly Provident Fund contributions at specified percentage of specified salary in accordance with the provisions of Employees Provident Funds and Miscellaneous Provisions Act 1952 which is charged to the Statement of Profit and Loss.

##### **(ii) Contribution to Superannuation Fund**

The Group makes annual Superannuation Fund contributions to defined contribution plan, administered by Life Insurance Corporation of India, for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of specified salary to fund the benefits. The contribution is charged to the Statement of Profit and Loss.

#### **(b) Defined Benefit Plans:**

##### **(i) Gratuity**

In accordance with The Payment of Gratuity Act 1972, the Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a payment to vested employees at retirement, death while in employment or on termination of employment, an amount equivalent to 15 days' salary payable for each year of completed service, subject to maximum amount as may be prescribed. Vesting occurs upon completion of five years of service, except in case of death while in employment in which

case the legal heirs would receive the gratuity.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized as expenditure represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The Group makes contribution to Life Insurance Corporation of India to administer the fund. The changes in the actuarial assumptions are accounted through Other Comprehensive Income.

#### **(ii) Compensated absences**

The Group provides for the encashment of leave or leave with pay subject to the company policy (The employees are paid in excess of the accumulated leave for the year). The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

#### **(iii) Short Term employee benefits**

The undiscounted amount of short-term employee benefits, expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services.

### **14. CURRENT AND DEFERRED TAX:**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the temporary differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward losses or MAT Credit, deferred tax assets are recognised only if there is a reasonable certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Group re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### **15. PROVISIONS AND CONTINGENT LIABILITIES:**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Current Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

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

**Contingent Assets:** Contingent Assets are disclosed when there is a possible benefit expected from past events, the existence of which will be confirmed only the occurrence or non-occurrence of one or more uncertain future events not wholly within the Control of the Group.

**Product Warranty Expenses:** Product Warranty expenses are accounted based on the claims received and accepted during the year and estimates in accordance with the warranty policy of the Group.

## **16. LEASES:**

The Group, at the inception of a contract, assesses whether the contract is a lease or not a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 01, 2019.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in the future lease payments arising from a change in an index rate or is there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than Rs 5 lakhs in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

## **17. SEGMENT ACCOUNTING:**

The Group operates in single segment. Operating segment is reported in a manner consistent with the internal reporting provided to the chief decision maker. Refer Note 39 for segment information presented.

## **18. EARNINGS PER SHARE:**

Basic earnings per share is 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. 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 is adjusted for the effects of all dilutive potential equity shares.

## **19. CASH AND CASH EQUIVALENTS:**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

## **20. CONTRIBUTED EQUITY:**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **21. DIVIDEND:**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Board.

## **22. BORROWING COST:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## **23. GOVERNMENT GRANTS:**

Government grants (including export incentives) are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in Consolidated statement of profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

## **24. FINANCIAL INSTRUMENTS:**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated Statement of profit or loss.



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